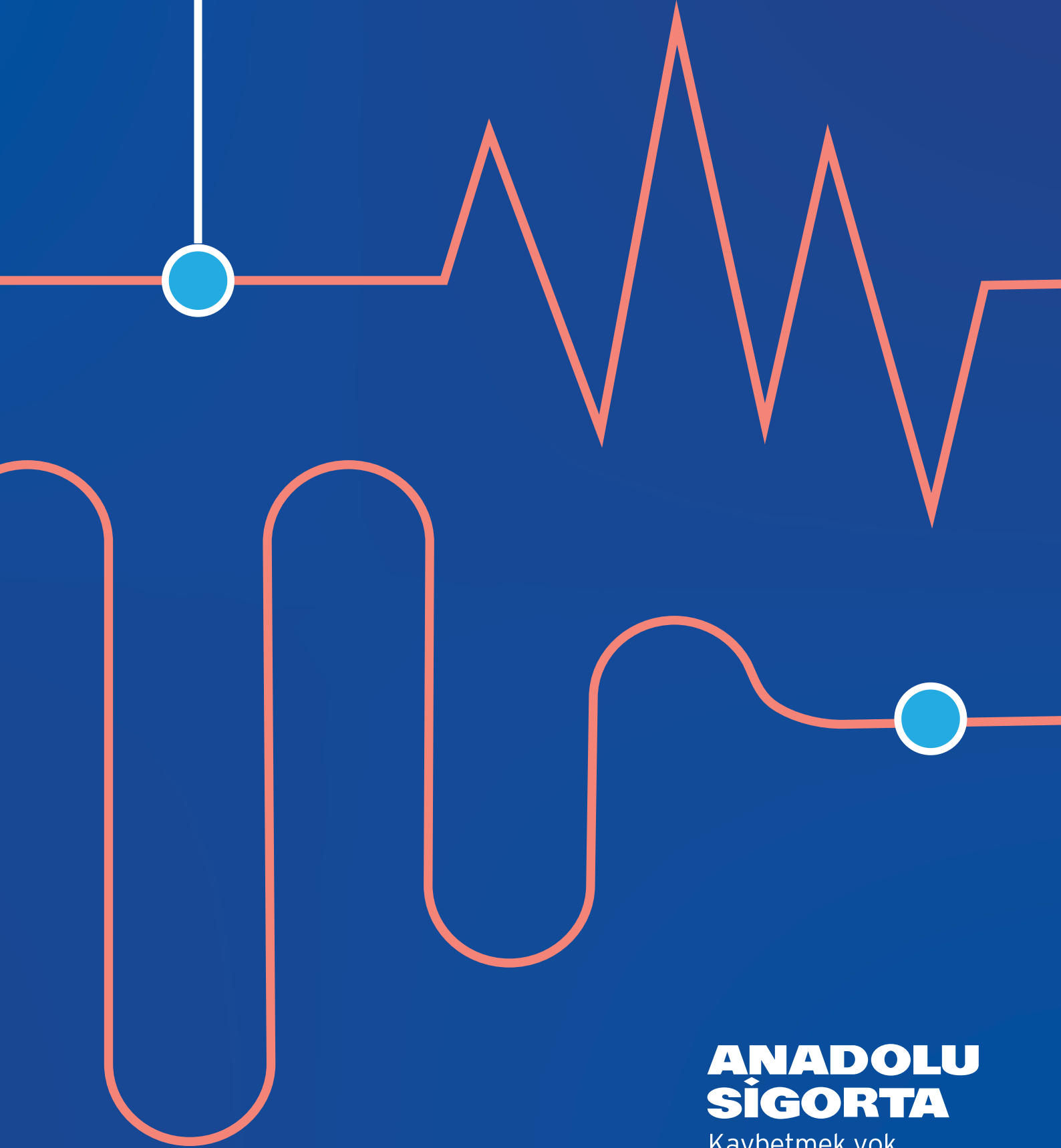


# SUSTAINABILITY REPORT 2020



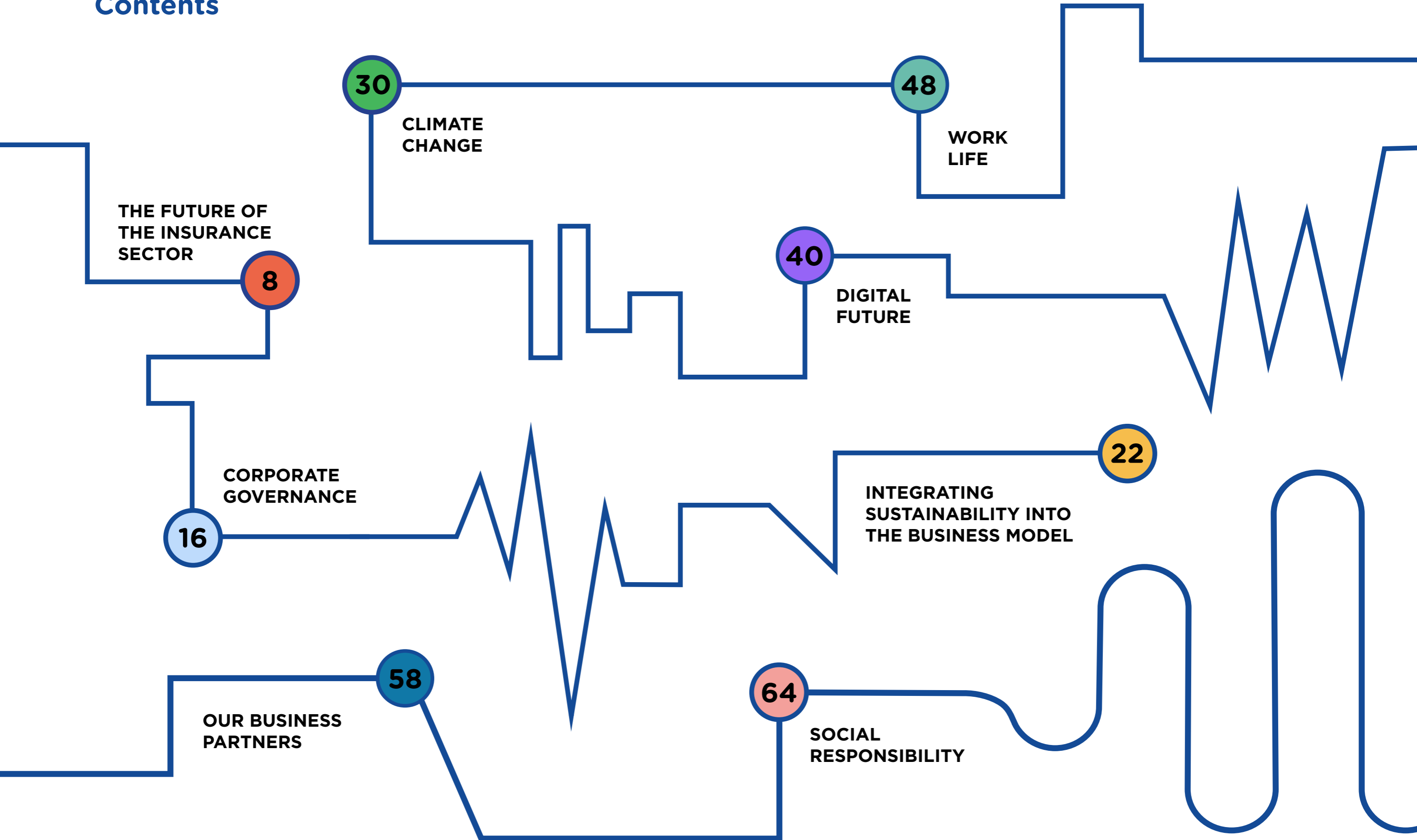
**ANADOLU  
SİGORTA**

Kaybetmek yok.

**ANADOLU SİGORTA  
SUSTAINABILITY  
REPORT 2020**

**ANADOLU  
SİGORTA**  
Never lose.

# Contents



# Anadolu Sigorta Sustainability Report 2020

GRI 102-46

## ABOUT THE REPORT

At Anadolu Anonim Türk Sigorta Şirketi, we are glad to submit the studies we conducted in our sustainability journey to the views of our stakeholders in this third sustainability report. In this report, we share our management approach and our commitments based on the social, economic, and environmental impacts arising from our activities, the performance results we achieved, and our future perspectives. With this sustainability report, we aim to offer our latest and most holistic information to all stakeholders, primarily our investors and shareholders, but also our customers, employees, and business partners, as well as universities, and nongovernmental organizations.

This report has been prepared according to the GRI Standards: "Core" option. We established the subjects that form the main framework of the report through screening studies that focused on identifying the priorities of our company. While conducting these studies, we followed the reporting principles suggested in the Global Reporting Initiative (GRI) Standards. The report covers the sustainability performance of Anadolu Anonim Türk Sigorta Şirketi between 01.01.2020 and 12.31.2020. At the same time, it is used as our Communication on Progress (COP) for the United Nations Global Compact (UNGC). Our goal is to follow the same guiding methodology in future reports, submit them annually, and improve our practices based on the expectations of our stakeholders. You can submit your views and suggestions on this Anadolu Sigorta Sustainability Report via [surdurulebilirlik@anadolusigorta.com.tr](mailto:surdurulebilirlik@anadolusigorta.com.tr).

## Message from the CEO



Esteemed Stakeholders,

We share with you our sustainability report for the year 2020, which was overshadowed by the coronavirus pandemic. Through these tough times, we have performed all of our operations and services continuously, with no interruptions, using various work methods, including remote access.

Our biggest priority during this period has been to take all the measures necessary to effectively protect the health of our employees, our business partners, and all our stakeholders. Our preparations began before the coronavirus pandemic hit Turkey, and as the pandemic progressed, we arranged for all our operations to be workable remotely. We trained our employees and agents on our e-learning platform after making it suitable for remote education. We have started to remotely perform a very significant part of the risk assessments that we would normally perform in the field for our underwriting processes.

Through these extraordinary times, we continue to support both our business partners and our customers however we can by taking quick and pioneering measures and actions. Since the beginning of the pandemic, we have covered all COVID-19 treatment expenses of our health insurance policyholders with no exceptions. We are also supporting our insurance agents with special packages to help them get through this process more easily.

Since its foundation, Anadolu Sigorta has embraced the idea of supporting environmental, economic, and social development to leave a better world to future generations. With this third sustainability report, we aim to ensure that all our stakeholders have access to the most accurate information on Anadolu Sigorta's impact on sustainable development on several topics, from its corporate policies to its business model, from its products and services to its work on social development.

The integration of sustainability issues into our business model is a top priority for Anadolu Sigorta. Accordingly, our Sustainability Policy describes the core principles, areas of activity, administrative tools, and processes we follow during our operations. The Anadolu Sigorta Sustainability Committee is the responsible body for determining company sustainability priorities, for establishing and implementing strategic targets in these areas, and for assessing and reporting the performance achieved. We are aware of the enormous environmental impact of our insurance processes and our direct operations. Therefore, we launched the Environmental and Social Risk Management System in 2020 to integrate our company's sustainability strategy and governance into our business model and business processes.

Our pioneering efforts in digital developments continue to set the course for the insurance industry. We aim to win the digital future by leveraging different technologies in our product and service processes, including the Internet of Things, artificial intelligence, and telemetry. Accordingly, our company's Digital Insurance Committee reports to the Board of Directors on digitalization and preparations for the digital economy. During the reporting period, we continued to carry out industry-leading projects in the field of digitalization. The improvements we've made to our mobile applications help us effectively implement the strategies and actions planned for our customers and offer them more personalized apps. Our advanced technological infrastructure offers us operational convenience and the ability to work remotely and allows us to meet our customers' insurance needs without interruption. Our digitalization efforts also help

**The integration of sustainability issues into our business model is a top priority for Anadolu Sigorta.**

us manage our operations' environmental impact. In order to manage our direct impact, we are constantly taking improvement steps towards the transition to paperless insurance. During the reporting period, we reduced our operational paper consumption considerably and reduced our per capita paper consumption from 5 kg to 2 kg compared to the previous year. Our efforts towards sustainability benefit all our stakeholders, not just our own operations. In 2020, we reduced the amount of paper used for insurance policies from 23 kg to 18 kg per agency.

We see climate change as one of the biggest global risks as it can also trigger pandemics. We constantly monitor and manage our operational consumption in line with our efforts to combat climate change. Accordingly, energy consumption per employee decreased from 13 GJ to 9 GJ. In parallel, our greenhouse gas emissions per employee decreased from 1.6 tCO<sub>2</sub> to 1.2 tCO<sub>2</sub>. We understand that one of the underlying reasons for these decreases is the remote working model that began with the pandemic, but we aim to improve this performance once we return to our normal work routine. We're working to mitigate the effects of our operations and continue to support renewable energy projects that we believe are of the utmost importance in our country's fight for energy security and against climate change. With our "Rooftop Solar Panel Insurance", which we initiated during the reporting period, we provide coverage for solar energy panels that produce up to 10 kWh of electricity. We provide insurance to an installed capacity of 745 MW in wind energy and 1,400 MW in solar energy. Supporting our customers as they manage their climate risks is an important part of our business model as an insurance company. We have extended the use of our risk maps, which we use to manage flooding and landslide risks,

by adding three new provinces and expanding the coverage of six other provinces.

In 2020, we continued to carry out social development activities, working with local NGOs as part of our corporate social responsibility efforts. We have supported TURMEPA since 2011.

We also started the process of becoming a signatory to the United Nations Women's Empowerment Principles (UN WEPs). Diversity and equal opportunity are pillars of our corporate structure. The UN WEPs underline the responsibilities of companies towards women's empowerment and gender equality in the workplace and society in general, and as a signatory, we will continue our work in these areas.

We are proud of the results of our operations in 2020. We believe that we will maintain our successful track record by continuing our efforts in the future. I would like to take this opportunity to thank our customers for never failing to inspire us throughout the past 95 years, our shareholders for their endless trust and support, and all our agencies, business partners, and employees for their dedicated work.

Sincerely,

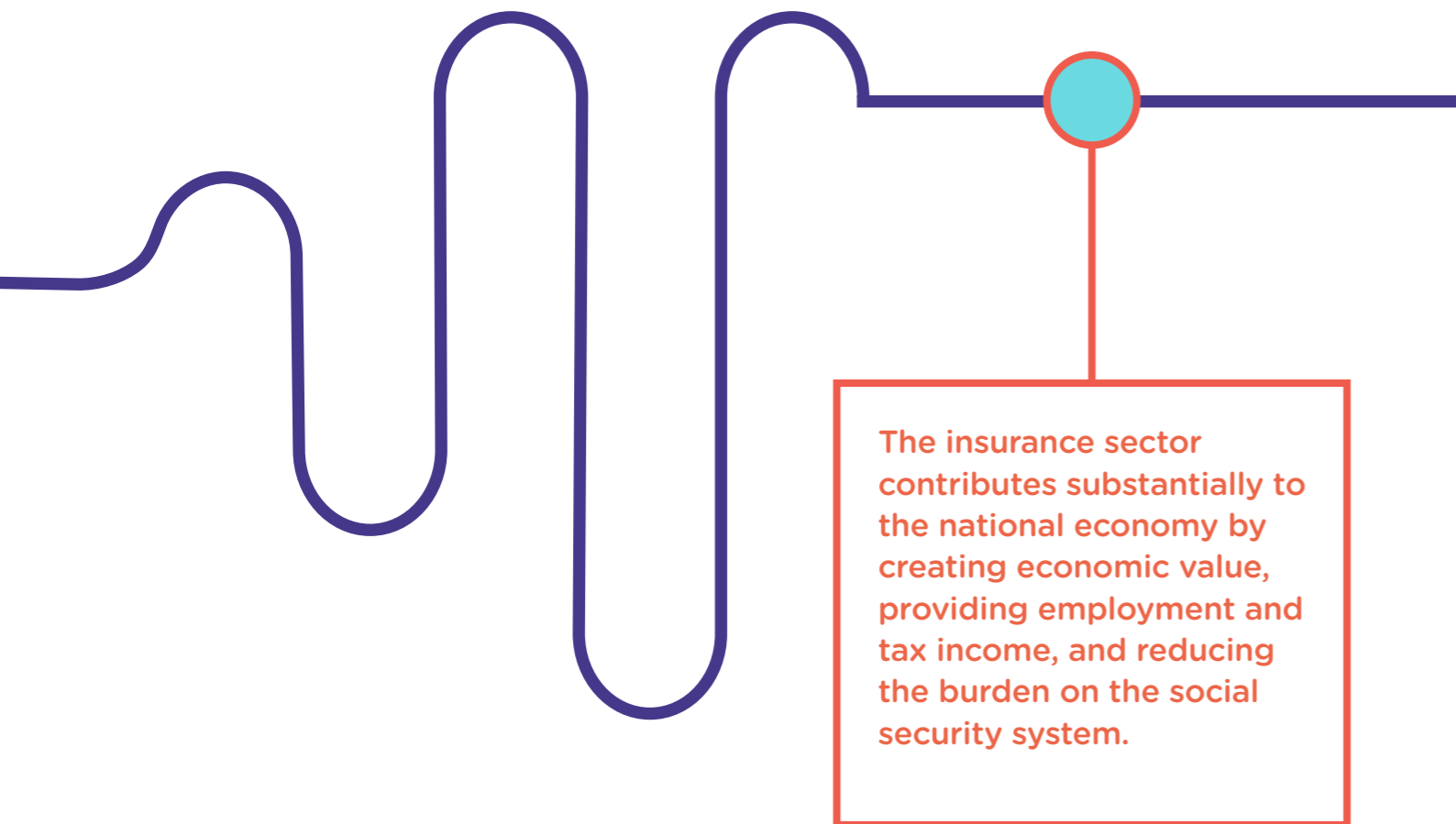
**Mehmet Şencan**  
CEO

Whatever Happens,  
We Will Not Let Our  
Policyholders Down

# THE FUTURE OF THE INSURANCE SECTOR

- Pandemics, Climate Change and Insurance Risks
- How the Insurance Sector Promotes Sustainable Economic Growth
- Raising Insurance Awareness
- The New Economy and the Insurance Sector

# THE FUTURE OF THE INSURANCE SECTOR



**The insurance sector contributes substantially to the national economy by creating economic value, providing employment and tax income, and reducing the burden on the social security system.**

Uncertainty is the most significant obstruction hindering economic development. Uncertainty poses risks that can interrupt the activities of individuals, investors, and entrepreneurs. The global economy is currently facing several risks, including the environmental and social consequences of climate change, cyber-attacks, and information technology vulnerabilities. Therefore, insurance players should assess social and environmental risks, especially the effects of climate change, while drafting policies and making investment decisions. They should also

satisfy the demands of next-generation customers by promoting social responsibility and benefiting from new technologies such as blockchain, predictive analytics, and robotics. As Turkey's leader in the national insurance sector, Anadolu Sigorta continues to invest heavily in digitalization **"To Guarantee The Future"**, and addresses environmental and social risks as part of its business strategy and social responsibility approach while conducting risk assessments for investments and operations.



## Pandemics, Climate Change and Insurance Risks

When listing the health threats facing the 21st century, the World Health Organization drew attention to the consequences of climate change and communicable diseases, as well as the ongoing risk of chronic diseases. We are continuing our work to automate existing insurance processes to identify health insurance policy holders with chronic diseases. With the pandemic still at the top of humanity's agenda in 2021, there is great interest in the field of health. Health is inherently fragile and requires expertise. Approaching it solely economically can have negative consequences.

Another financial risk stemming from the pandemic in terms of health insurance is the uncertainty in coronavirus vaccines. If we consider the vaccine as reimbursable, we should determine the criteria scientifically. For instance, if it is not presented as a public initiative and it is expensive, this would be a financial risk. Many important players in the health insurance sector have covered all epidemics. However, this is an extremely uncertain risk. If the necessary measures for climate change aren't taken at a macro level, new mutagens from many different viruses may cause other pandemics.

