

**ANADOLU SİGORTA**

**RESPONSIBLE INVESTMENT POLICY**

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## 1. PURPOSE AND SCOPE

Anadolu Sigorta sees responsible investment as a fundamental step in creating value for itself and the society. For this reason, it adopts as a principle, to consider the environmental and social impacts created through its investments. Anadolu Sigorta takes environmental, social and business ethics factors into account, in its fund management activities (with the awareness that these factors can affect financial performance) through its Responsible Investment Policy.

Carrying out a responsible investment policy, Anadolu Sigorta not only protects and develops the value of its own investments, but also encourages responsible investment practices within the sector.

This policy is valid for fixed income securities portfolio of Anadolu Sigorta.

Anadolu Sigorta Responsible Investment Policy is complementary and supportive of the Sustainability Policy. In this context, the Responsible Investment Policy is a tool that integrates a sustainability perspective into the company's fund management activities.

## 2. IMPLEMENTATION

Compliance with environmental and social legislation is essential in Anadolu Sigorta's investment activities. In addition, Anadolu Sigorta proceeds by considering the environmental and social impacts of investments as a responsible player in the sector when other conditions are equal while evaluating investment options. The main reasons for this implementation can be listed as follows:

- i) Sustainable economic growth, which is the cornerstone of institutional stability and long-term success, depends on the effective management of environmental, social and governance risks.
- ii) Sustainability can only be achieved if social gains are parallel to financial gains.
- iii) Advanced environmental and social governance structure contributes to the long-term profitability of the organization by providing resilience against risks.
- iv) Investments that are known to have negative attitudes about environmental responsibility, climate change, occupational health and safety, corruption and that do not comply with the business ethics and responsible investor profile are highly likely to cause financial losses by damaging the reputation of our company.

In this direction, Anadolu Sigorta undertakes that, under any circumstances, it will not invest in activities that are prohibited and/or restricted by national legislation and international agreements to which Turkey is a party, and activities within the scope of the "Prohibited Activities List" that do not comply with the company's responsible investor identity. The activities evaluated under this scope are specified under the "Prohibited Activities List" in the annex of this Policy.

## APPENDIX: PROHIBITED ACTIVITIES LIST

Anadolu Sigorta undertakes that, to the best of its knowledge, under any circumstances, it will not invest in 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<sup>(1)</sup>.  
*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<sup>(2)</sup> 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<sup>(3)</sup> and dangerous child labor<sup>(4)</sup> 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.*
- 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.