

ANADOLU SİGORTA

ENVIRONMENTAL AND SOCIAL IMPACTS MANAGEMENT POLICY

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1. PURPOSE AND SCOPE

Integration of sustainability matters into the business processes, is a principle for Anadolu Sigorta. Environmental and Social Impacts Management Policy draws a framework for identifying, evaluating and managing environmental and social risks in insurance processes. This policy also aims to inform all stakeholders about the management of environmental and social risks.

Environmental and Social Impacts Management Policy is complementary and supportive for the Sustainability Policy. In this context, this policy is a tool that integrates the perspective of sustainability into the insurance activities of the company and is valid for the underwriting activities of industrial/commercial enterprises' risks.

2. IMPLEMENTATION

Anadolu Sigorta cares about environmental and social effects of its insurance activities and undertakes to be a responsible player in this regard. In this context, Anadolu Sigorta aims to integrate the Sustainable Development Goals determined by the United Nations as the 2030 Agenda, into the insurance processes. It is aware that the damage caused to the environment and society will also harm the institution itself and that identifying environmental and social risks in the insurance process will contribute to the overall risk assessment and will pave the way for making better decisions. Underwriting risk assessments, in which environmental and social impacts are also taken into consideration, provide a holistic assessment for all stakeholders.

Anadolu Sigorta, in line with the responsible insurance approach mentioned above, manages the environmental and social impact management approach in direct insurance processes as explained below:

- i) **Prohibited Activities:** Anadolu Sigorta undertakes that, under any circumstances, it will not insure the activities that are prohibited and/or restricted by the national legislation and international agreements to which Turkey is a party, and the activities within the scope of the "List of Prohibited Activities", which was created by considering the sustainability approach of the company. These activities are specified under "Prohibited Activities List" in the appendix of this Policy. Thus, Anadolu Sigorta avoids being a part of activities that may cause irreversible damage to the environment and society.
- ii) **Activities Providing Environmental and Social Benefits:** Anadolu Sigorta, in line with the United Nations Sustainable Development Goals agenda, takes elements such as supporting renewable energy resources, combating and adapting to climate change, protecting the environment and clean production, inclusiveness and equal opportunity, protection of human rights and supports projects and institutions into account, that have a positive impact on these elements in insurance processes.

APPENDIX: PROHIBITED ACTIVITIES LIST

Anadolu Sigorta undertakes that, to the best of its knowledge, under any circumstances, it will not insure the activities/projects listed below:

- Production and trade of products and activities prohibited by applicable local legislation and/or international agreements.
 - The related prohibitions include but are not limited to the following fields of activities:
 - Production and/or trade of drugs, pesticides, herbicides and substances damaging the ozone layer prohibited by international conventions.

In 1991, Turkey became a signatory to the international Montreal Protocol on the ozone layer depleting gases and there is "Regulation on Reduction of Ozone Depleting Substances". Therefore, manufacturing companies in Turkey are required to produce within the scope specified in this regulation due to legal compliance. Plant protection products such as pesticides and herbicides are subject to licensing in accordance with the legislation. Chemical control method is generally preferred in the fight against harmful organisms because of the easy accessibility of pesticides, their easy application and their rapid effect. However, incorrect and/or unconscious use of pesticides can cause irreparable damages to humans, plants, environment, wildlife and public health. The matter of pesticides is limited in our country under the 1999 Regulation on the Licensing Procedures and Principles of Pesticides or Similar Substances Used in Pesticide. Companies engaged in production and trade in this field are required to carry out their activities within the scope specified in this regulation.
 - Trade of wildlife items and products regulated under the CITES Convention⁽¹⁾.

CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora) is an international regulation that permits to import, export, re-export and entry from the sea, in short international trade, of living and dead specimens of wild animal and plant species and their easily recognizable parts and derivatives between the contracting countries if and only if specific conditions on the convention are met. Our country became a party to the CITES Convention on 22 December 1996.
 - Cross-border trade of wastes and waste products that do not comply with the Basel Convention and relevant international conventions which our country is a party.