Another risk that comes with the pandemic is deferred health services, which can be divided into preventive and therapeutic services. Postponing vaccines that are preventive healthcare services may put the spread of preventable diseases (such as measles) on our agenda. Postponing therapeutic services means their future realization may increase the risk of high compensation premium rates after renewing them with low combined rates, therefore, it is important to analyze the risks that might occur and focus data analysis studies on this issue.

## How the Insurance Sector Promotes Sustainable Economic Growth

As the loyal solution partner of individuals and businesses in risk management, the insurance sector makes a direct, positive contribution to economic growth. Risks can be transferred through insurance products with foreseeable and measurable costs so that individuals and businesses can be financially secure. This also enables them to utilize their resources more efficiently. In other words, insurance companies facilitate the efficient allocation of national resources by effectively identifying the risk levels of different activities through research and development, data

**If the necessary measures for climate change aren't taken at a macro level, new mutagens of nearly 400 different viruses may cause other pandemics.**

obtained through academic partnerships, and advanced analytical tools.

Investments and loans are other areas where the insurance sector positively affects the local economy, both directly and indirectly. Insurance products help increase capital accumulation and transform savings into investments. At the same time, insurance companies also turn the capital they raise through premiums into investments. Additionally, the insurance sector contributes substantially to the national economy by creating economic value, employment, and tax income, and reducing the burden on the social security system.

## Raising Insurance Awareness

It is crucial to create a high level of awareness about insurance across the market for the future development of the insurance sector. In this context, the Turkish insurance market has many areas that are open to development. Our periodic research on consumer trends reveals that over 50 percent of the market is not adequately informed about insurance products and their benefits and fail to understand the necessity of insurance except for products that are compulsory. This situation can be seen in insurance statistics. For example, as of the end of 2020, almost 80% of the vehicles in Turkey are covered by Compulsory Traffic Insurance, but only 27%\* (TUIK Registered Number of Cars, SBM) of them are covered by non-compulsory automobile insurance, one of the most common insurance products. 57% of residences are covered by

\* TUIK (Turkish Statistical Institute) Registered Number of Cars, SBM (Insurance Information and Monitoring Center)



Compulsory Earthquake Insurance, but home insurance, which is non-compulsory but covers risks such as fire and theft, is at a much lower rate<sup>2</sup>. Anadolu Sigorta conducts studies to raise insurance awareness across society, in line with our vision of being

It is crucial to create a high level of awareness about insurance across the market for the future development of the insurance sector.

**“The Insurance School of Turkey.”** We hope to raise insurance awareness by blending useful information with customer needs. Our efforts help our stakeholders provide their customers with clear and simple information as part of our customer-centric strategy. Every week, we prepare a “Hint of the Week” to provide brief, clear information about one of our products to explain its differentiating aspects and e-mail it to sales channels. We also renew our product catalogs annually to offer our customers clear and precise information about our products and services, which are supported with product posters and brochures we upload to a platform. Our sales channels print and distribute them, and also reach out to customers through both digital and traditional media, use tables and charts to help them grasp our content quickly, and point out and clearly explain products’ key aspects. We send our customers monthly newsletters, and we publish innovative infographic videos on our website, social media accounts, and other platforms to introduce our products’ specifications more efficiently to customers. At the same time, we have performed studies in different categories such as the contents of health insurance packages, summary information, comparison tables, and aspects of our products that make them unique compared to other products in the sector. By uploading these studies to the digital environment of our company, our agencies and customers are able access them quickly whenever necessary. The new Chatbot on our corporate website, answers our customers’ product-related questions with the help of the AS’lı robot. We also share information about our products’ coverage with our customers on social media.

In addition to all these activities, we facilitate the access of potential customers to the most accurate information via web and agency channels and step up our efforts to raise insurance awareness throughout Turkey.

<sup>2</sup> DASK (Turkish Natural Catastrophe Insurance Pool)

## Customer-oriented Approach

Offering the best experience to customers every step of the way, from product development to sales, is one of our primary goals. Therefore, we design our products to create the highest level of added value for consumers. We use the knowledge and experience gained through customer studies carried out with suppliers to pinpoint areas of improvement for service procedures and workflows. We also conduct routine customer satisfaction surveys. We maintain our customer-oriented approach and design, review and improve the customer experience journey with dynamic and interactive methodologies. We organize workshops to create an interactive atmosphere between the employees that are in direct contact with customers and the stakeholder representatives responsible for each step of the customer experience journey. We draw from these experiences to determine the areas that need improvement and create new workflows as necessary. In addition, we support this process with regular opinion questionnaires and renew our processes in line with the feedback we receive. We aim to measure customer satisfaction in all our assistance services by receiving more feedback from our customers to increase their levels of satisfaction. Furthermore, through our 360° Customer Analytics, we offer exclusive opportunities and process designs relating to claims, pre-purchase and post-purchase procedures, and other services to provide our customers with the utmost experience. We also monitor the behavior of our online users, especially on the website, and constantly update our digital platforms to improve the customer experience. We meet customer expectations and needs in the best way possible thanks to our products, service processes, and channels, as well as our know-how, and we are constantly thinking of how to improve the customer experience.

We established the Customer Satisfaction Management System in accordance with the ISO 10002 Standard so our customers can easily submit requests, complaints, suggestions, and satisfaction status. We review these submissions to find solutions and respond with a customer-oriented approach. Our customers can submit their feedback and complaints directly via channels such as the Call Center and email. Moreover, complaints received through complaint services and social media are cataloged, classified and responded to within a predefined time frame. The solutions and responses provided are also recorded on the system. We find the complete registration and accessibility of all notifications essential. System records are reported to the Ministry of the Treasury and Finance, and audited by management system auditors. The total number of complaints submitted through different platforms decreased from 56,589 in 2019 to 39,046 in 2020. We inform our Senior

Management about the solution process of requests and complaints through monthly reports. We set and follow an average solution time for each request and complaint category.

### We are Facilitating Customer Experience in Our Products and Services During the COVID-19 Pandemic

Considering the priorities of the pandemic, we offer products and services that will facilitate the experience of our customers. For example, immediately following the first COVID-19 cases in our country, we announced that despite epidemics being exempted from Private Health Insurance, as an exception, our Company would cover the treatment costs of COVID-19 within the scope of current conditions and limits by our Private Health Insurance and Complementary Health Insurance policies. We have also added optional COVID-19 coverage to our Foreign Travel and Critical Illness Insurance products. We made arrangements for our policyholders to send their invoices for health expenses up to 20,000 TL via the Sağlıkım Cepte mobile application.

Through our **“Stay at Home, Get an Insurance Discount”** campaign, we provided discounts for products our policyholders can purchase from home through our digital channels. We started a service of picking up our policyholders’ passenger cars and light commercial vehicles that suffered damage covered by their vehicle insurance to be repaired and then redeliver them. We also delivered replacement vehicles to their homes and picked them up later. In 2021, we plan to implement a project to provide a personalized claim and service experience that was prepared based on customer data.

We have extended the service usage rights of policyholders with soon-to-be-expired policies, such as health, personal accident, and home

insurance who cannot receive services like check-ups, dental, and mini-repair on their vehicles due to the COVID-19 pandemic. With online damage inspections for vehicle, residential, and workplace damages, we have followed social distancing guidelines and accelerated the appraisal process. We presented options for digital Health Insurance applications. Our goal with all these improvements and developments is to facilitate and digitize all processes experienced by our customers.

Our Complementary Health Insurance policies have started to offer free check-up services. An agreement was reached to include COVID-19 expenses as part of our travel insurance. We also launched a new product **“Commercial Parametric Epidemics Insurance”**, which is a first in the sector, to cover the financial losses of small and medium-sized enterprises with no physical damage in case of a new epidemic risk.

Throughout the year, we have made improvements for more efficient payment processes. Due to the pandemic, additional installments for credit card payments were agreed with banks, and the number of installments for policies were regulated in accordance with market conditions.



## Affordable Insurance for All

Using insurance to provide security for assets and quality of life is a fundamental right. In that context, we believe that products should be diversified, so we offer products affordable for people from different income groups. We continue to offer alternative products for different budget options for new customers who do not have insurance coverage yet or who do not have any of our company's insurance products, and we aim to improve our products to reach different segments. Alternative product packages for traffic, motor, home, and health insurance created for various budgets meet the needs of our policyholders. Our **Comprehensive Traffic Insurance** covers traffic, but also provides additional services, such as mini repairs and maintenance needs to customers who cannot afford a vehicle insurance policy with more complete coverage. Our customers can insure their vehicles in a budget-friendly way thanks to our Full Replacement Coverage and Affordable Motor Insurance. We also offer private health

insurance products that address various budgets and needs. Our Complementary Health Insurance covers private hospitals for our customers who are covered by SSI. We diversified our Residential Insurance products. The Next Generation Residential Insurance is now available with three budget options: Affordable, Standard, and Elite. We implemented the digital insurance service **"Juno"**, which aims to bring our youth-oriented insurance products to consumers in a transparent, understandable, and sincere language, and as a first, we created **"It May Break Down"** for mobile phone screen breakage. Also, to create social awareness, we offer **"Mehmetçik Affordable Motor Insurance"** to our soldiers, martyr relatives, and veterans.

## The New Economy and the Insurance Sector

Two main trends are shaping the future of the insurance sector. The first trend is the expanded use of technology such as big data, blockchain, artificial intelligence, and robotics in the insurance sector. These technologies lead to less paper in operations, increase security for operations and personal data, create simple and agile processes, and enable the development of completely customized products for customers, which will be the key to meeting the expectations of the future generations. For Motor Insurance, we can monitor driving skills, driving frequency, and individual behavior patterns to make real-time risk-mitigating notifications and instantly

intervene in emergencies. These technological developments mean that changing the traditional risk parameters used to develop insurance products is inevitable. The second trend that will directly influence the future of the insurance sector is the impact of new production models such as Industry 4.0 and the circular economy. The nature of insurance products will evolve in parallel with new autonomous products and services, interactive smart devices, and robotics, primarily in the automobile industry and as part of a sharing economy.

The insurance of autonomous vehicles is currently a hot topic in the sector and sets a good example. For traditional motor insurance products, which differ from country to country, the vehicle owner and driver are

primarily responsible. However, as fully autonomous vehicle technologies advance, it is possible that the software developers, who developed the algorithm used in the operating system of the vehicle, will be held responsible. This may transform the most common motor insurance products into product responsibility

products. This is why Anadolu Sigorta closely follows global developments and best practices. We develop our technology and applications through our R&D studies with the goal of making a global impact by going beyond existing practices.

## Autonomous Vehicles and the Future of Insurance Companies

According to statistics from The Royal Society for the Prevention of Accidents, 95% of traffic accidents are caused by human error. The global automotive industry is going through a period of radical change, affected by social, economic, and technological trends. The fact that autonomous vehicles will decrease traffic accidents significantly will cause a serious decrease in vehicle insurance premiums, and insurance companies are trying to find a way to compensate for this loss of income. This change will rewrite the rules of the vehicle insurance sector, whose current estimated value is \$700 billion, along with the automotive industry.

With autonomous vehicles, the automobile manufacturers are expected to be responsible for accidents, not drivers. For insurance companies, it may seem like it would destroy car insurance for individuals, but in fact, it will enable the creation of new business-to-business models (B2B) for automobile manufacturers as well as for traditional business-to-consumer models (B2C). Since different types of autonomous vehicles would be on the road at the same time, it would be difficult to determine liabilities, but this may be an opportunity to create separate insurance branches according to different categories. Access to the huge amounts of data collectable from these vehicles can benefit insurance companies in contentious situations such as collisions. Manufacturers and insurers meeting on common ground and creating hybrid insurance policies using this data will help ensure that liability can be defined fairly and appropriately while protecting the personal data of vehicle owners. Some autonomous vehicle manufacturers may create their own insurance units and provide insurance with the vehicle as a complete package. New insurance ideas such as "pay as you go" based subscription systems instead of annual premiums can benefit insurance companies during the transition from classic vehicles to fully autonomous vehicles. Apart from these, the interconnection of all

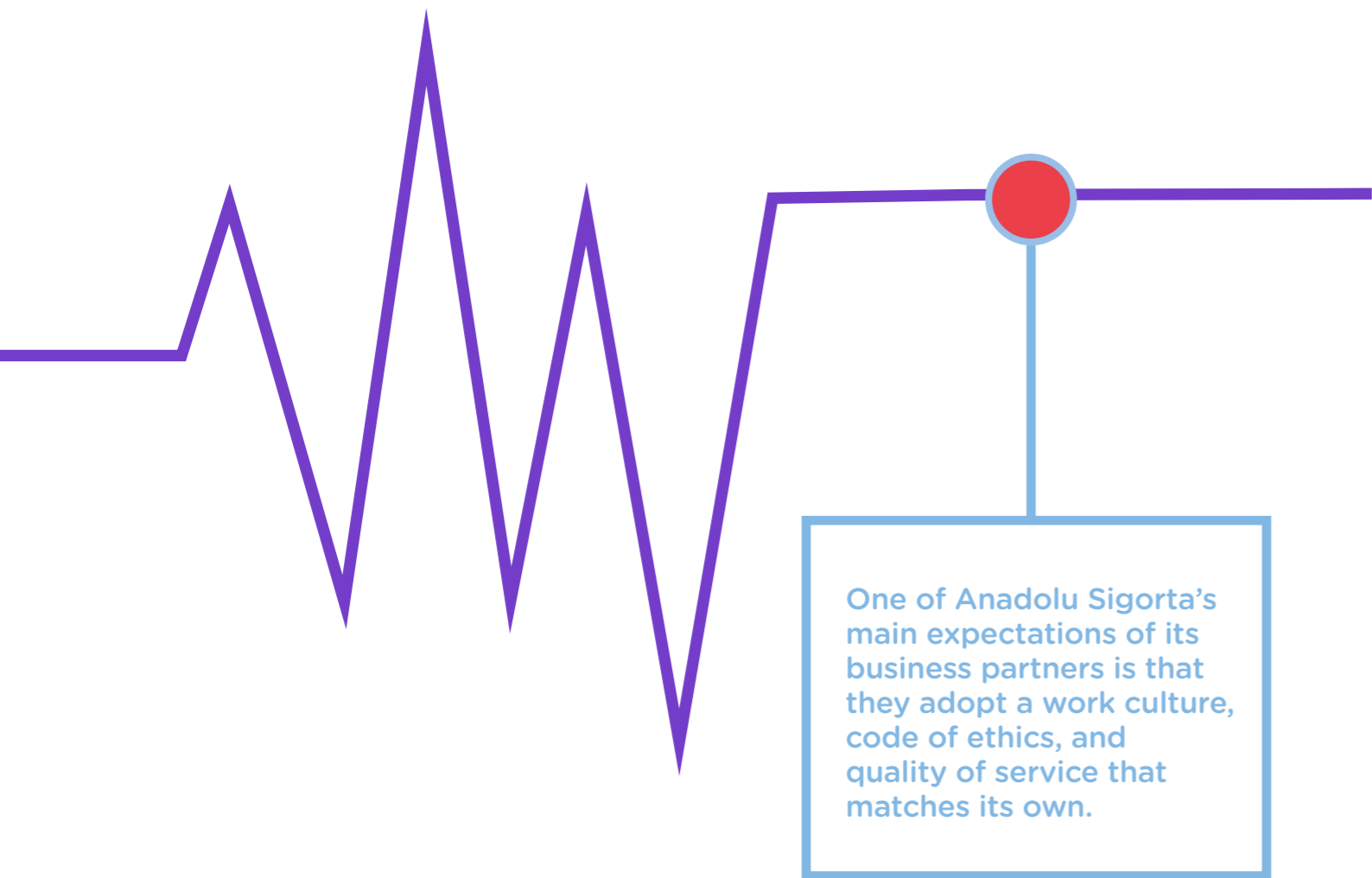
the systems in the vehicles, a massive data flow, and the technology to make sense of this data can create new business lines in different areas, such as providing feedback to improve individual driving performance and determining risk factors for insurance companies specialized in analytics. As data from vehicles increase, we can determine where and how people drive in near real-time, what safety features they use, and what insurance rates are required. Also, even if the number of accidents decreases, the cost of any damage to the vehicles will be much higher than before. Apart from the risks caused by accidents, damage caused by vandalism, bad roads, and natural events will still occur, meaning the demand for insurance to cover such issues will continue, even in a world filled with autonomous vehicles. In addition, new insurance categories will emerge. For instance, autonomous vehicles need an internet connection to receive software updates and send a steady stream of performance data. This can make them vulnerable to network-based attacks. Therefore, in addition to remote vehicle theft, unauthorized access, ransomware, and hijacked vehicle control, protection must be provided against identity theft, privacy breaches, and misuse of personal data. Also, cloud-based server systems will be needed to manage traffic and road networks, and errors and malfunctions in these systems will pose other risk factors. According to a study by Accenture and the Stevens Institute, liabilities resulting from software errors, lack of memory, and algorithm errors are worth \$2.5 billion. Other liabilities, including cyber security measures to protect cloud server systems, signals, and drivers under the category of "infrastructure" have an annual value of \$500 million. According to USA estimates, the anticipated revenue from these new insurance areas will be \$81 billion by 2026. This shows that there will be plenty of opportunities to compensate for the loss in premiums by 2050.

**We Have a Strong Corporate Structure Thanks to Our Insurance Experience**

# CORPORATE GOVERNANCE

- The Board of Directors and Senior Management Structure
- Risk Management
- Internal Auditing
- Legal Compliance and Business Ethics

# CORPORATE GOVERNANCE



One of Anadolu Sigorta's main expectations of its business partners is that they adopt a work culture, code of ethics, and quality of service that matches its own.

As a distinguished member of the insurance sector, we believe that complying with corporate governance principles is just as important as financial performance, both for the development of our company and for national and international capital markets. Our corporate governance approach centers on transparency and accountability and is based on the Corporate Governance Principles published by the Capital Markets Board of Turkey. We announce our level of adherence to these principles to the public

annually via the Corporate Governance Compliance Report and the Corporate Governance Information Form.

Our company's shares are traded on Borsa Istanbul. Anadolu Sigorta is listed on the Corporate Governance Index and a Corporate Governance Rating is performed annually. For more information about our Corporate Governance structure and approach, please refer to the 2020 Annual Report.



## The Board of Directors and Senior Management Structure

The Board of Directors is responsible for the management of company operations at the highest level. Based on Capital Markets Board of Turkey (CMB) regulations, the board has nine members, three of whom are independent.

Taking into consideration that there is no real-person majority shareholder in our company, it is accepted that all Board members naturally possess the ability to act independently and therefore, to be impartial in their decisions, upholding the interests of our company and our stakeholders above everything else.

3 female members serve on the Board of Directors, one of which is the Chairman. The roles of CEO and the Chairman roles are separate. The only executive member in the Board of Directors is the CEO; no other member has any executive role.

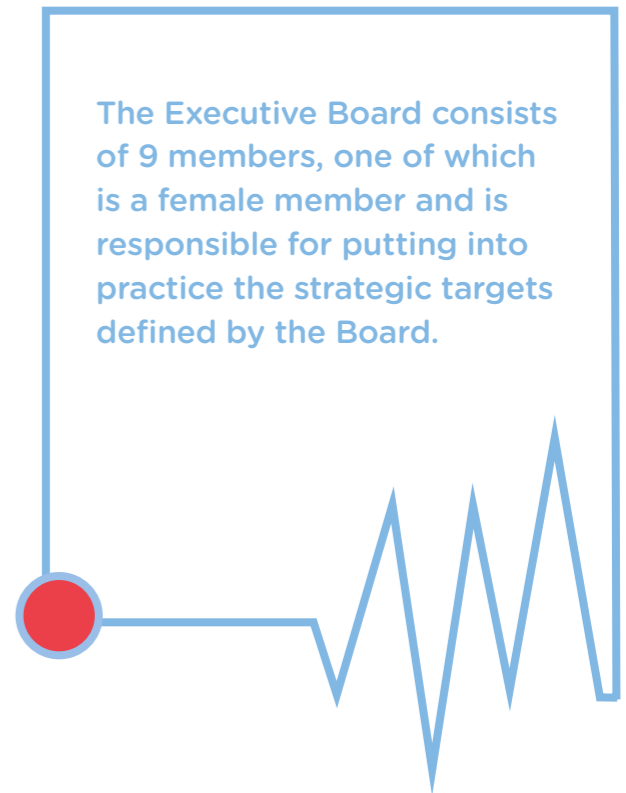
Several sub-committees have been established to efficiently perform the duties and fulfill the responsibilities of the Board of Directors. These committees include the Corporate Governance Committee, Audit Committee, Early Detection of Risk Committee, and Digital Insurance Committee. The Corporate Governance Committee also performs the duties of the Nomination Committee and Remuneration Committee. All committees established in line with CMB regulations are chaired by independent board members.

The Executive Board chaired by the CEO consists of 9 members, one of whom is female, and is responsible for putting the strategic targets defined by the Board into practice.

For more information about the methods and principles of the Board of Directors and Committees, please refer to [Annual Reports](#) and [the corporate website](#).

## Risk Management

Due to the nature of our products and services, risk management is particularly important to the insurance sector compared with other sectors. This is because every premium generated by an insurance company brings along some risks in addition to the income. The competitiveness and success of



The Executive Board consists of 9 members, one of which is a female member and is responsible for putting into practice the strategic targets defined by the Board.

insurance companies depend on their evaluation and ability to manage that risk. Thus, a profound sense of risk management dominates the company. The most senior risk management body of Anadolu Sigorta is the Early Detection of Risk Committee, organized under the Board of Directors.

Through this Committee, the Board defines the company's risk policies and related application methods. These are the written standards applied by senior management, risk management units, and all business units. In line with international practices, all risk types such as insurance underwriting risks, credit risks, active-passive risks, operational risks, reputational risks, and strategic risks are monitored, evaluated, and controlled one by one. The risk management policies defined by the Board and put into force are general standards that define the organization and scope of the risk management functions, methodologies for defining risk limits and risk calculation, procedures to be applied when risk limits are exceeded, and actions to be taken in various cases and circumstances.

The asset portfolio of the company is tested by exposing it to various shocks through scenario analyses and stress tests. These tests are conducted at quarterly intervals at a minimum. The Board of Directors takes the company's long-term strategies, equity capabilities, potential income, and general economic expectations into account to set the company's risk tolerance, which is then expressed in

terms of risk limits. The Risk Management and Internal Control Department report risk limit overruns to the CEO and the Board of Directors. Findings obtained as a result of risk management, monitoring, and control activities are regularly reported to the Board of Directors by an authorized Board Member.

## Internal Auditing

In accordance with "The Regulation on the Internal Systems of Insurance, Reinsurance and Pension Companies", internal auditing at Anadolu Sigorta is carried out by the Board of Inspectors, who report to the Board of Directors. Again, based on the same regulations, at least one audit per year is performed for



all Headquarters business units, regional directorates, branches by the Board of Inspectors. In this context, in 2020, we audited a total of 41 units, including 31 from Headquarters, 9 from Regional Directorates, and 1 Branch, and the evaluations were presented in reports.

In terms of auditing practices, we audit our agencies at least once every three years. Not including banks, we prepare audit reports at least once a year for agencies whose collection rates and premium production is at least 5% of total premium production, and once every three years for all other agencies. In this context, we audited a total of 803 agencies in 2020. Our auditing methodology was designed with a risk-oriented approach to create added value, and it complies with national and international auditing standards.

## Legal Compliance and Business Ethics

Laws and regulations shape relations with customers, suppliers and business partners, and also the vast majority of insurance operations, including product development, work methods, and business processes. Therefore, insurance companies have a strong focus on legal compliance, so all our activities comply with the laws and regulations that oversee insurance operations. All business units are responsible for legal compliance, and they manage their processes proactively, as part of risk management and internal control. We constantly monitor binding regulations, potential amendments, and our compliance status.

The legal compliance activities we conduct at Anadolu Sigorta are performed by the Risk Management and Internal Control Department Compliance Unit, which reports directly to the CEO. Legal compliance is closely monitored and applied by the whole organization including Executive Board members and business unit managers. The Compliance Unit notifies the relevant units and monitors the actions taken to comply with amendments or new regulations. Compliance Reports are published quarterly and developments on legal compliance are reported to both the Board of Directors and to our parent company, Türkiye İş Bankası.

The Compliance Unit does not simply disclose the legal compliance requirements to business units and monitor the actions taken. It also provides consultation services as business units require. For instance, the Compliance Unit monitors legal compliance and helps business units identify the measures necessary for the legal compliance of new products, services, and process development activities. In its consultancy processes, the Legal Affairs and Subrogation Department supports the Compliance Unit as necessary, and the unit may consult law firms depending on the context.

There are rules in the insurance sector, outside the laws, that describe how a company does business, the values it follows to earn trust, achieve stability, increase service quality and social benefits, and prevent unfair competition along with any processes and practices that might damage the economy. These rules are defined in the Anadolu Sigorta Code of Ethics and Practice Principles and are binding for all employees. In this regard, Anadolu Sigorta and all its members avoid behavior that does not comply with laws and the code of ethics, the values of justice, transparency, honesty,

and reliability, in the eyes of stakeholders, customers, and society, and that may damage the reputation of the company and the insurance sector. Employees cannot be held responsible for any financial loss that results from actions in compliance with the code of ethics, such as refusing to be a party to an act of bribery or corruption.

Compliance levels to the Code of Ethics are audited via internal auditing. The corrective actions to be conducted when noncompliance is detected, the business units and bodies that will conduct these activities, and the disciplinary practices that will be applied when necessary are all defined in the corporate bylaws which all employees are informed about.

We offer special training for our employees to understand the Code of Ethics better, which include subjects arising from MASAK regulations, such as obligations related to preventing the finance of terrorism and criminal money laundering, misconduct, bribery, and corruption, in addition to the general principles of business ethics. New Anadolu Sigorta employees receive these training classes regularly. In 2020, 124 employees were trained in MASAK legislation through in-class and remote learning methods. By the end of 2020, all responsible employees are informed about their liabilities regarding the prevention of money laundering and terrorist financing through in-class or e-learning methods. They also received online training on the Code of Ethics and Principles of Practice.

Anti-corruption and the prevention of misconduct are among the fundamental focus areas of internal auditing. Misconduct and corruption risks are identified and managed by the relevant responsible parties. In this context, audits are performed on a number of samples determined each year through statistical methods according to the number of transactions subject to review. As of 12.31.2020, 10 investigations were opened regarding misconduct and corruption and were concluded. They were mostly policy falsifications and forgeries made by agencies. As a result of these examinations, we took several corrective actions and terminated our business relations with two business partners who were involved.

There are rules in the insurance sector, outside the laws, that describe how a company does business, the values it follows to earn trust, achieve stability, increase service quality and social benefits, and prevent unfair competition along with any processes and practices that might damage the economy.

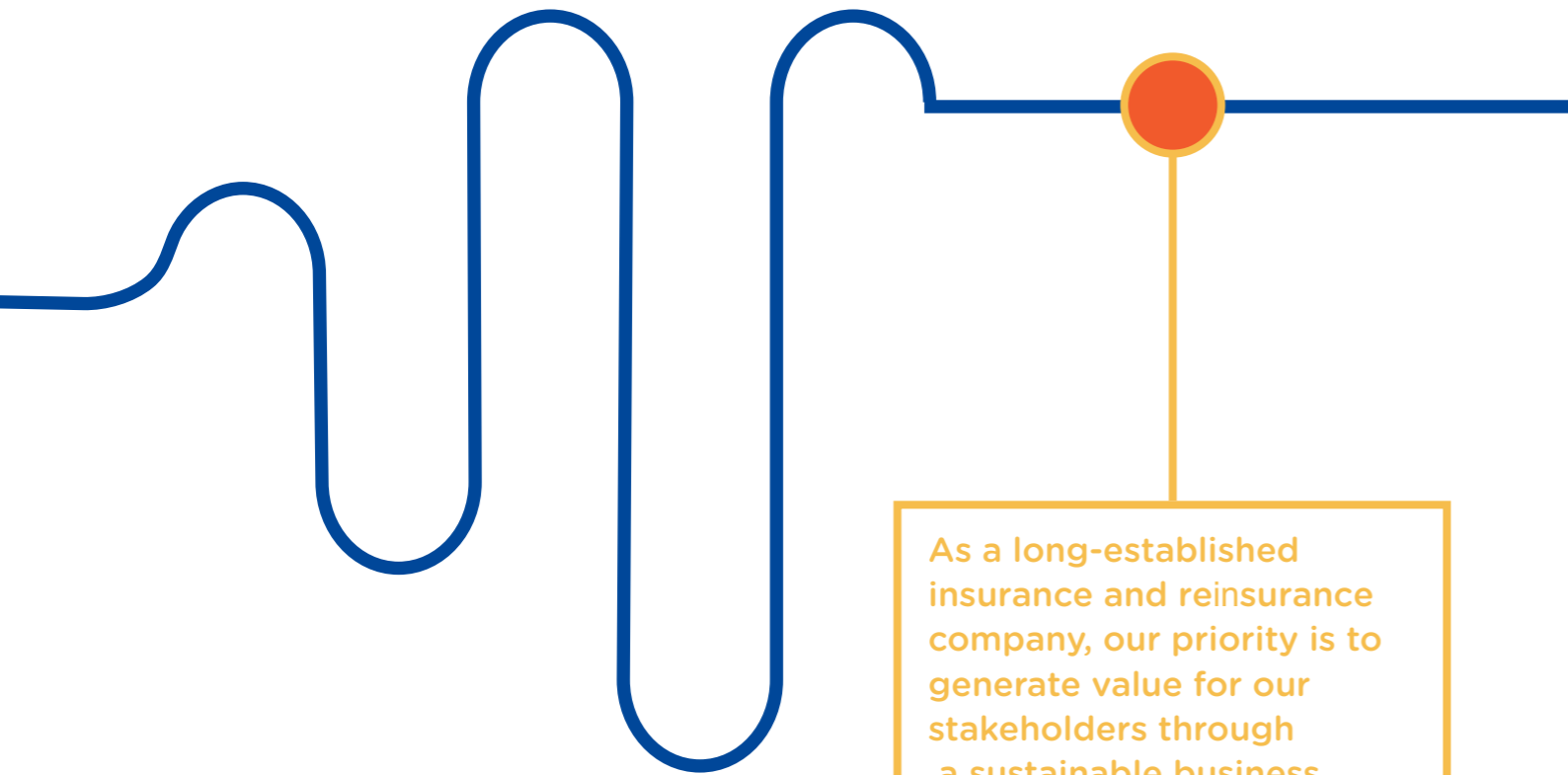
We Launched Our Environmental and Social Risk Management System

# INTEGRATING SUSTAINABILITY INTO THE BUSINESS MODEL

- Sustainability Management
- Sustainability Priorities
- Stakeholder Engagement



# INTEGRATING SUSTAINABILITY INTO THE BUSINESS MODEL



**As a long-established insurance and reinsurance company, our priority is to generate value for our stakeholders through a sustainable business model with high profitability that respects humans and the environment.**

As the first national insurance company in Turkey, we adhere to the principles of honesty, transparency, responsibility, and human values, in line with our vision of setting a benchmark for the international market. We aim to be an exemplary global insurance company as well as monitor and lead Turkey's sustainability agenda. With this vision in mind, we



became a signatory to the UN Global Compact (UNGC) in 2019, and we have been operating in line with this framework ever since.

With the mission of bequeathing a livable world to future generations, we support economic development while keeping in mind environmental, social, and governance issues. In this context, we strive to achieve sustainability in all operations, products, and services and support sustainable development at the national scale.

As a long-established insurance and reinsurance company, our priority is to generate value for our stakeholders through a sustainable business model with high profitability that respects humans and the environment. The pillars of our sustainability vision are managing the impacts of our sustainable development activities at social, environmental, and economic scales, managing the effects of mega-trends in these areas on company operations, meeting the expectations of our stakeholders, and prioritizing transparency and accountability in all our activities. Our fundamental targets in sustainability management are to eliminate sustainability risks that may negatively impact company activities and to enhance our performance in areas that have the potential to create opportunities. Additionally, we aim to become a key business partner for our customers, helping them manage their own sustainability risks with our products and services. Our "Environmental and Social Risk Management" project will enable the assessment of environmental and social risks in our insurance processes and help us take the necessary steps in this context.

**We strive to achieve sustainability in all operations, products, and services and support sustainable development at the social scale.**

## Insurance-Specific Topics

Climate change negatively affects cargo damages. Moving away from fossil fuels (such as petroleum, petroleum shipping, and oil production), which hold important places in cargo insurance, will effectively reduce the capacity of cargo insurance. On the other hand, the continued growth of new industries such as renewable off-shore energy is considered to have the potential to compensate for the anticipated business loss in the future.

At Anadolu Sigorta, we also care about how the maritime industry affects the environment. We do not provide coverage to (trawling) boats that harm nature and with the low-sulfur fuel practice implemented in 2020, we play an important role in reducing air pollution.

In 2020, we began offering Commercial Cyber Security coverage as an additional coverage within the SME package policy.

Anadolu Sigorta guides the sector in Employer Responsibility as well as in General Liability. As per policy terms, Anadolu Sigorta creates an indirect positive effect by stipulating that operations should abide by Occupational Health and Safety Law No. 6331, that necessary training must be given, and by investigating these issues in case of possible damage.

In this way, Anadolu Sigorta's products and services respond to today's needs without impeding the progress of future generations.





## Environmental and Social Risk Management System

Sustainability is becoming an increasingly important topic for both our Company and for our sector. This year, we continued our distinctive practices in the sector by establishing the Environmental and Social Risk Management System (ESMS). As an insurance company, we carefully monitor the environmental and social impacts arising from our operations, even though their impact is low, through our sustainability policies and processes. In addition to managing the direct impacts of our operations, we also set up a system to maintain the environmental, the social and the economic sustainability of our insurance and fund management processes. As part of our ESMS, we determined the activities we would never insure and formed our Environmental and Social Impact Management Policy, which we published on our corporate website. Supporting projects that provide environmental and social benefits is also a part of our ESMS process. As part of the risk assessment stage of our insurance processes, our Corporate Strategy and Performance Management Department uses a pilot practice to evaluate risk assessment studies for sectors that might pose environmental and social risks. In the upcoming period, we plan to expand this sensitive sectoral practice and fully integrate environmental and social risk assessments into our insurance processes.

You can find detailed information on ESMS and our Environmental and Social Impact Management Policy on the [“Sustainability”](#) page of our corporate website.



## Sustainability Management

The Anadolu Sigorta Sustainability Policy defines the key strategic principles that identify its vision in sustainability, its governance approach, and its focus performance areas. The Anadolu Sigorta Sustainability Committee performs the activities this policy makes necessary. The Committee is a management body consisting of representatives from the whole company under the chair of an Executive Board member, and it reports directly to the Executive Board.

The main duties of the Sustainability Committee are:

- To manage the company's sustainability impacts, including social, financial, environmental, and governance aspects according to internationally recognized principles,
- To develop the structural aspects of sustainability management with a risk and opportunity-oriented approach,
- To submit suggestions on applications and investments to improve sustainability performance to the senior management,
- To convey sustainability approaches, targets, and the company's performance achieved to its stakeholders using transparent and accountable methods.

The Sustainability Committee informs the Executive Board and the Board of Directors about decisions, activities and results achieved. This committee makes recommendations to the Executive Board about projects that require capital investments that will influence sustainability performance.

## Sustainability Priorities

Anadolu Sigorta's sustainability management focuses on material sustainability issues on social, economic, and environmental topics as defined by systematic methods recognized by international standards. At the same time, Anadolu Sigorta considers the Sustainable Development Goals adopted by the United Nations

as part of its own sustainability management and conducts its practices in line with these goals.

We determined our sustainability priorities in line with the principles specified in the GRI Standards. We took the values the UN Sustainable Development Goals defined for social, environmental, and economic issues along with their impacts on sustainable development and set priorities, evaluating the issues in terms of risk-opportunity, stakeholder expectations, and their impacts on sustainable development.

Anadolu Sigorta regards the Sustainable Development Goals as part of its sustainability management and conducts its practices in line with these goals.



Material Subject	Value Chain Aspect	Related Sustainable Development Goal
Business Ethics and Legal Compliance	Anadolu Sigorta Suppliers Agencies	8, 12, 17
Raising Insurance Awareness	Anadolu Sigorta	3, 12, 17
Relations with Agencies and Business Partners	Anadolu Sigorta Suppliers Agencies	4, 8, 9, 17
Energy and Climate Change	Anadolu Sigorta Customers	7, 12, 13, 17
Digital Future	Anadolu Sigorta	9, 11, 12, 13, 17
Integrating Sustainability into Business Models	Anadolu Sigorta	8, 9, 12, 13, 17
Workplace Practices	Anadolu Sigorta	3, 4, 5, 8, 17

## Stakeholder Engagement

We establish relations with our stakeholders based on mutual trust in line with the principles of transparency and accountability. According to the principles defined in the Anadolu Sigorta Information Policy, we inform our stakeholders accurately, regularly, and completely

about company activities, results achieved, and perspectives for the future. Every stakeholder group has different relationships with and expectations of the company. Thus, we identify the method and frequency of communication we will establish based on these characteristics.