Since the Basel agreement is an agreement to which Turkey is also a signatory, it is an agreement that must be legally complied with by a customer engaged in cross-border waste trading.
 - Production and/or trade of PCBs⁽²⁾ or prohibited types of asbestos or products containing them.

The enterprises and production processes in Turkey are subject to the Regulation on Control of Polychlorinated Biphenyls and Polychlorinated Terphenyls dated 2007. Therefore, there is a legal compliance requirement regarding this article.
- Activities involving forced labor⁽³⁾ and dangerous child labor⁽⁴⁾ and child labor in activities that are prohibited from employing child labor specified by national and international legislation.

The issue of child labor is restricted within the scope of the Regulation on the Principles and Procedures for the Employment of Children and Young Persons in our country in 2004. *Companies operating in Turkey must operate on the basis of this regulation. The issue of forced labor is prohibited in the world by ILO Convention No.105 on the Abolition of Forced Labor Convention. Turkey has been a party to this convention since 1961.*
- Activities that cause significant alteration, damage or destruction of cultural assets included in the UNESCO World Heritage List and the UNESCO World Heritage Tentative List.

The World Heritage List is the list of sites designated by the United Nations Educational, Scientific and Cultural Organization (UNESCO) because they have cultural, historical, scientific or other significance. Turkey has recognized the UNESCO World Heritage List since 1998.

- In the field of gold mining operations using cyanide, no new customers will be added to the portfolio. (Except for compulsory mining insurances)
- Production of weapons of mass destruction and landmines.
Weapons of mass destruction and landmines are limited by international agreements as they cause high damage to civilian societies. (Regulation on the Inspection of Military Vehicles and Equipment and Industrial Organizations Producing Weapons, Ammunition and Explosives (06.05.2007)) prohibits the production of anti-personnel land mines and the production of equipment to be used in the production of mass destruction weapons.
- Especially activities carried out in wetlands determined as RAMSAR Area under the Convention on Wetlands (RAMSAR Convention).
The Ramsar Convention is an international convention aimed at conservation and sustainable use of wetlands.
- Use of diamond mines and diamond trade in countries not involved in the “Kimberley” process.
The Kimberley Process Certification Scheme is a scheme established by the 2002 "Interlaken Declaration" under the leadership of the Republic of South Africa and whose purpose is to prevent the illegal trade in diamonds extracted from conflict zones and to control the diamond trade. Within the framework of this scheme, the trade of diamonds that is not certified in accordance with the determined principles, and import and export to countries, that are parties to this scheme, is prevented. In some meetings of the United Nations Security Council and General Assembly; the decisions and recommendations of these meetings were supported by the references made. 47 countries, including our country, are parties to the Kimberley Process.
- Activities using drift-net in aquaculture fishing.
Trolling (drift-net) negatively affects the fauna and marine life and biodiversity in the fishing area. Trolling bans in Turkey are regulated within the scope of the Communiqué No. 4/1 Regulating Fisheries for Commercial Purposes (Communiqué No: 2016/35).
- Pornography or prostitution-related work
- Transportation of petroleum and other hazardous materials through tankers that do not comply with the International Maritime Organization (IMO) requirements.
The transportation of petroleum and hazardous materials that do not comply with IMO requirements can pose serious risks to both the environment and people. As a member of IMO, Turkey acts as a party to IMO conventions.

(1) CITES (The Convention on International Trade in Endangered Species of Wild Fauna and Flora): Convention on International Trade in Endangered Species of Wild Fauna and Flora.

(2) PCB (Polychlorinated biphenyl): It is a highly toxic chemical group especially found in oil transformers, capacitors and switch gear, dated between 1950-1985.

(3) Forced labor, as defined in the ILO (International Labor Organization) conventions, means work and services that are not voluntarily performed and that a person performs with the threat of force or punishment.

(4) The minimum age limit for child workers must be as defined in the ILO Fundamental Human Rights Conventions and national legislation.