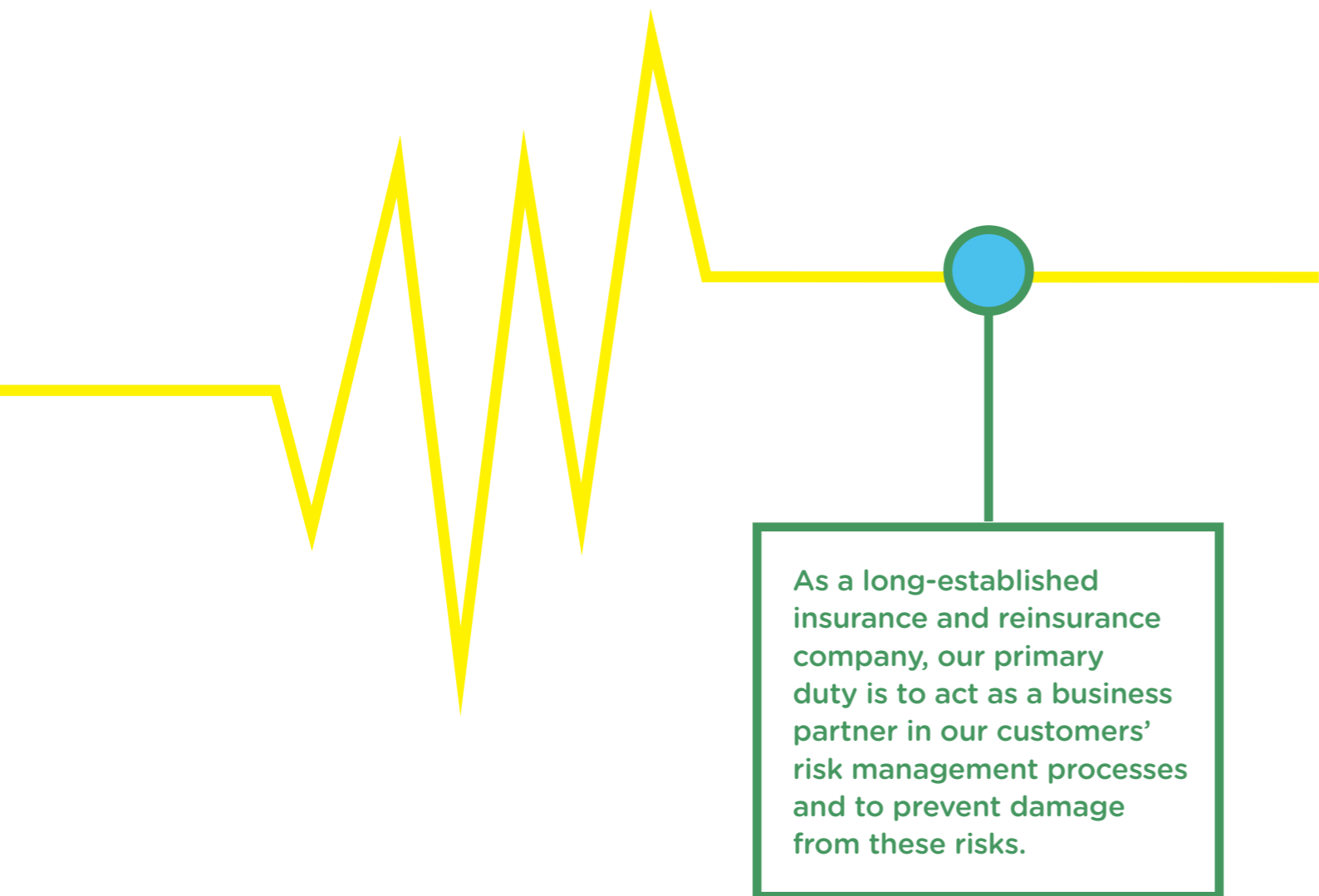
Stakeholder Group	Method and Frequency of Communication
Shareholders	General Assembly (annual), Annual Report (annual), Minor Annual Reports and Financial Reports (quarterly), Sustainability Reports (annual), Public Disclosure Platform Announcements (instant), Material Disclosures (instant), Website (continuous)
Employees	Annual Report (annual), Sustainability Report (annual), Internal Communication Portal (continuous), Website (continuous), Employee Efficiency Survey (annual), Training (continuous)
Customers	Annual Report (annual), Sustainability Report (annual), Insurance Policies (continuous), Market Research [customer service surveys, experience journey, and consumer trend studies] (continuous), Distribution Channels (continuous), Website and Mobile Applications (continuous), Communication Centre (instant), Social Media (continuous)
Society	Annual Report (annual), Sustainability Report (annual), Website and Social Media (continuous), National and Local Newspapers (instant), Social Responsibility Projects (continuous)
Governmental Institutions	Annual Report (annual), Sustainability Report (annual), Website (continuous), External Correspondence (instant), Committee and Sector Meetings (instant)
Trade Unions	Annual Report (annual), Sustainability Report (annual), Website (continuous), Debates (continuous), Collective Bargaining Agreement (biannual)
Agents and Brokers	Annual Report (annual), Sustainability Report (annual), Website (continuous), Agency Meetings (annual), Company Policies (continuous), Visits and One-to-one Meetings (instant), Services (continuous), Training (continuous), Audits (annual)
Contractual Services, Experts, Contractual Health Institutions, Suppliers	Annual Report (annual), Sustainability Report (annual), Website (continuous), Service Agreements (continuous), Company Policies (continuous), Training (continuous), Visits and Meetings (continuous), Audits (annual)
Independent Auditing Companies	Annual Report (annual), Sustainability Report (annual), Website (continuous), Auditing Activities (annual), Meetings (continuous)
Competitors	Annual Report (annual), Sustainability Report (annual), Website (continuous), TSB Committee Meetings (continuous), Sector Events (continuous)
Injured Parties (for Traffic and Responsibility Insurances)	Website, Social Media and Mobile Applications (continuous), Process Forms (instant), Correspondence (instant)
Reinsurers	Annual Report (annual), Sustainability Report (annual), Website (continuous), International Sector Events (instant), Reassurance Agreements (continuous), Meetings (instant)
Banks and Financial Institutions	Annual Report (annual), Sustainability Report (annual), Website (continuous), Meetings (continuous), External Correspondence (instant)

We are Developing Products  
for a Sustainable and  
Environmentally Friendly World

# CLIMATE CHANGE

- Climate Change and Environmental Management
- Addressing Climate Change and Energy Management
- Managing Climate-related Risks and Opportunities
- Materials Consumption and Waste Management

# CLIMATE CHANGE



**As a long-established insurance and reinsurance company, our primary duty is to act as a business partner in our customers' risk management processes and to prevent damage from these risks.**

We strive to achieve sustainability in all operations, products, and services and support sustainable development at the national scale. Thus, we regard climate change and environmental issues in general as key components of our sustainability program and manage the risks arising from these issues with a holistic approach.

The Anadolu Sigorta Environment and Climate Change Policy shapes Anadolu Sigorta's approach towards climate change and environmental issues through two aspects. The first aspect is the direct impacts of Anadolu Sigorta activities. These impacts are caused by operational energy, water and material consumption (primarily paper), greenhouse gas emissions, and solid waste.



Climate change puts pressure on the global economy. Direct and indirect environmental and social impacts of climate change are perceived as two of the greatest risks in today's world. Therefore, it is critical that the insurance sector manages these risks. As a risk manager, risk carrier, and investor, the global insurance sector plays a key role in managing climate-related risks and opportunities for individuals, households, government agencies, and companies. The insurance sector puts risk evaluation and management at the core of its business model and must be in full compliance with the term "sustainability," which can be defined as "the ability to exist in the long run." Therefore, the sector will support the global economy during its transition to a low-carbon economy by identifying and managing climate change risks.

As a long-established insurance and reinsurance company, our primary duty is to act as a business partner in our customers' risk management processes and to prevent damage from these risks. Thus, the role Anadolu Sigorta products and services play in mitigating environmental and climate change risks, both for customers and society, comprises another aspect of our strategic approach to these issues. On that note, in all our operational activities, product and service development studies, investment activities, and social responsibility practices, we consider the protection of the climate and the environment as an area that is continuously developing and a part of our decision-making process and practices. We evaluate environmental and climate change risks, then take actions and measures to improve the company's performance in those particular areas. We constantly monitor our performance and report to the relevant parties and to the public.

**The direct and indirect environmental and social impacts of climate change are perceived as two of the greatest risks in today's world.**

**We aim to reduce the carbon emission amount of our Company by switching to electric vehicles the next time we renew our company cars.**

## Climate Change and Environmental Management

At Anadolu Sigorta, the Sustainability Committee manages the company's risks, opportunities, and environmental impacts related to climate change. The Committee evaluates the investments required to improve performance regarding the environment and climate change and provides recommendations to senior management.

The "Direct Impacts Working Group" within the Committee represents all business units and is responsible for:

- transforming the strategies presented by the Committee into business plans, and applying them with the help of business units,
- thus, achieving business goals,
- evaluating and reporting the performance to the Committee.

Each year, all business units identify environmental and climate-related risks and opportunities in their responsibility areas. The units report their suggestions on risk mitigation and possible opportunities to the relevant departments and the Sustainability Committee through the Direct Impacts Working Group.



## Addressing Climate Change and Energy Management

Every institution that offers products and services, whether it be services or industry, creates an environmental impact through its operations, and some of these impacts relate to climate change. For an insurance company, these impacts stem from its business processes and products, and its policies. Therefore, the first step to addressing climate change is to minimize the impact of our activities. We work in various areas to reduce our impact, but primarily, we detect the steps where our operations consume energy and monitor how much is used, as well as our greenhouse gas emissions.

Greenhouse gas emissions from energy consumption is the main driver of climate change. Thereby, we have developed several applications to make our consumption of energy more efficient in our operations. Facilities management is the most crucial part of these applications. We have designed projects to promote energy efficiency in our Headquarters, Regional Directorates, and Branches. These projects mainly focus on fuel consumption for heating and lighting armatures.

The first step to addressing climate change is to minimize the impact of our activities.

In this context, in addition to the advanced energy management and optimization system project completed at Headquarters during the reporting period, we've also completed the following studies in 2020:

We installed 2 charging stations for environmentally friendly electric vehicles in parking lot B4 of our Headquarters service building. We aim to reduce our Company's carbon emissions by switching to electric vehicles the next time we renew our company cars. Also, with the charging stations, we encourage our employees to use electric vehicles.

We installed an innovative solar energy system on the roof of our Headquarters, so our company can benefit from renewable energy resources and reduce energy consumption and carbon emissions. With the newly launched REPG system, whose R&D phase has just been completed within ITU Teknokent, our company both benefits from renewable energy resources and supports the REPG team, which provides R&D on sustainable energy in our country. The installed system benefits indirectly from solar energy. Unlike the standard photovoltaic panel, the panels in this system help solar energy heat the gas within the system. The REPG device generates electricity with an innovative and sustainable method using the condensation difference between the hot gas passing through it and the air outside. In the later stages of the project, various sustainable elements such as generating electricity from heat difference by capturing moisture in the air and producing naturally purified water will be implemented. The system began operating in our building in December 2020 and it is being monitored digitally. The amount of electricity generated and its benefits will be calculated in future periods.

On 12.18.2020, we signed a new protocol with our electricity supplier, Akxa Elektrik, for the procurement of sustainable electricity services. With this protocol, our Company will be supplied with electricity generated from renewable natural resources (wind power, solar energy, etc.) for 2021.

Considering the increasing demands in the electric vehicle market, which is the future of the industry, an electric vehicle repair service was added for the first time to our contractual service network.

Since 2014, our Development Center has been evaluating sustainability project ideas from employees. In 2020, we began evaluating a project aimed at supplying electricity to our Cyprus branch with solar energy. In this context, we are considering the installation of photovoltaic solar panels.

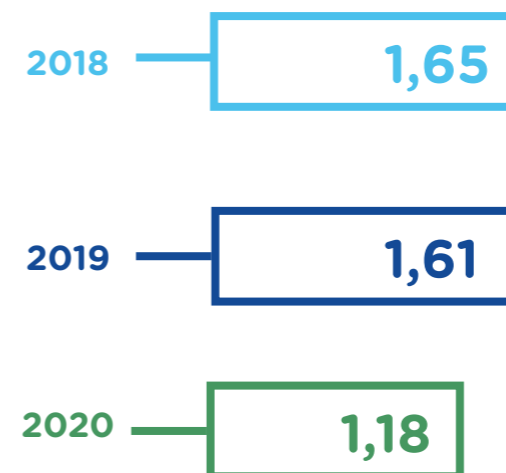
The transition to a remote working model during the pandemic meant there was a significant drop in our buildings' energy consumption and greenhouse gas emissions.

The fuel used in company cars and personnel transportation vehicles also cause significant energy consumption. We benefited from several

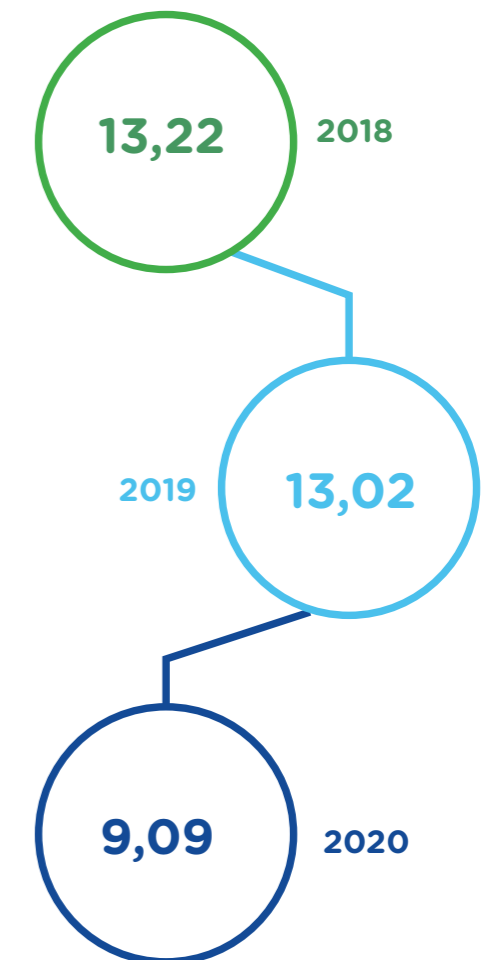
applications to reduce this impact. As a result of the pandemic, we reduced the number of personnel transportation vehicles from 74 to 21, as of November 2020. The number of service vehicles depends on the course of the pandemic and the personnel needed to work in the service buildings, and in 2020, we took important steps to reduce the number of personnel vehicles. Likewise, business travel has decreased significantly due to the pandemic. The use of company vehicles has also decreased and though we were planning to add new vehicles to our fleet, we didn't increase the number of vehicles.

We organized a webinar with a presentation by Prof. Dr. Mikdat Kadioğlu, a meteorology, climatology, and disaster management expert from Istanbul Technical University on "Global Climate Change and Insurance" to increase our employees' awareness about climate change and to emphasize the importance of climate change for our sector.

### Greenhouse Gas Emissions Per Employee (tCO<sub>2</sub>e/Person)



### Energy Consumption Per Employee (GJ/Person)



## Managing Climate-related Risks and Opportunities

As an insurance company, we have a unique place in addressing climate change and must create a positive impact with our products and services. Anadolu Sigorta contributes to mitigating the impact of climate changes through products and services that have a more significant impact. In this regard, we develop applications and become solution partners with organizations that adopt responsible business models to address climate change, and that are aware of and manage their climate change risks. In this way, we are also supporting the transition to a low-carbon economy. One of our most prominent goals is to become the preferred insurance solution partner for renewable energy investments.

We insure all module and equipment assets for solar and wind power plants. Additionally, we offer optional insurance packages for external energy and telecommunication lines as well for access roads. We go beyond our standard policies for solar and wind plants, providing optional insurance covers such as operational profit loss, production loss (if not related to material damage), indirect profit loss (from supplier risk, customer risk, access blockage, etc), and operational interruptions due to machine breakdowns (applies only to wind power plants). In 2020, we insured wind power plants with a total installed capacity of 745 megawatts (MW), increasing our market share to 8.5%. We also insured solar power plants with a total installed

capacity of 1,400 megawatts (MW), raising our market share to 22%. In 2020, our number of policies for wind and solar energy reached 34 and 686 respectively. We intend to expand the volume of our premiums and policies covering investments in renewable energy as we believe it holds great opportunities for Turkey.

**In 2020, our number of policies for wind and solar energy reached 34 and 686 respectively.**

Another way we address climate change is to provide insurance to individuals and institutions that might be exposed to potential risks. As time passes and the impacts of climate change become more acute, the need for measures against floods, hail, storms, possible alterations in basin and sea levels, and similar risks only increases. In recent years, there has been a significant hike in damage claims regarding these risks, so it's important to integrate the impacts of climate change, such as meteorological risks, with traditional risks in risk perception.

At Anadolu Sigorta, we have renewed our risk detection methods to manage climate-related risks effectively for our customers. Our most prominent application is our project to update the risk maps used in flood and landslides risk management by cooperating with universities and to develop risk maps based on scientific methods. This year, we took this project further and expanded the scope of our risk mapping study to geographically cover three new provinces and widened the coverage of six other provinces.

Additionally, we encourage the use of clean technologies such as Paintless Dent Repair, used to repair car damages, and prefer repair over replacement to minimize the additional environmental impact of spare parts replacement.

### Individual Solar Panel Roof Insurance

As part of our sustainability policy, we have launched our **"Individual Solar Panel Roof Insurance"** to protect environmentally friendly, renewable energy resources future generations will be able to use. This product provides coverage for solar energy panels that generate up to 10 kWh of electricity; another example of how we are offering the most suitable products to cover our environmentally-friendly customers, who are sensitive to the issues of sustainability, and who generate their energy by installing solar panels on their roof to protect the environment, and their budgets.





## Materials Consumption and Waste Management

Materials consumption and waste management are key areas in environmental management. The material we use the most in our operations is paper. The lion's share of our paper consumption are the policies we are legally required to print. Contracts and correspondence also contribute to paper consumption. We are closely following digitalization technologies to reduce paper consumption in our operations to the extent permitted by law.

Paper consumption is one of the key environmental impacts of the insurance sector. Therefore, we conduct projects to switch to paperless business processes. In the insurance sector, we prioritize paperless activities relating to claims processes, especially in health insurance, an area where there is loads of paperwork. In this context, we transfer health and claim documents to a digital platform. We remind our agencies of our printing policy and keep them

updated. We use a report that calculates the quantity of printed policies per agencies and the number of possible printings to minimize outflow from our warehouses, so we can send just the right amount of paper to each agency.

**In 2020, we reduced paper consumption per capita and per agency by 67% and 22%, respectively.**

insurance policies simpler and quicker through digital-only channels for the first time in Turkey. We aim to shorten our policy issuance process and improve our workflow.

We use water in our buildings for domestic purposes only. As water resources become more and more valuable and their potential social impacts grow, we make every effort to use water efficiently and have reduced our water consumption. We installed "eco-friendly faucets" and raise our employees' awareness about conserving water.

Although it may not have a tremendous impact, we strive to separate and recycle packing waste, paper waste, and all other domestic waste in our buildings. Every year our Company receives the Medical Waste Disposal Certificate. Medical waste in our company is collected, sterilized, and disposed of by the Istanbul Metropolitan Municipality, with no harm to human health or the environment.

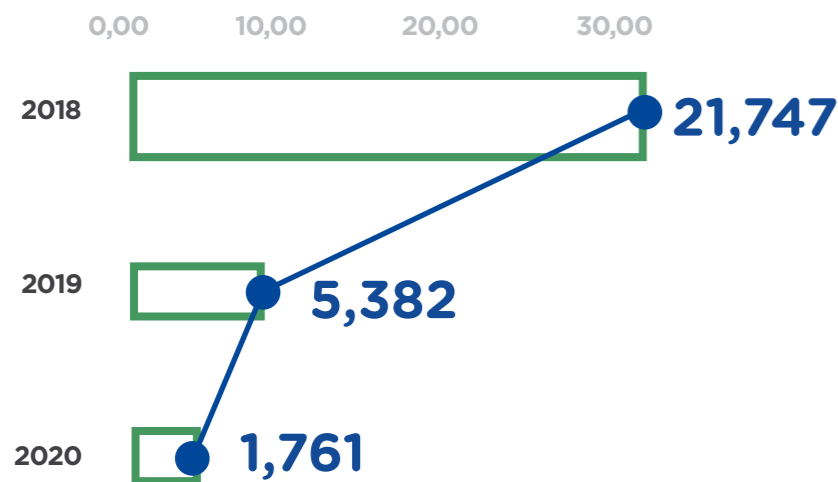
In addition to the work we've done, the pandemic has also led to a significant decrease in our paper consumption. In 2020, we reduced paper consumption per capita and per agency by 67% and 22%, respectively.

In the future, we will continue to expand our paperless insurance activities, to send the optimum amount of paper to our agencies, to encourage the reuse of paper, to prevent unnecessary printing, and to increase use of email to send policies and offers. Another goal in our work to reduce paper consumption is to promote paperless supplier contracts, so our suppliers have started to digitize their service reports. In addition, we plan to purchase a Supplier Management Portal to forward contracts to companies and carry out approval and classification processes.

Moreover, we began to receive applications for expert and contracted services via the Customer Communication Platform (MIP). We have started work to enable our contracted health institutions to share documents through a Digital Document Management System, which sends contracts for e-signature and in ".pdf" format, and saves around 45,000 pages of paper from over 3,000 contracts annually. This also reduces transportation costs and related impacts.

In 2019, as part of our Next Generation Homeowner Insurance, we made generating homeowner's

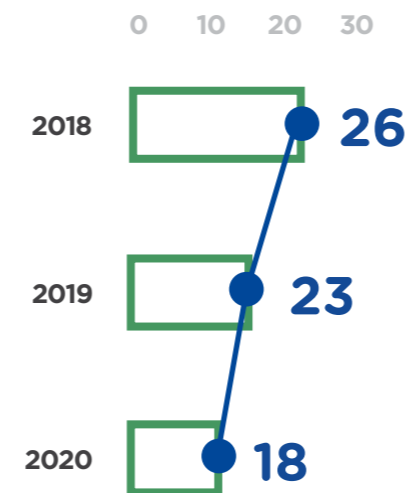
### OPERATIONAL PAPER CONSUMPTION



□ Total paper consumption (ton)

● Paper consumption per person (kg/person)

### PAPER CONSUMPTION FOR POLICIES



□ Total paper consumption (ton)

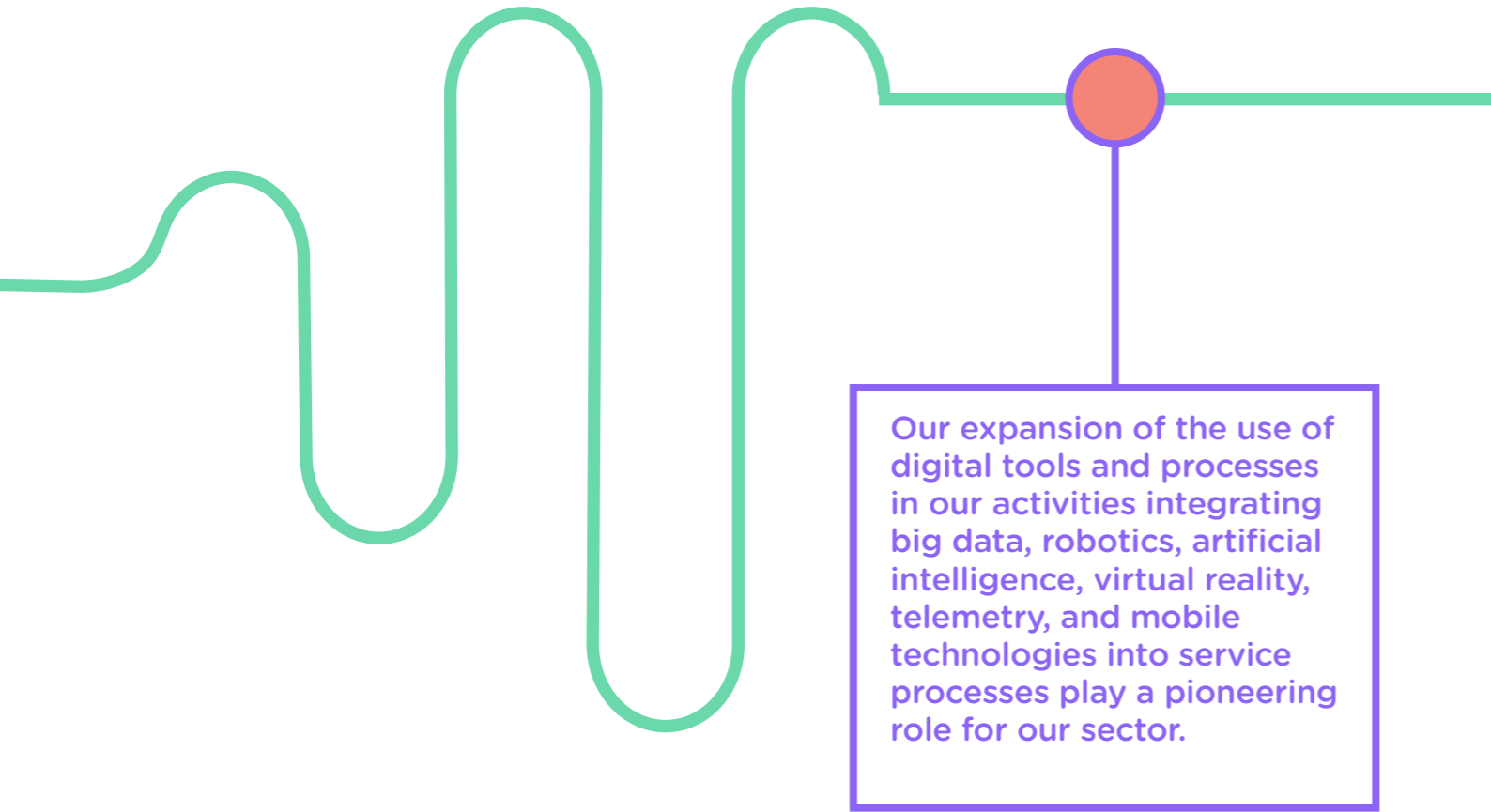
● Total paper consumption per agency (kg/agency)

**We Ensure Our Leadership  
with the Ability to Renew  
Ourselves**

**DIGITAL  
FUTURE**

- Digitalization for Agencies
- Digital Service Projects and Applications

# DIGITAL FUTURE



**Our expansion of the use of digital tools and processes in our activities integrating big data, robotics, artificial intelligence, virtual reality, telemetry, and mobile technologies into service processes play a pioneering role for our sector.**

The way all sectors do business is rapidly changing due to the impacts of developments internet technologies have on consumer behavior, the way industry 4.0 is forcing businesses to operate, and the dramatic expansion of online products and services. Due to this quality, digitalization is the most prioritized mega-trend shaping the insurance sector today. Anadolu Sigorta defines its future with a digital, paperless insurance approach.

Our expansion of the use of digital tools and processes in our activities play a pioneering role for our sector, integrating big data, robotics, artificial intelligence, virtual reality, telemetry, and mobile technologies into service processes. This is how we aim to reduce the environmental impacts of our business processes. Another important aspect of the digital future for insurance services is the development of products and services that comply with trends that impact it, such as smart buildings, autonomous cars, and the sharing economy.



With technological advancements, more and more customers are choosing to perform their daily transactions on their smartphones or computers. Our customers can access our products and services quickly and easily through our digital platforms, such as our mobile apps and website, which also facilitates the company's operational processes. We use influencer marketing to reach our customers, raise our popularity on social media and attract customers through channel-specific campaigns. We ensure that our customers using digital sales channels benefit from special offers and receive certain rates, and aim for the utmost customer satisfaction during all steps in the purchasing process. We believe that all technological developments change consumer habits. Therefore, we must develop new sales models and channels, and alter our marketing methods to keep up with developments.

In addition to its advantages, digital transformation also has its downsides, such as the various cyber risks related to information security. Cyber risks increased as many sectors began working remotely due to the pandemic, making cyber risk insurance a hot topic and increasing awareness of cyber risks considerably. In this context, we comply with data privacy regulations and use internationally accepted technologies, standards, and security technologies to enhance our digitalization process.

We are taking firm steps towards the digital future, adopting a multifaceted holistic strategy and using digitalization in our products, services, channels, and business models. While we aim to achieve maximum efficiency with our existing sales channels and business units, we also intend to deliver our products and services to our customers in the fastest and most effective way. Our artificial intelligence assistant, AS'İl makes the lives of our customers easier and as part of our 360° Customer Analytics project, we have created a segmentation structure that uses artificial intelligence and machine learning algorithms, and established an ever-growing, developing ecosystem with new technologies and applications. With this project, we made radical changes in our customer segments, categorizing our customers based on three factors: worth, potential worth, and behavior (lifestyle, living standards, product and channel preferences,

spending and purchasing habits, damage frequency) to get to know them better. Additionally, we estimated potential product purchasing and cancellation trends to develop infrastructures and a course of action to help enhance our strategy of approaching the right customers at the right time, with the right products and services. At the same time, we carry out SEO, GDN, always-on, and Google Search operations as part of our digital marketing.

### Global Digitalization Trends

At Anadolu Sigorta, we closely follow global digitalization trends, continuously improving our business processes. Below, you will find the trends we've already integrated into our business processes or that we plan to utilize in the future.

- Using artificial intelligence to identify and understand new risks and developments in risk evaluation.
- Added responsibilities due to cyber risks in the insurance sector.
- Apps developed with blockchain technology.
- Services utilizing robotic assistants.
- Impacts of autonomous and electric vehicle technologies on the insurance sector.

Digitalization is a multi-dimensional field of study with development processes that require different knowledge and expertise. For this reason, it's very important that we develop R&D partnerships with expert organizations, so we carry out joint efforts with agencies to improve user experience, efforts to increase visibility/accessibility in the digital environment, and collaborate with new initiatives (such as Petsurfer, Stuff Sigorta, E-kira.net). We conducted studies in Silicon Valley, as well as in cooperation with Kolektif House, Workup, and ITU Çekirdek as part of our joint ventures in the fields of digitalization and R&D. We support insurtech initiatives as part of our work with startups.

To encourage young people to get involved with insurance, we held the Anadolu Sigorta Datathon Challenge once again this year, aimed at developing digital technologies that make life easier in insurance.

We improve the findings on our digital platforms through coordinated work with our agencies and elevate the user experience to more positive levels. In 2020, we launched our mobile phone insurance product with our partner agency on the Juno application, and in 2021, we started joint efforts for pet insurance.

### Digital Insurance Committee

To prepare for digitalization and the requirements of the digital economy within the company, we created the Digital Insurance Committee, an organization extending from Senior Management to specialist units, and operating directly under the Board of Directors. There are 3 Board Members on the committee, which is responsible for creating company policies and strategies for digital insurance and monitoring the work implemented.

### Insurtech

It is easier to get to know customers better and to provide fast, quality service with personalized products when you have current and correct data, gathered thanks to advanced technologies. Newly developing, innovative insurance technologies are called **"insurtech"** initiatives. If we look at global developments, we can see that insurtech initiatives are structured around two business models:

1. Initiatives that disrupt the current insurance sector: Technologies that remove all existing business models, brokers, intermediaries, agencies, and channels and serve consumers directly.
2. Initiatives that help insurance companies provide more efficient, more digital, faster service and offer innovative solutions.

In the fields of internet and mobile technologies, rapidly spreading digital companies such as Uber and Airbnb created disruptive effects in their markets. A disruptive insurance initiative that emerges in a remote corner of the world can rapidly arrive in our country. Thanks to smart, autonomous vehicles, the concepts of 'driver', 'accident', 'liability', and 'insurance' are being reshaped. Two smart vehicles involved in a crash will be able to transmit any data on the moment of collision to an insurance center who can calculate liability immediately. However, it is also crucial that the necessary legislative arrangements are made so technological developments can be applied in our country and in the insurance sector. In the last 2 years, the insurance sector has been spending most of its time, technology, and product development resources to comply with regulations. This delays the transformation of in-house studies into products and services. Another issue that insurance companies need to solve to keep up with these developments will be adapting to current legislation to be able to offer digital products. We expect practical applications, such as Mobile Accident Report, to have a bigger part in our lives in the future.

### Digitalization and Agencies

We consider digitalization a journey we began alongside our agencies. As part of our digital transformation, we develop applications to digitalize our agencies' business processes.

We were the first insurance company to make online sales through direct channels and agencies in Turkey, designing websites that allow agencies to manage their sales as a part of our digitalization practices. Through the Digital Agency Platform (DAP) project, we enable our agencies to sell individual insurance products on their websites via cloud technology. We design special training programs for our agencies to ensure digitalization and accelerate our digital transformation.

We provide agencies with the opportunity to meet the daily customer-production-claims reporting requirements over a single platform with our Asenta application, which allows agencies to deliver the indemnity claims of health policyholders in their portfolio to us and forward all documents including any that might be missing. Agencies can manage all processes regardless of their physical location by combining the Asenta platform with the Ofisim Cepte (My Office at my Mobile) application. In March 2020, we launched Ofisim Cepte (My Office on My Mobile) with new software, new functions, and a new interface, which makes it possible to issue policies on mobile devices. We have also started issuing DASK policies on mobile devices and our products are increasing every day. Thanks to the KÜP application on Ofisim Cepte, agencies can create and follow up on campaigns for the products and targets they want. They can also closely monitor production and performance data like commissions and target with Ofisim Cepte.

In March 2020, we launched Ofisim Cepte (My Office on My Mobile) with new software, new functions, and a new interface.

### Digital Service Projects and Applications

#### Sigortam Cepte (Insurance on My Mobile)

Our customers can purchase insurance products, receive offers and reach assistance services through the Sigortam Cepte app. Fourteen insurance products are available for purchase on our digital channels, and services such as directly requesting a tow truck and creating an appointment for minor repairs, updating user information, submitting residential insurance damage claims and viewing contracted institutions.

In 2020, we made changes in our app for Residential Assistance Services to highlight services (locksmith, carpet washing, boiler maintenance, air conditioning maintenance) and display them as business cards to make it easier for our customers to access. We analyzed and redesigned the digital claim journey our application presents to customers to enhance the user experience. As part of this, we made the necessary modifications for making changes related to claims files, which will facilitate follow-up. We plan to improve the application experience by allowing our customers to rate it.

#### Remote Risk Analysis:

In 2020, over 1,700 risk analyses were carried out and risk reports were prepared according to remote and on-site visits in various fields. Due to the pandemic, risk assessments of nearly 1,000 businesses were performed using the remote risk analysis method.



## Digital Service Projects and Applications

### Claim Inquiries, which bring damage practices to the digital environment, and Turbo Jet Damage Reimbursement:

One of the most striking features of the Sigortam Cepte and Asenta apps is the "Turbo Jet" digital damage reimbursement platform. Anadolu Sigorta instantly wire transfers the claims for damaged electronic devices and broken glass as covered by homeowner's insurance, once we receive the invoices and certain conditions are met. For vehicle insurance, customers can ask for tow trucks and replacement cars via the Sigortam Cepte app. We notify our customers of the closest contracted garage in line with the model and location of their car and automatically create a damage claim. Customers can also quickly access their damage claim status. In 2020, our website's claim inquiries were viewed 1,423,055 times.

### My Flight is Safe Insurance

We pay 500 Turkish lira, instantly, to customers with "My Flight is Safe Insurance," for delayed or canceled domestic or international flights to or from Turkey, with no terms or documentation. If the flight is delayed 2 hours, or canceled on or one day before the flight date, we send the payment directly to their account, with no documents required.

### Differentiated service for our health policyholders with the Sağlıkım Cepte (My Health on My Mobile) application:

Our customers can easily access their medical history, real-time provision status, contracted institutions, policies, benefits, and family member information, and submit their invoices from non-contracted institutions up to 1,000 Turkish lira<sup>3</sup> over the Sağlıkım Cepte app.

### Video Expertise

With the Remote Expertise App, designated experts set up appointments for damage claims and quickly conduct damage assessments over video calls via the Insurance on My Mobile app. This way, we save time as experts do not visit the site and are able to report quickly, and we reimburse damage claims and close cases more quickly. At the start of the pandemic, all experts were provided with the means to make remote video appraisals and conduct multiple meetings with the visual appraisal application. The Jet, Turbo Jet, and ASIO systems continue to be improved and developed.

### Voice Assistants - Chatbots:

We continuously improve communication with existing and potential customers with our chatbots, which act as Digital Insurance Assistants. Improving the services carried out by chatbots on our Whatsapp Corporate Account increases efficiency, so we are carrying out studies to use this channel for sales purposes also.

### PAS:

PAS is a digital process management platform that facilitates various business processes between agencies, Regional Directorates, and Headquarters, and improves measurability. The PAS app processes and completes requests submitted by our agencies within a designated period. If the submission lacks information, we transfer the request to relevant units and employees and respond to the agency within a specified period.

### Mobile Phone Insurance:

After evaluating the needs of our customers' more digital life, we uploaded our mobile phone insurance product under the Juno brand. We designed a digital journey with a compact and accessible application.

### MiP:

We manage all non-operational requests and complaints over the Customer Communication Platform (MiP). The MiP app prevents record repetitions and helps us track all requests and complaints, satisfaction status, and suggestions from customers received via different channels on a single platform.

### Affordable contractual service suggestions and facilitation of repair services:

When our customers search for contracted service stations on our website, they are now shown suggestions with the most affordable contractual services in their region based on their policy type and vehicle brand.

We have established flows on our corporate website that make organizing an appointment directly with relevant suppliers and contracted services for special repair solutions such as mini repair, painless dent repair, rim repair, and glass repair. We have also established flows that enable our policyholders to send their damaged vehicles to their preferred services, and for them to receive valet service and organize appointments.

### Artificial Intelligence

We have conducted studies using image processing technology on the photos of damage to insured vehicles using the AS'lı-equipped Artificial Intelligence Platform to give estimated information about the type of damage, the repair method required, and the claim results. On our AS'lı platform, infrastructure studies have been performed for our all applications to recognize documents and extract personal data from them by using image processing and optical character recognition technology.

### Anadolu Sigorta İş Ortağım (My Business Partner):

The Anadolu Sigorta İş Ortağım (ASIO) app is designed for experts and suppliers to accelerate the damage expertise processes. Thanks to ASIO, our suppliers can review their files and process their business digitally. Experts can accept or refuse cases, conduct expert inspections on mobile devices, and prepare reports, leading to faster damage reimbursement.

<sup>3</sup> The amount is revised as 20,000 TL in the pandemic year.

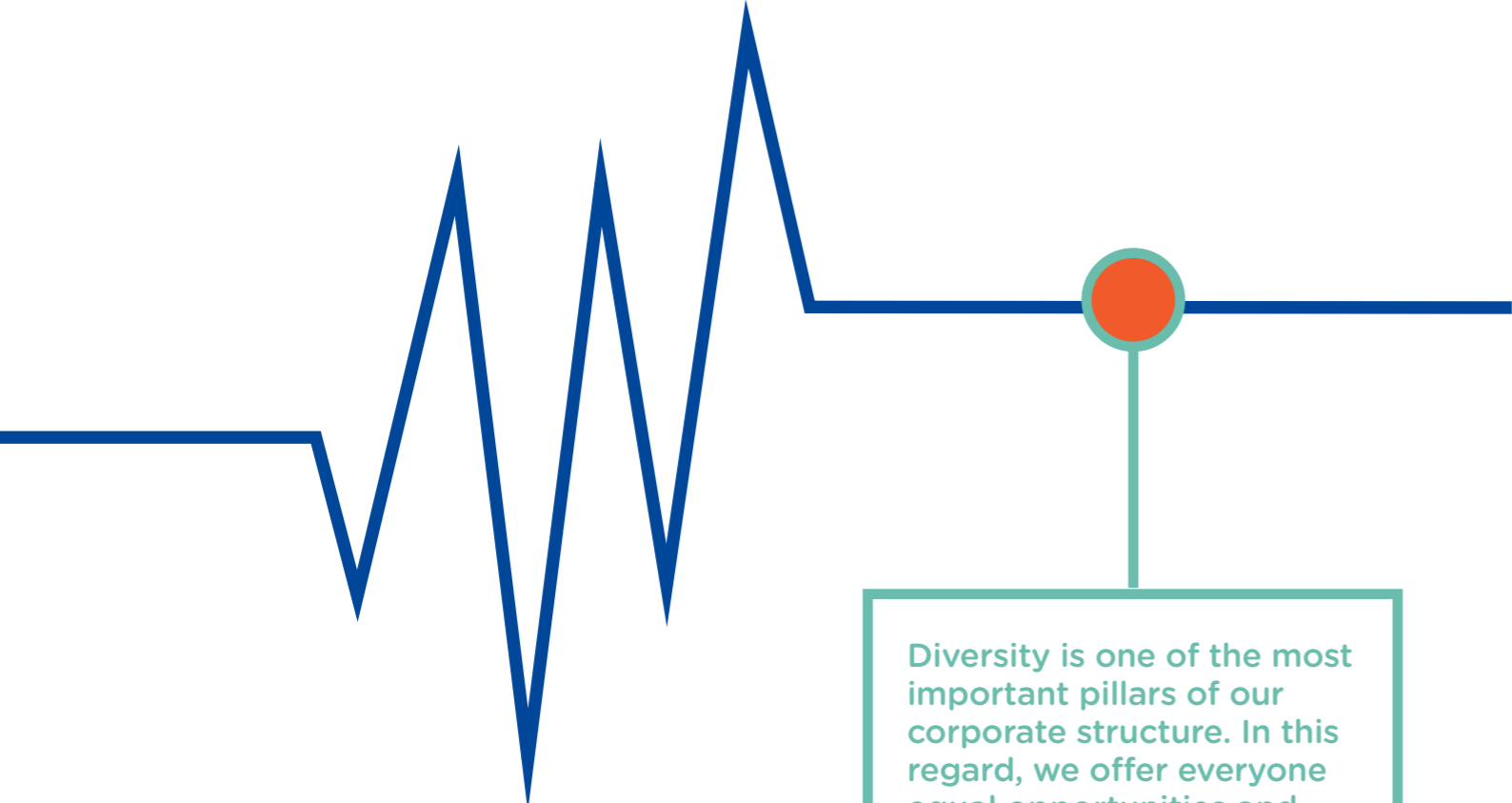
We are the Insurance School of Turkey!

# WORK LIFE

- Diversity and Equal Opportunity
- Talent Management
- Employee Dialogue
- Occupational Health and Safety



# WORK LIFE



Diversity is one of the most important pillars of our corporate structure. In this regard, we offer everyone equal opportunities and follow a fair and anti-discriminatory approach in all Human Resources processes.

The main factor behind Anadolu Sigorta's success is its talented, qualified, achievement-oriented human resources that are open to change. Anadolu Sigorta, recognized as the Insurance School of Turkey, offers a safe, egalitarian and fair workplace where human and labor rights are recognized, and that develops human capital. In our workplace, we take care to fulfill the requirements of international agreements Turkey is a part of, starting with the basic principles of the UN Universal Declaration of Human Rights and the International Labour Organization, such as labor rights, human rights, and social justice.

We hire the most talented employees and provide them with the means necessary for them to reach their potential. Our company's human resources strategy is to establish a culture of superior performance that supports employee development through an organizational climate conducive to promoting creativity and innovation. We encourage strong relations and communication between individuals and groups and aim to create an employee profile focused on success and open to change.



## "A Unique Experience"

Our goal is to become an employer brand in the insurance sector that attracts, improves and retains talented employees, so we also alter our communication approaches in line with trends. We actively use social media channels, attend career days at universities and frequently come together with students in network meetings to increase brand recognition. Due to the pandemic, we have continued our career activities more intensively in the digital environment. We have an internship program called **"A Unique Experience,"** that offers mentoring opportunities to university students. This way, we meet and get to know talented candidates before their graduation and contribute to their self-development by creating opportunities for them to work on actual projects.

## "Anadolu Sigorta Youth Senate"

We launched the **Anadolu Sigorta Youth Senate/Young Vision** program to help young people lead a better work life and to help university students with their career plans by preparing them for business life. We accept applications from all university students, including preparatory classes. Our priority is to hear the voices of young people, to benefit from their points of view, and to enable them to establish a network by offering them content that prepares them for professional life. The Youth Senate/Young Vision is held annually, with participation by young people from all universities, and Anadolu Sigorta employees and managers regularly meet with participants to hear their ideas about business life.

### Diversity and Equal Opportunity

Diversity is one of the most important pillars of corporate structure. In this regard, we offer everyone equal opportunities and follow a fair and anti-discriminatory approach in all Human Resources processes. We manage key human resources activities such as hiring, career management, employee development, remuneration, performance management, and termination according to principles of openness, transparency, equality, and fairness, and we transparently inform our employees about these processes. Our employee-related decisions are free of any judgments based on race, religion, sect or any kind of belief, gender, mental or physical disability, age, culture, or social class. We provide everyone with equal opportunities and treat them equally. We follow the principle of equal pay for equal work. Salary gaps between employees are strictly due to objective factors such as work hours, performance, and seniority. Employees and business partners are entitled to submit their complaints and requests anonymously regarding such issues using the methods described in our Business Ethics Guidelines. The Personnel Committee addresses and investigates these cases and takes any actions necessary. In 2020, we received no discrimination complaints.

At Anadolu Sigorta, we support gender equality, aim to increase the female employment rate, and continuously support our female employees' career development. In 2020, our female employment rate was 51%. Representation of women on management teams is also very important to us. In 2020, 43% of our senior and medium-level managers (2019 - 44%) were female.

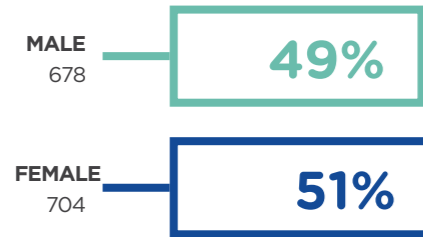
We carry out various practices for our employees with children. For instance, at our Headquarters, we arrange the working hours of mothers on breastfeeding leave as they need and provide them with extra commuting services to help them arrive home as soon as possible. During the reporting period, 30 of our employees went on maternity leave. 46 employees resumed their jobs following maternity leave, with 44 of them still working at our Company.

As part of our approach to diversity, we have increased the employment rate of people with disabilities, cooperating with İŞKUR to hire disabled people. As of the reporting period, we employ 31 individuals with disabilities.

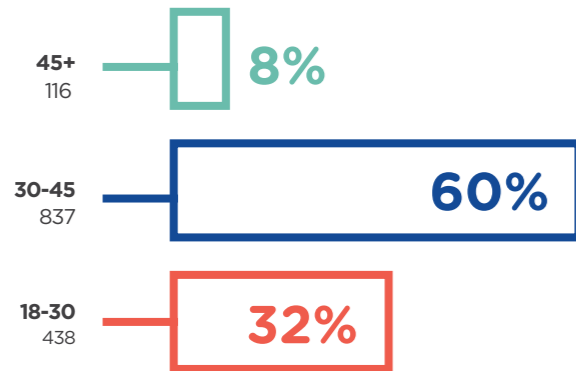
We respect our employees' right to organize, unionize, and bargain collectively.

All employees are free to become members or managers of trade unions. We have established the conditions necessary for trade unions to work freely within the company and for employees to freely exercise their rights to participate in union activities and collective bargaining. As of 2020, 1,281 employees, over 92% of our total workforce, are trade union members.

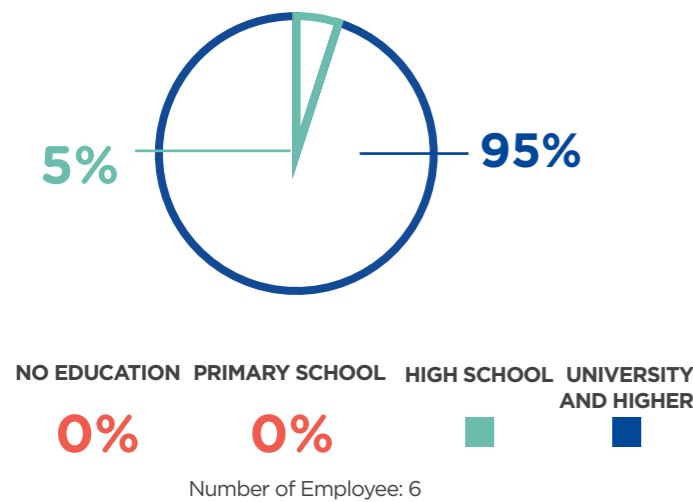
### Employees by Gender



### Employees by Age



### Employees by Education



Employees have certain job assurances based on union relations. We adopt a constructive approach to sustaining good relations with unions through employees who are union representatives. We negotiate and make mutual decisions during collective bargaining periods.

In line with the Anadolu Sigorta Business Ethics Principles, we do not tolerate child labor, forced or compulsory labor, or any other conditions that might evoke such practices. We expect our business partners to adopt a similar approach and operate their businesses in line with our principles.

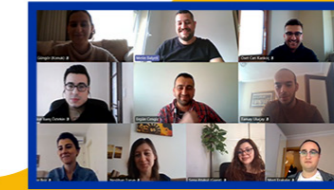
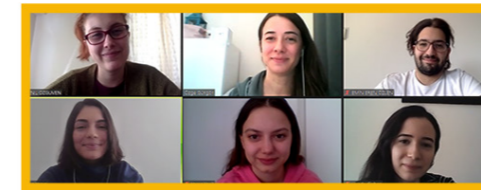
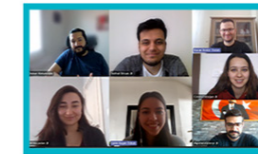
### Employee Rights

Our employees are entitled to various social rights and benefits. For instance, Anadolu Sigorta covers the healthcare expenses of our employees and their families as per Healthcare Assistance Regulations. All our employees can receive healthcare services free of charge at contracted institutions. Our employees are covered by two private pension funds that were established especially for the company. Thanks to these funds, our employees can secure high standards of living in their retirement.

### Talent Management

We believe that our success is sustainable only as long as we can attract new talent to our company and retain them. Our goal is to employ candidates who have the talent we're looking for in the right positions and to help these candidates achieve their career goals by constantly improving their talents and skills. To create a culture of learning within the organization, we encourage employees to use their talents and creative potentials at their top levels using various training and development activities. Following orientation and vocational training during the recruitment stage, we offer our employees multiple training opportunities to learn the skills they'll need to advance in their careers. We provided 31,339 person\*hours of training to 1,358 employees in 2020, with the training courses assigned through the **Anadolu Sigorta Academy** LMS (Learning Management System), which offers

## Genç Yetenekler MT Programı HIZ KESMEDEN Devam Ediyor!



personal development and video-based training to our employees. We have also begun organizing online orientation training for new employees, training 75 new employees this way for the first time this year.

Based on Development Centre practices, which have been conducted since 2014, we invite employees who have achieved specialist status and have one year left before they will be promoted to a management position to a one-day evaluation to identify their development areas and strengths. Afterward, we prepare a customized, one-year development program, organize regular meetings with HR representatives, the manager of the employee, and expert consultants every three months, and then assess his/her development process with a final meeting. In 2020, we implemented our Development Center practice in three stages due to the pandemic, including 27 new employees in the development center process. The evaluation center practice lasts a total of 7 days, with evaluative support by 16 of our managers, including two from human resources. Our goal is to support our employees through self-improvement projects, role model interviews, career coaching, and competency

developing materials on their journey to becoming ideal managers. The Development Center Application increases employee efficiency and satisfaction, thus reducing employee turnover. In 2019, the female employee turnover was 2.64%. The turnover rate for male employees was 2.54%, lower than the previous year.

We regularly monitor the performance level of our employees and implement actions to improve them. For example, we evaluate our employees twice a year according to determined performance criteria. Evaluation criteria differs based on various competencies required for different business types. Depending on the results, we determine the training needs of our employees and map out their career paths.





## Employee Dialogue

We use several practices to inform our employees about the company and current developments, allow them to share their opinions and suggestions, and communicate with each other. With the remote working model introduced during the pandemic, employee loyalty and employee communication have become much more important. To improve in this area, we launched the **“Biz Bize”** application, which offers the ability to give digital appreciation, a different way for our employees to communicate interactively with each other, and that nurtures the corporate entrepreneurship culture. Our employees can also use this app to forward their questions to our chatbot AS’li and make their entrance appointments easily.

Additionally, our employees can submit suggestions over the Intranet platform, and rate the suggestions of other employees in accordance with Suggestion System Regulations. We also reward some of these suggestions. Furthermore, as part of the project carried out by our technology center at Kolektif House, the Human Resources and Training Department, we launched a chatbot application to answer all our employees’ questions.

Our employees can recommend books to each other through the **“What to Read?”** initiative. They can create groups to share information and files over **“Team Sites.”** They can have a look at monthly mini surveys about the internal regulations published the previous month through the **“Orange Surveys”**. They can report their levels of awareness and satisfaction, and their views through surveys prepared by different departments. They can use **“Notice Board”** to sell or rent items, such as residences, vehicles, and mobile phones.

Finally, they can see fun announcements on the **“3ISUD” Instagram account** they created themselves.

### Academy

Founded in 2021 in consultancy with the Sabanci University EDU team, the Anadolu Sigorta Academy contributes to the career planning, goals, and development of all our employees beginning the day they start working for us.

This dynamic structure will benefit all our employees, agencies, interns, and business partners, regardless of title or duty. Another important goal of the Anadolu Sigorta Academy is to contribute to the professional, technical, and managerial knowledge and experience of its participants through collaborations with universities, certificate programs, and training planned as long-term modules.

It also brings together content on topics outside work, such as social responsibility projects, hobbies, content for parents, and personal development training that allows every academy participant to have a different experience.

## Occupational Health and Safety

Assuring employee health and safety is one of the fundamental values of our business culture. We constantly monitor occupational health and safety performance, evaluate them, and report them periodically. Occupational health and safety units report to the Human Resources and Training Department and execute issues regarding occupational health and safety according to Anadolu Sigorta HR Policy and legal regulations. We have Occupational Health and Safety councils organized according to legal regulations within the company with a total of 38 members, 14 of whom are employee representatives. Thanks to these councils, employees engage in the management process and support occupational health and safety practices with their suggestions in the most efficient manner.

Workplace doctors and occupational safety experts work in all operational locations regardless of legal requirements. All newly hired employees go through medical tests and examinations. They receive basic occupational health and safety training as part of their personnel training. These training courses and examinations are repeated at certain intervals.

The risk evaluation team monitors the workplace with the goal of constantly improving the work environment. They perform office ergonomics and hygiene controls every year, examining physical working conditions, measuring for thermal comfort, luminosity, dust, gas, and noise. Anadolu Sigorta always prioritizes proper office ergonomics and selects all office furniture according to ergonomics criteria. We supply customized ergonomics accessories according to our employees’ personal needs. We regularly organize seminars presented by experts on ergonomics to raise employees’ awareness of office health.

We regularly organize occupational health and safety training to raise our employees’ awareness on these



Sigorta employees, agencies and suppliers’ employees also attend these training courses.

Over the reporting period, we gave 10,494 person\*hours of occupational health and safety training to 1,187 employees.

We prepare Emergency Plans for predefined scenarios to be ready for any case of emergency in the workplace. As part of these plans, employees receive training on search & rescue, evacuation, firefighting, and first aid, depending on their assigned duties. We organize a drill at least once a year to familiarize employees with these practices.

This year, the injury rate was recorded at 0.12, with an absence rate of 3.703. Insurance sector workplaces are classified as “non-hazardous”. This year, none of our employees suffered from occupational diseases, neither at Anadolu Sigorta nor our business partners. Our occupational health and safety indicators have declined year by year. Following training sessions, employee awareness on case reporting increased, and minor injuries along with near-miss incidents were reported more widely. However, the decline in incident rates displays how much we value training and awareness of Occupational Health and Safety. We plan to draw from the experience gained through training sessions and case reports and adopt corrective practices to achieve our “zero accident” target.

Occupational Health and Safety Training	2018	2019	2020
Anadolu Sigorta Employees (number of participants)	242	886	1114
Business Partner Employees (number of participants)	121	64	73
Anadolu Sigorta Employees (total hours)	1,936	4,348	10,022
Business Partner Employees (total hours)	968	512	472

Occupational Health and Safety Data	2018	2019	2020
Injury Rate	0,97	0,64	0,12
Lost Time Rate	3,09	1,40	-
Absentee Rate	6.218	3.211	3.703

Injury Rate: Total number of injuries / total working hours \* 200,000  
 Lost Time Rate: Total amount of lost time / total working hours \* 200,000  
 Absentee Rate: Total number of employee days absent / total working hours \* 200,000

### COVID-19 Measures We Take for the Health and Safety of Our Employees and Stakeholders

With the onset of the coronavirus pandemic, we have provided additional disinfectants and increased the cleaning frequency in our buildings and vehicles (including personnel transportation services) to improve cleanliness and hygiene. As an additional disinfection system, UV-C (ultraviolet) lamps were installed in elevators and bathrooms. We supplied medical equipment like masks, overalls, uniforms, goggles, aprons, etc. to all our required personnel. We increased the capacity of the fresh air system at our Headquarters to 100%, and we increased the frequency of filter replacement and cleaning in our ventilation and air conditioning systems. We installed air-cleaning devices in rooms and departments where needed.

As part of our Business Continuity Management System, the Incident Management Team (OYE) regularly conducts business continuity drills attended by our Executive Board members, the managers of the departments in the OYE Support Team, and the relevant department managers as required by the scenarios on the agenda. With the rapid spread of COVID-19, we organized a business continuity exercise on March 3, 2020, and we informed our employees of the measures we took. Right after the exercise, our Occupational Health and Safety committee called an emergency meeting and began planning and implementing all the necessary actions.

As of March 2020, we canceled our employees' participation in meetings, seminars, and events. All

travel abroad was also canceled and employees returning from abroad were quarantined. Beginning in the middle of March, we launched the remote working model. We gradually introduced remote working for all our employees over the course of about one week and continued it without any problems.

Under the "Regulation on Emergency Situations in the Workplace", our OHS specialist prepared a Coronavirus Emergency Plan covering employees, visitors, and the immediate surroundings of our Headquarters and Regional Directorates.

We continue to implement all the measures taken for the pandemic. We check HES codes and temperatures at our office building entrances. In preparation for working in the office, transportation service arrangements were made for personnel, seating plans and floor labeling were completed according to social distancing rules, and construction/renovation work was carried out installing contact-free doors, taps, and water dispensers and separating Plexi panels on tables in the cafeteria. We established a quarantine room in the company to be used for detected cases. In addition, we provided office chairs to 1,295 employees to make working at home more comfortable. We still strictly follow rules on masks, social distancing, and hygiene. For employees' safety, we work alternately with a maximum capacity of 30% in our Headquarters.

### Our Work Life Practices During the COVID-19 Pandemic

During the COVID-19 pandemic, we switched to an unfamiliar working model, so we implemented various practices to ensure that all our employees continue to stay healthy and work most efficiently with high morale and motivation.

We prepared a presentation on Suggestions That Can Help Our Employees While Working from Home to facilitate our focus and increase our motivation during the day, including various exercises that can be done at home and arranging a workspace for efficiency. Our Human Resources and Training Department conducted a survey regarding the situation and needs of our remote working employees.

We conducted "What to Do?" surveys over our Intranet to increase social communication between employees during the complete lockdown period. Through other surveys such as What to Read, and What to Watch, our employees shared their favorite books, TV series, and movies, and participants drew lots to win gifts. We also continued to organize various online events that would normally happen in-person. We organized many events on April 23, such as, an online event on April 23 for our employees and their children, online seminars with expert speakers, and an online meeting our CEO held with employees and agencies. We did not forget our employees' children, who were significantly affected during the pandemic, donating books to them with notes and the signature of our CEO.



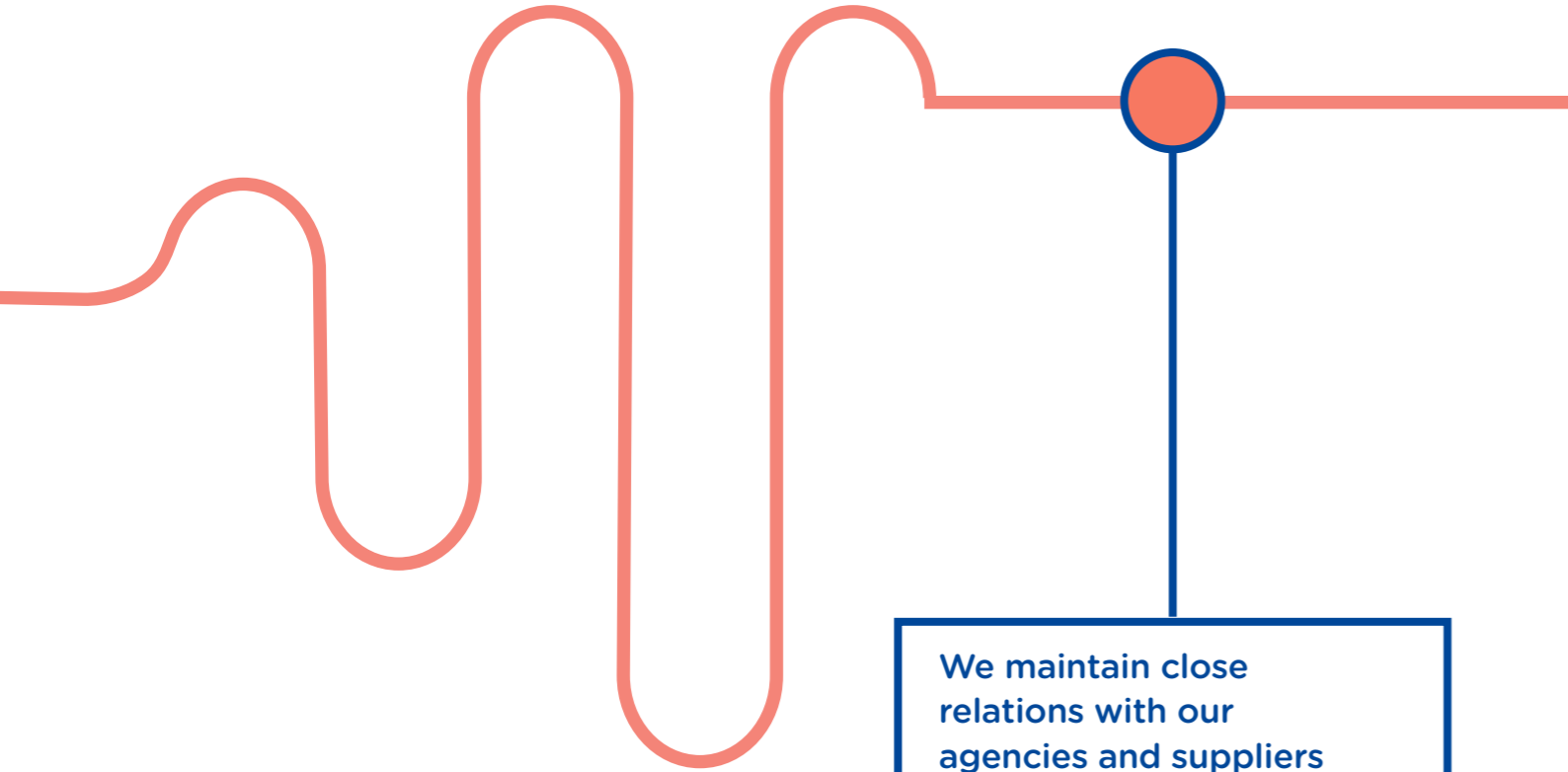
**We Continue to  
Grow with Our  
Business Partners**

## **OUR BUSINESS PARTNERS**

- Agency Relations
- Supplier Relations
- Supplier Selection
- Supplier Performance Evaluation and Development Practices
- Performance Study for Contracted Services
- Monitoring Suppliers



# OUR BUSINESS PARTNERS



**We maintain close relations with our agencies and suppliers - our business partners - and perform activities in coordination with them to increase efficiency and performance.**

We believe that sustainable business success can only be achieved through a continuously developing value chain. Therefore, we maintain close relations with our agencies and suppliers - our business partners - and perform activities in coordination with them to increase efficiency and performance. We particularly expect our business partners to adopt a work culture, code of ethics, and distinctive service quality similar to ours, and we pay attention to these aspects while selecting business partners. We support the development of our business partners through the training we organize.



## Agency Relations

It is our key principle to establish close long-term business relations built on trust with the agencies that bring our products and services together with customers. We have a total of 2,371 agencies in Turkey, 550 of which work only for Anadolu Sigorta. In addition, we provide agency services through 1,221 İşbank branches and 821 branches of 5 other partner banks.

To strengthen relations with agencies, one of our key stakeholders, we pay frequent visits to them throughout the year and exchange ideas at the Regional and Traditional Agency Meetings, where we give information to our agencies about our strategies. During the COVID-19 pandemic in 2020, we continued to meet with our agencies online for the Regional and Traditional Agency Meetings to exchange ideas and provide information about our strategies. Also, we encourage our agencies to take an active role in our processes by holding special Agency Advisory Board meetings during the year to listen to their demands and problems and to brainstorm on certain issues.

Staying informed about our agencies' demands and increasing their satisfaction help improve agency relations. We conduct surveys through which our agencies convey their ideas, views, demands, and complaints on any subject, and we take corrective actions based on the results. We conduct agency satisfaction surveys to increase their satisfaction. We learn about the issues that need to be improved and take the necessary actions based on survey results.

In 2020, agency satisfaction was measured by contacting 1,692 current agencies through Akademetre Research. This survey aimed to determine areas that need improvement by getting positive/negative feedback on various issues, such as information and training services, product prices, regional directorate approach, sales representative satisfaction, system/software satisfaction, experts, assistance companies working with our company, and claims units.

Our primary goal is to always be taking agency performance to a higher level. In this regard, we conduct a general performance evaluation study of our agencies two times a year. We submit the data obtained from these studies to the relevant Regional Directorates and take the necessary actions afterward.

**We have a total of 2,371 agencies in Turkey, 550 of which work only for Anadolu Sigorta. In addition, we provide agency services at 1,221 İşbank branches and at 821 branches of 5 other partner banks.**

We monitor any actions contradictory to our working principles through auditing activities conducted by the Board of Inspectors.

To increase business success and improve the performances of our agencies, we organize comprehensive training courses to increase the knowledge and skills of agency employees. The Human Resources and Training Directorate plans these agency trainings, sets training dates over 6 month-periods, and announces them to agencies. These training courses are organized in two different forms, such as Agent Development Training and product training. Through the Agent Development Training Programme, we offer training on production, accounting, reporting, products, and screens. In addition, we help agents obtain theoretical training on different subjects via a training portal open to agencies. In this regard, in 2020, 2,992 agents received 11,500 person\*hours of training. In addition, we launched the **"Stakeholder School"** on our new training platform, **"AS Academy"**, in a way that our agencies can also benefit, and we are planning to offer more effective and comprehensive training to our agencies by changing and enriching the training process.

We continued to train our agencies over e-learning platforms. During the year, 1,871 agents were assigned training via the e-learning portal.



## Supplier Relations

At Anadolu Sigorta, we establish close relations with suppliers, whom we consider business partners, and work to contribute to their development.

## Supplier Selection

At Anadolu Sigorta, we believe that the first and foremost stage in achieving efficient development in the procurement process is selecting the right business partners. We pay attention to supplier diversity in purchasing operations.

The selection criteria for suppliers consist of:

- Evaluation form score,
- Production that meets local and international quality standards,
- Service capacities,
- Financial strength and references,
- Trustworthiness and ability to fulfill commitments completely and on time,
- Convenience in providing technical service, maintenance, and spare parts,
- Problem-solving capacity to avoid any service delivery disruption.

We conduct reference checks for prospect suppliers not in the current supplier pool, organize meetings and visits to the company, and inspect its production facilities and physical conditions. Based on our evaluation, suppliers found eligible are included in the supplier pool. We inform our new suppliers about our work principles.

## Supplier Performance Evaluation and Development Practices

We constantly evaluate our suppliers' performances and help increase their work efficiency through supplier development studies. We conduct performance evaluations for suppliers each year using the Electronically Integrated Management System (EYS).



We organize regular meetings and interviews to discuss development and/or corrective actions in line with the business we conduct with suppliers. We arrange private interviews with suppliers who fail to achieve performance indicators as defined in agreements and develop methods to increase their performance.

Since the start of the pandemic, all experts have been provided with the means to make remote video appraisals and conduct multiple meetings using the visual appraisal application. The development/improvement of the Jet, Turbo Jet, and ASIO systems have been carried out and continue. In addition, we plan to create an earthquake-specific expert appointment system and an expert report template specific to earthquake damages.

## Performance Study for Contracted Services

We evaluate our contracted services by performing optimizations in each field of activity based on their performance score. Following these evaluation, we set new targets for the services with improvement potential and closely monitor their performances. The performance work we carried out in September 2020 of 2,150 contractual services with determined statistical elements resulted in our "Preferred Service" list of contractual services with low cost and high service efficiency. This ensures that our policyholders

quickly get the most suitable service from our call centers. Another result of our work was the evaluation of 42 contractual services with low-performance scores, 6 of whom we terminated our business relations with. In addition, we began negotiations with other services with low performance ratings and reached an agreement with 8 services on the condition that they will increase their spare part discount rate or they will supply parts from contracted Anadolu Sigorta suppliers.

We carried out performance studies on 288 experts in 2020, and based on their first period results, terminated business relations with 17 of them, also 17 other experts were added to the file liquidation processes. 2 other experts were shut down because they ceased their activities. Expert/Service/District assignments were made based on performance results.

Contractual service and automobile expert applications have been made and evaluated through our corporate website since January 2020.

In addition, we aim to expand our repair over replacement policy to increase our environmental performance and contribute to the national economy. Therefore, "replacement rate" is one of our performance criteria. We work with companies certified by the Ministry of the Environment and Urbanization so that replaced parts contribute to the national economy.

## Monitoring Suppliers

We routinely evaluate our suppliers, investigating the supplier pool and potential external supplier resources to mitigate risks in the supply chain. We use supplier analytics to monitor our suppliers' performance, and we contact them if we encounter suspicious cases or non-compliance. Any misconduct detected in supplier operations results in actions that vary according to the case and contract type that may vary from corrective actions to contract termination.

In 2019, we defined the Spare Parts Supplying Principles to improve supplier quality and service standards. We include service levels in supplier contracts, carry out periodic follow-ups and take punitive actions, if necessary. We established infrastructures for certain systemic developments to manage these actions more effectively. A new field was created for the program spare parts suppliers use that lets them instantly see their performance status. In 2020, based on supplier performance results, total fines of 96,470 TL were imposed for 39 different incidents, including the use of faulty or non-original parts that damaged service quality.

We will continue to monitor key performance indicators and other critical Damage Management indicators through the Claims Dashboard Project, which will be completed in 2021, and will allow us to monitor our experts and contracted services in real-time.

We initiated the Contract Management Project in the last quarter of the reporting period to create a supplier management portal for all our operations, such as delivering contracts to companies and receiving their approval and classification. This project is due to be completed in 2021.

## Project to Reveal Organized Damages Based on Data Analytics

Our Fraud Claims unit detects misconduct within total claims, eliminating them and paying only the actual damages as indemnity. These studies serve to fairly distribute the premiums of beneficiaries.

In 2020, we completed the "Social Network Analysis" study, which will reveal organized damages within fraudulent claim processes using a study based on data analytics, and we've started the system integration process. This study will increase the organized fraudulent damage detections that cannot be detected in individual files and where parties in different files are related. We have 25 active researchers in the fraudulent damage processes. We also made improvements to the Supplier Portal to improve the way our researchers work and added the "General Performance Data" section.

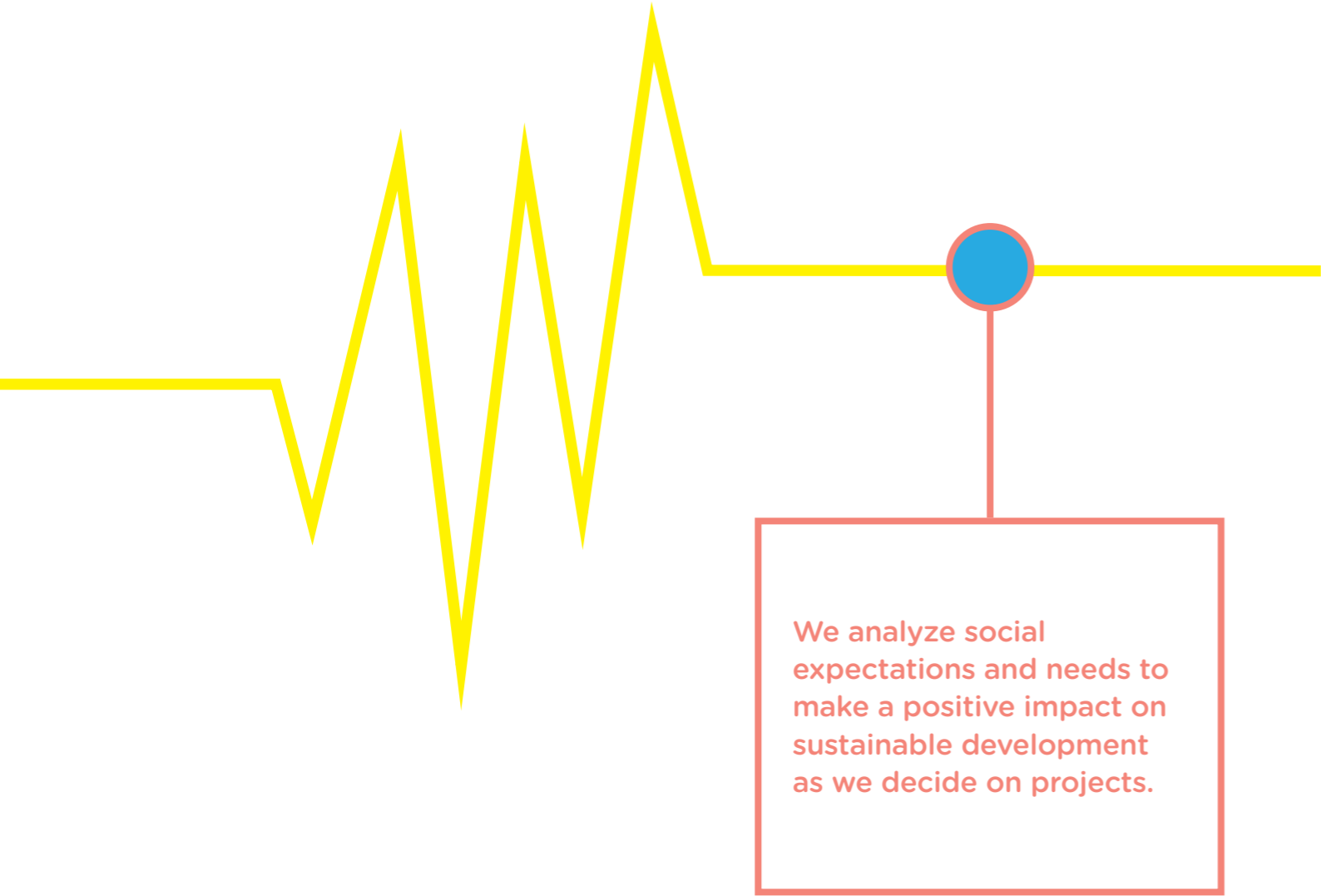
We Have a Leading Role in Social Responsibility

# SOCIAL RESPONSIBILITY

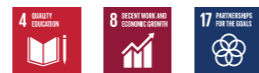
- Turkish Marine Environment Protection Association (TURMEPA)
- Sponsorship for Turkish Culture, Art and Education Center for People Without Boundaries
- Anadolu Sigorta Volunteer Team



# SOCIAL RESPONSIBILITY



Since the very beginning of our foundation, we have continuously supported education, academic activities, and cultural, art, and sports events. We strive to create value for society through our social responsibility projects. We analyze social expectations and needs to make a positive impact on sustainable development as we decide on which projects to launch or support.



## Turkish Marine Environment Protection Association (TURMEPA)

We have been conducting a social responsibility project with TURMEPA since 2011 to protect marine environments and sea habitats, to leave a viable environment for future generations, and to help them benefit from the Turkish seas. In this project, we donate a portion of our income from marine insurance to TURMEPA. In 2020, we provided a total of 4,400 policies and 22,000 TL of support at 5 TL per policy for TURMEPA and nearly 50,000 certificates were issued. The amount of support we have provided to TURMEPA since 2011 has reached approximately 200,000 TL. Additionally, we continue to use TURMEPA's Eco-Friendly Cleaning Products in our facilities.

## Sponsorship for Turkish Culture, Art and Education Center for People Without Boundaries

We have been cooperating with TEKSEM (Turkish Culture, Art and Education Center for People Without Boundaries). Thanks to our sponsorship, TEKSEM staged plays across Turkey to buy walking aids for girls with disabilities, which enables girls to get an education while staying socially active.

## Anadolu Sigorta Volunteer Team

The Anadolu Sigorta Volunteer Team gets their inspiration from our employees' ideas, and organizes volunteer events to help our society, animal friends, and nature. For their initial projects, they raised awareness of gender equality and created a food collection area in our Headquarters for stray animals.



# PERFORMANCE INDICATORS

Financial Performance

Environmental Performance

Social Performance

Employee Demographics

GRI 102-48

## Financial Performance

	2018	2019	2020
<b>Total Premium Production (thousands TL)</b>	5.701.355	6.606.856	8.015.704
<i>Accident</i>	144.366	157.405	172.430
<i>Health</i>	710.922	822.909	948.275
<i>Motor Vehicles</i>	1.090.083	1.304.844	1.506.268
<i>Aircraft</i>	42.567	55.924	142.126
<i>Marine Vessels</i>	117.804	152.978	200.773
<i>Transportation</i>	118.651	148.680	173.399
<i>Fire and Natural Disasters</i>	1.035.425	1.171.546	1.423.218
<i>General Loses</i>	512.653	492.014	580.257
<i>Motor Vehicles Liability</i>	1.550.530	1.806.682	2.304.621
<i>Aircrafts Liability</i>	42.427	63.104	81.309
<i>General Liability</i>	272.351	333.686	355.664
<i>Credit</i>	2.329	8.506	14.121
<i>Bond Insurance</i>	13.494	15.304	25.505
<i>Financial Loses</i>	37.455	59.473	65.251
<i>Legal Protection</i>	10.300	13.801	22.487
<b>Total Assets (thousands TL)</b>	7.904.032	9.767.228	12.075.878
<b>Claims Paid (thousands TL)</b>	3.373.959	3.838.569	3.852.056
<b>Paid in Capital (thousands TL)</b>	500.000	500.000	500.000
<b>Shareholders' Equity (thousands TL)</b>	1.646.206	2.155.296	2.810.378
<b>Pretax Profit/Loss (thousands TL)</b>	386.888	567.748	560.672
<b>Net Profit/Loss (thousands TL)</b>	307.574	403.062	460.638

## Environmental Performance<sup>4</sup>

	2018	2019	2020
<b>Total Energy Consumption (GJ)</b>	17.032	17.369	12.546
<i>Natural Gas</i>	479	783	421
<i>Gasoline</i>	1.042	1.000	1.005
<i>Fuel-oil (Generator and backup power units)</i>	739	813	721
<i>Fuel Oil (company vehicles)</i>	4.557	4.452	2.066
<i>Electricity</i>	10.215	10.321	8.334
<b>Specific Energy Consumption (GJ/m<sup>2</sup>)</b>	0,87	0,89	0,64
<b>Specific Energy Consumption (GJ/ employee)</b>	13,22	13,02	9,09
<b>Total Energy Savings (GJ)</b>	799	1.199	584
<b>Total GHG Emission (ton CO<sub>2</sub>e)*</b>	2.123,69	2.152,77	1.629,64
<i>Scope 1</i>	500,57	512,94	305,46
<i>Scope 2</i>	1.623,12	1.639,83	1.327,18
<b>Specific GHG Emission (ton CO<sub>2</sub>e/m<sup>2</sup>)</b>	0,11	0,11	0,08
<b>Specific GHG Emission (ton CO<sub>2</sub>e/employee)</b>	1,65	1,61	1,18
<b>Total Paper Consumption (ton)</b>	140,75	88,92	68,54
<i>Anadolu Sigorta Operations</i>	28,01	7,18	2,43
<i>Agency/Branch Operations</i>	112,74	81,74	66,11
<b>Paper Consumption per Employee (kg Employee)</b>	22,00	5,00	1,76
<b>Paper Consumption per Agency/Branch (kg/agency)</b>	26,00	23,00	18,00

<sup>4</sup> Energy consumption and greenhouse gas emissions calculations are revised for the years 2017 and 2018.

## Social Performance

	2018	2019	2020
<b>Employee Trainings (person*hours)</b>	1,084	964	1,358
Female	553	496	711
Male	531	468	646
<b>Number of Attendees in Employee Training</b>	31,311	28,019	31,340
Female	16,373	14,547	16,694
Male	14,938	13,472	14,646
<b>Number of Attendees in Agency Trainings</b>	1,301	1,031	2,992
<b>Agency Trainings (person*hours)</b>	11,709	7,217	11,500
<b>Energy Level Wage to Minimum Wage Ratio (%)</b>	145	143	145
<b>Injury Rate</b>			
Direct Employees	0,97	0,64	0,12
Female	1,12	0,41	0,06
Male	0,80	0,23	0,06
Contractor Employees	1,13	-	-
Female	1,72	-	-
Male	0,84	-	-
Total	1,01	-	-
Female	1,23	-	-
Male	0,81	-	-
<b>Occupation Disease Rate</b>			
Direct Employees	0,00	0,00	0,00
Female	0,00	0,00	0,00
Male	0,00	0,00	0,00
Contractor Employees	0,00	0,00	0,00
Female	0,00	0,00	0,00
Male	0,00	0,00	0,00
Total	0,00	0,00	0,00
Female	0,00	0,00	0,00
Male	0,00	0,00	0,00
<b>Lost Day Rate</b>			
Direct Employees	3,09	1,40	-
Female	0,37	1,22	-
Male	6,00	0,18	-
Contractor Employees	0,57	-	-
Female	0,86	-	-
Male	0,42	-	-
Total	2,45	-	-
Female	0,46	-	-
Male	4,20	-	-
<b>Absentee Rate</b>			
Direct Employees	6,218	3,211	3,703
Female	6,440	1,726	1,877
Male	5,980	1,485	3,179
<b>Fatalities</b>	0	0	0
<b>OHS Training Attendees (person)</b>	363	950	1,187
Direct Employees	242	886	1,114
Contractor Employees	121	64	73

	2018	2019	2020
<b>Total OHS Training Hours (person*hours)</b>	2,904	4,860	10,494
Direct Employees	1,936	4,348	10,022
Contractor Employees	968	512	472
<b>Number of OHS Committees</b>	6	6	6
<b>Total Number of OHS Committee Members</b>	38	38	38
<b>Number of Employee Representatives in OHS Committees</b>	14	14	14
<b>Total Amount of Monetary Sanctions Due to Non-compliance to Legal Regulation (TL)</b>	0	0	0
<b>Total Amount Of Monetary Sanctions Due to Non-compliance to Environmental Regulations (TL)</b>	0	0	0
<b>Total Amount of Monetary Sanctions Due to Non-compliance to Laws Regulating Provision of Products and Services (TL)</b>	0	0	0

## Employee Demographics

	2018	2019	2020
<b>Total Workforce (number)</b>	1,288	1,334	1,382
Female	666	696	704
Male	622	638	678
<b>Employees by Contract Type</b>			
Indefinite Contract	1,288	1,334	1,382
Female	666	696	704
Male	622	638	678
Indefinite Contract	0	0	0
Female	0	0	0
Male	0	0	0
<b>Employees by Educations</b>			
No Education	0	0	0
Primary Education	10	7	6
Secondary Education	77	70	65
University and Above	1,201	1,257	1,311
<b>Employees by Age Group</b>			
<b>Female</b>	666	696	704
18-30	221	232	256
30-45	416	429	419
45+	29	35	29
<b>Male</b>	622	638	678
18-30	133	138	182
30-45	400	408	409
45+	89	92	87
<b>Senior Management Structure (Number)</b>			
<b>by Gender</b>			
Female	1	1	1
Male	8	7	6
<b>by Age Group</b>			
18-30	0	0	0
30-45	0	0	0
45+	9	8	6



	2018	2019	2020
<b>Mid Level Management Structure (Number)</b>			
<b>by Gender</b>			
Female	98	109	114
Male	125	131	141
<b>by Age Group</b>			
18-30	0	0	0
30-45	155	163	165
45+	68	77	90
<b>Total Number of Disabled Employees</b>	29	32	31
Female	8	9	9
Male	21	23	22
<b>New Hires (Number)</b>	176	168	120
Female	102	82	49
Male	74	86	71
<b>Lay-offs (Number)</b>	98	121	72
Female	49	51	41
Male	49	70	31
<b>Employee Turnover</b>	5.52	5.64	5.18
Female	2.64	1.98	2.64
Male	2.88	3.66	2.54
<b>Employees Working Under Collective Bargaining Agreement (Number)</b>	875	1247	1.281
<b>Number of Female Employees Took Maternal Leave</b>	39	52	30
<b>Number of Female Employees Came Back to Work After Maternal Leave</b>	39	49	46
<b>Number of Female Employees Stayed at Work 12 Months After Their Return From Maternal Leave</b>	27	45	44

# APPENDIX

## United Nations Global Compact Communication on Progress

Principles	Report Section
<b>Human Rights</b>	
<p><b>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights</b>                      In order to advance the human factor; Anadolu Sigorta offers a fair, equal, safe working environment where human and workers' rights are taken into consideration for all its employees</p>	Working Life, p.50
<p><b>Principle 2: Businesses should make sure that they are not complicit in human rights abuses</b>                      Anadolu Sigorta pays maximum attention to adhere to the international agreements Turkey is a part of in the workplace, especially the United Nations Universal Declaration on Human Rights, International Labor Organization's labour standards, and basic principles of human rights and social justice.</p>	Working Life, p.50
<b>Labour</b>	
<p><b>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</b>                      All Anadolu Sigorta employees are free to participate in unions and union management. More than 90% of our employees are union members and are employed with certain guarantees.</p>	Diversity and Equal Opportunity, p.52
<p><b>Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour</b>                      Per Anadolu Sigorta Business Ethics Guidelines, Anadolu Sigorta shows zero tolerance towards any activity involving forced and compulsory labour.</p>	Working Life, p.50
<p><b>Principle 5: Businesses should uphold the effective abolition of child labour</b>                      Per Anadolu Sigorta Business Ethics Guidelines, Anadolu Sigorta shows zero tolerance towards any activity involving child labour.</p>	Diversity and Equal Opportunity, p.50
<p><b>Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation</b>                      Anadolu Sigorta makes all decisions regarding its employees irrespective of any race, religion, sect or belief, gender, mental or physical disability, age, and cultural or social status.</p>	Diversity and Equal Opportunity, p.51
<b>Environment</b>	
<p><b>Principle 7: Businesses should support a precautionary approach to environmental challenges</b>                      Anadolu Sigorta considers the issues of climate change and environment in general as crucial parts of its sustainability program and manages the related risks in an integrated manner.</p>	Climate Change and Environmental Management, p. 33
<p><b>Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility</b>                      Anadolu Sigorta supports the mitigation of climate impacts through its products and services, where its impacts are more relevant. In this regard, one of the main goals of Anadolu Sigorta is to become the preferred insurance provider to renewable energy investments.</p>	Managing Climate-related Risks and Opportunities, p.36
<p><b>Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies</b>                      Anadolu Sigorta supports the mitigation of climate impacts through its products and services, where its impacts are more relevant. In this regard, one of the main goals of Anadolu Sigorta is to become the preferred insurance provider to renewable energy investments.</p>	Managing Climate-related Risks and Opportunities, p. 36
<b>Anti-Corruption</b>	
<p><b>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery</b>                      Anadolu Sigorta and all its members pay significant attention to; compliance with laws and regulations, ethical rules, justice, transparency, honesty and accountability, and abstain from any activities that could impact the reputation of the company and the insurance sector as a whole. No employee can be held responsible for any losses the company might incur for acting in line with ethical rules such as declining bribes or being involved in other acts of corruption.</p>	Internal Audit, p. 20 Legal Compliance and Business Ethics, p. 20

# GRI CONTENT INDEX

## GRI 102-55

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102- 40 to 102-49 align with appropriate sections in the body of the report.

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

GRI Standard	Disclosures	Page Number and/or URL	Omissions		
			Omitted Section	Reason for Omission	Additional Description
GRI 101: Foundation 2016					
General Disclosures					
<b>Company Profile</b>					
	102-1	ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ	-		
	102-2	<a href="http://www.anadolusigorta.com.tr/en/homepage">http://www.anadolusigorta.com.tr/en/homepage</a>	-		
	102-3	İstanbul, Türkiye	-		
	102-4	<a href="http://www.anadolusigorta.com.tr/en/contact/address">http://www.anadolusigorta.com.tr/en/contact/address</a>	-		
	102-5	Anadolu Sigorta Annual Report 2020 (p.19)	-		
	102-6	Anadolu Sigorta Annual Report 2020 (p.2, 42-43)	-		
	102-7	Performance Indicators (p.69-72)	-		
	102-8	Performance Indicators (p.71-72)	-		
	102-9	Business Partners (p.60-63)	-		
	102-10	Anadolu Sigorta Annual Report 2020 (p.19)	-		
	102-11	Risk Management (p.17)	-		
	102-12	Integrating Sustainability into the Business Model (p. 21-25); Sustainability Priorities (p.27-28)	-		
	102-13	Anadolu Sigorta is a member of Turkish Marine Environment Protection Association (DenizTemiz / Turmepa), Association of Corporate Communications Professionals, Global Relations Platform, Corporate Governance Association of Turkey, İstanbul Mineral and Metals Exporters' Association.	-		
<b>Strategy</b>					
	102-14	Message from the CEO (p.6-7)	-		
<b>Ethics and Integrity</b>					
	102-16	<a href="http://www.anadolusigorta.com.tr/en/investor-relations/corporate-governance">http://www.anadolusigorta.com.tr/en/investor-relations/corporate-governance</a>	-		
<b>Governance</b>					
	102-18	The Board of Directors and Senior Management Structure (p.19); Sustainability Management (p.27)	-		
<b>Stakeholder Engagement</b>					
	102-40	Stakeholder Engagement (p.29)	-		
	102-41	Performance Indicators (p.72)	-		
	102-42	Stakeholder Engagement (p.29)	-		
	102-43	Stakeholder Engagement (p.29)	-		
	102-44	Stakeholder Engagement (p.29)	-		
<b>Reporting Practice</b>					
	102-45	Anadolu Sigorta Annual Report 2020 (p.1, 34)	-		
	102-46	About the Report (p.5); Sustainability Priorities (p.28)	-		
	102-47	Sustainability Priorities (p.28)	-		
	102-48	Environmental Performance (p.69)	-		
	102-49	There were no major changes to the material issues or reporting scope in 2019.	-		
	102-50	01.01.2020 - 31.12.2020	-		
	102-51	01.01.2019 - 31.12.2019	-		
	102-52	Annual	-		
	102-53	Contacts (p.77)	-		
	102-54	About the Report (p.5)	-		
	102-55	GRI Content Index (p.74-75)	-		
	102-56	Legal Disclaimer (p.76) The report has been reviewed by internal quality reviewers. The report did not receive external assurance.	-		

Material Issues			
GRI Standard	Disclosures	Descriptions and Page Numbers	Omissions
<b>Energy and Climate Change</b>			
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its boundary	Sustainability Management (p.27); Sustainability Priorities (p.27-28); Climate Change (p.32-39)	-
	103-2 The management approach and its components	Sustainability Management (p.27); Sustainability Priorities (p.27-28); Climate Change (p.32-39)	-
	103-3 Evaluation of the management approach	Sustainability Management (p.27); Sustainability Priorities (p.27-28); Climate Change (p.32-39)	-
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	Addressing Climate Change and Energy Management (p.34-35); Performance Indicators (p.69)	-
	302-3 Energy intensity	Addressing Climate Change and Energy Management (p.34-35); Performance Indicators (p.69)	-
	302-4 Reduction of energy consumption	Addressing Climate Change and Energy Management (p.34-35); Performance Indicators (p.69)	-
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG Emissions	Addressing Climate Change and Energy Management (p.34-35); Performance Indicators (p.69)	-
	305-2 Energy indirect (Scope 2) GHG Emissions	Addressing Climate Change and Energy Management (p.34-35); Performance Indicators (p.69)	-
	305-4 GHG Emissions intensity	Addressing Climate Change and Energy Management (p.34-35); Performance Indicators (p.69)	-
<b>Raising Insurance Awareness</b>			
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its boundary	Sustainability Management (p.27); Sustainability Priorities (p.27-28); Raising Insurance Awareness (p.11-12)	-
	103-2 The management approach and its components	Sustainability Management (p.27); Sustainability Priorities (p.27-28); Raising Insurance Awareness (p.11-12)	-
	103-3 Evaluation of the Management Approach	Sustainability Management (p.27); Sustainability Priorities (p.27-28); Raising Insurance Awareness (p.11-12)	-
<b>Relations with Agencies and Business Partners</b>			
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its boundary	Sustainability Management (p.27); Sustainability Priorities (p.27-28); Our Business Partners (p.60-63)	-
	103-2 The management approach and its components	Sustainability Management (p.27); Sustainability Priorities (p.27-28); Our Business Partners (p.60-63)	-
	103-3 Evaluation of the Management Approach	Sustainability Management (p.27); Sustainability Priorities (p.27-28); Our Business Partners (p.60-63)	-
<b>Integrating Sustainability into the Business Model</b>			
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its boundary	Integrating Sustainability into the Business Model (p.24-25); Sustainability Management (p.27); Sustainability Priorities(p.27-28);	-
	103-2 The management approach and its components	Integrating Sustainability into the Business Model (p.24-25); Sustainability Management (p.27); Sustainability Priorities(p.27-28);	-
	103-3 Evaluation of the Management Approach	Integrating Sustainability into the Business Model (p.24-25); Sustainability Management (p.27); Sustainability Priorities(p.27-28);	-
<b>Digital Future</b>			
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its boundary	Sustainability Management (p.27); Sustainability Priorities (p.27-28); Digital Future (p.42-47)	-
	103-2 The management approach and its components	Sustainability Management (p.27); Sustainability Priorities (p.27-28); Digital Future (p.42-47)	-
	103-3 Evaluation of the Management Approach	Sustainability Management (p.27); Sustainability Priorities (p.27-28); Digital Future (p.42-47)	-
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-2 Significant indirect economic impacts	New Economy and Insurance Sector (p. 13); Digital Future (p.38-41)	-

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### Concept and Design



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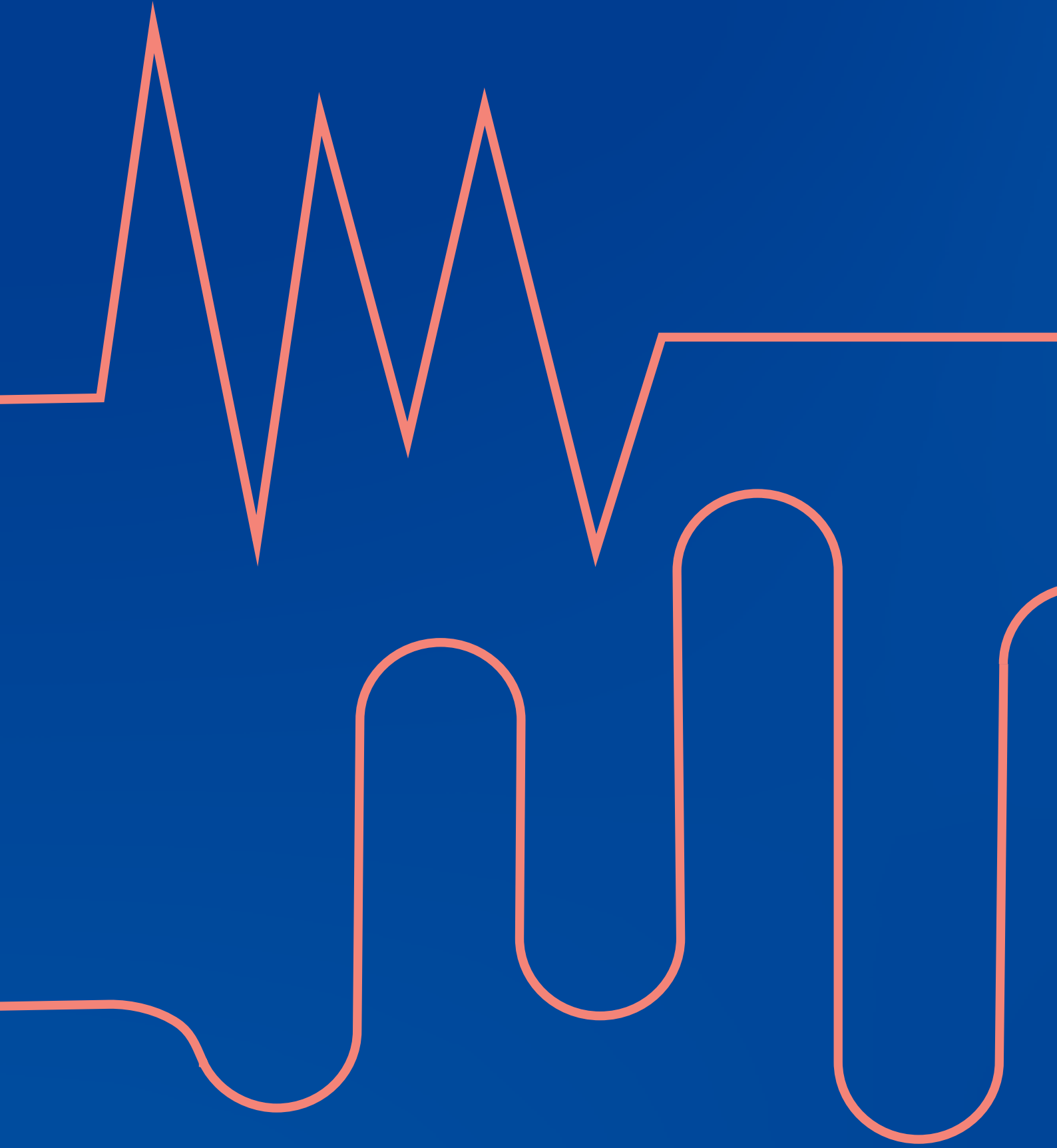
## LEGAL DISCLAIMER

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Material Issues			
GRI Standard	Disclosures	Descriptions and Page Numbers	Omissions
<b>Legal Compliance and Business Ethics</b>			
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its boundary	Sustainability Management (p.27); Sustainability Priorities (p.27-28); Legal Compliance and Business Ethics (p.20-21)	-
	103-2 The management approach and its components	Sustainability Management (p.27); Sustainability Priorities (p.27-28); Legal Compliance and Business Ethics (p.20-21)	-
	103-3 Evaluation of the Management Approach	Sustainability Management (p.27); Sustainability Priorities (p.27-28); Legal Compliance and Business Ethics (p.20-21)	-
<b>GRI 205: Anti-Corruption 2016</b>	205-1 Operations assessed for risks related to corruption	Legal Compliance and Business Ethics (p.20-21)	-
	205-2 Communication and training about anti-corruption policies and procedures	Legal Compliance and Business Ethics (p.20-21)	-
	205-3 Confirmed incidents of corruption and actions taken	Legal Compliance and Business Ethics (p.20-21)	-
<b>GRI 307: Environmental Compliance 2016</b>	307-1 Non-compliance with environmental laws and regulations	Performance Indicators (p.71)	-
<b>GRI 415: Public Policy 2016</b>	415-1 Political contributions	Legal Compliance and Business Ethics (p.20-21)	-
<b>GRI 419: Socioeconomic Compliance 2016</b>	419-1 Non-compliance with laws and regulations in the social and economic area	Legal Compliance and Business Ethics (p.20-21); Performance Indicators (p.69)	-
<b>Working Life</b>			
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its boundary	Sustainability Management (p.27); Sustainability Priorities (p.27-28)	-
	103-2 The management approach and its components	Sustainability Management (p.27); Sustainability Priorities (p.27-28)	-
	103-3 Evaluation of the Management Approach	Sustainability Management (p.27); Sustainability Priorities (p.27-28)	-
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Performance Indicators (p.69); nadolu Sigorta pays equal salary for equal work. Gender is not used as a criterion for remuneration.	-
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	Performance Indicators (p.72)	-
	401-3 Parental leave	Performance Indicators (p.72)	-
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Occupational Health and Safety (p.55-57)	-
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety (p.55-57)	-
	403-3 Occupational health services	Occupational Health and Safety(p.55-57)	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety (p.55-57)	-
	403-5 Worker training on occupational health and safety	Occupational Health and Safety (p.55-57)	-
	403-6 Promotion of worker health	Occupational Health and Safety (p.55-57)	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety (p.55-57)	-
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety (p.55-57)	-
	403-9 Work-related injuries	Occupational Health and Safety (p.55-57) Performance Indicators (p.70-71)	-
	403-10 Work-related ill health	Occupational Health and Safety (p.55-57) Performance Indicators (p.70-71)	-
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Talent Management (p.52-53); Performance Indicators (p.70)	-
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Working Life (p.50-53); Performance Indicators (p.71-72)	-
<b>GRI 406: Non-Discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	Working Life (p.51-52)	-



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