
**ANADOLU SİGORTA
SUSTAINABILITY POLICY****CONTENTS**

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1. PURPOSE AND SCOPE

The purpose for issuance of this Policy comprises of identifying the strategic approach of Anadolu Sigorta towards sustainability management and providing guidance to the relevant aspects of operations of the Company, product and service processes in respect of these matters, keeping our concerned stakeholders duly informed in parallel thereto.

2. CONTEXT

As a deep-rooted company operating in the field of insurance and reinsurance, our basic duty consists of generating value for our stakeholders, under a sustainable business model that is respectful to environment and people and with high profitability.

Main framework of Anadolu Sigorta's perspective towards sustainability consists of the following items:

- Management of the impacts generated by the operations of the Company on sustainable development including its social, environmental and economic aspects;
- Management of impacts generated on the operations of the Company by the megatrends arising in these areas;
- Meeting expectations of the Company's stakeholders towards these aspects;
- Prioritizing transparency and accountability in all of the foregoing operations.

The basic target we are adopting in respect of sustainability management comprises of eliminating through activities we are carrying out and realizing, any sustainability risks which might generate adverse impact on the operations of the Company and enhance our performance in matters with a potential of creating opportunity. Besides this, it is included as well in our objectives towards sustainability management, becoming basic business partners of our customers in managing their sustainability risks by means of products and services we are developing.

To this effect, Anadolu Sigorta assumes and adopts the principle of responding, both in its operations as well as its products and services, the current requirements without hampering the capacity of dispensing the requirements of future generations.

3. MANAGEMENT AND COMPLIANCE

First step of Anadolu Sigorta's sustainability approach comprises of compliance with the legal obligations it is subject to. Whereas in cases where legislations are not regulating, it is acted in parallel to the internationally accepted rules of management and professional ethics.

Anadolu Sigorta conducts its sustainability management operations in parallel to rational targets developed relevant to the Company strategies and based on time and performance.

Anadolu Sigorta generates its management, measurement, assessment and reporting systems towards sustainability operations in accordance with the principles prescribed under international standards.

Anadolu Sigorta Sustainability Committee is responsible for the following activities as the basic management body concerning sustainability:

- Determining prioritized sustainability matters, risks and opportunities, policies and strategies, business targets, management and implementation norms;
- Integration of the same with corporate strategic plans;
- Monitoring the implementation and performance, and reporting the same to Senior Management as well as stakeholders.

Any operations realized are subject to internal systems and independent audit processes as and when deemed necessary.

Anadolu Sigorta provides support to any national as well as international initiatives operating in the field of sustainability in general and sustainable development or such other prioritized sustainability matters determined by Anadolu Sigorta; follows-up the latest development in Turkey and worldwide in communication with various stakeholders primarily non-government organizations, universities and public entities. Anadolu Sigorta integrates these developments with its operations.

4. FOCAL AREAS OF APPLICATION

Anadolu Sigorta's focal application matters with respect to sustainable management comprise of **prioritized sustainability issues** in social, economic and environmental areas set forth and specified via systematic methods accepted under international standards.

On the other hand, Anadolu Sigorta assesses Sustainable Development Goals duly accepted and recognized before the United Nations as well, as a part of its sustainability management and includes works in its operations towards these targets.

4.1. INTEGRATING SUSTAINABILITY INTO BUSINESS STRATEGY

Environmental and social impacts are complex and interrelated in their nature. Accurate assessment of environmental and social risks and opportunities enables the prevention of potential losses arising from significant impacts on society and the environment. The insurance industry, whose activities are based on risk management, is supposed to play its part in the business world, whose main objectives are being reshaped with the focus of sustainability.

Anadolu Sigorta treats sustainability as a fundamental working philosophy and aims to make the evaluation of the social, economic and environmental dimensions of operational processes and also products and services, an essential part of its business strategy. In line with this goal, Anadolu Sigorta integrates its sustainability approach into both insurance and investment processes with an environmental and social risk management perspective.

Anadolu Sigorta, by being aware that environmental and social risks are an important element in insurance processes, carries out the process of integrating environmental and social effects into insurance activities within the framework of "Environmental and Social Impacts Management Policy".

In addition, Anadolu Sigorta is aware that the assessment of environmental and social risks is an important prerequisite for fully understanding risks and opportunities in investment activities and to fulfill the responsible investor role. In this context, it aims to contribute to the sustainable business world by evaluating the environmental and social components in investment processes within the framework of the "Responsible Investment Policy".

4.2. CLIMATE CHANGE AND ENERGY

Phenomenon of climate change very clearly stipulated as a result of scientific research is being identified as a global problem. It is being foreseen and predicted that risks arising from climate change shall have important impacts either directly or otherwise on the social, economic and business life, public health, nature's assets and lives of living creatures.

In parallel to its Environment and Climate Change Policy, Anadolu Sigorta aims primarily to minimize the impacts originating from the operations of the Company, becoming solution partner in the management of its customers such climate change risks with its products and services and providing support to low carbon economy.

4.3. DIGITAL FUTURE

Influences of the major development in Internet technologies on consumer behavior, Industry 4.0 concept changing the business making pattern of companies, ever expanding on-line products and services are radically changing the value generation processes of all sectors. In parallel to its aforesaid character, digitalization is the most prioritized megatrend currently shaping the future of insurance sector. Anadolu Sigorta is identifying its future with the concept of digital, individualized service focused and paperless insurance operations.

As a response of intensive penetration of technology into the insurance sector, Anadolu Sigorta has positioned diversification and simplification at the focus of its digital transformation with the purpose of enabling better customer experience. While diversification is identified as developing new products, services, channels and business models, simplification could be considered as improvement of operational processes.

In the process of digital transformation mandated by the digital future, digitalization strategy in the course of new and ever-increasing requests of consumers is an essential part of the corporate strategy and it should be fully compatible to the corporate strategy. Anadolu Sigorta compiles its digitalization strategy under 3 main principles; a favorable customer experience, maximum automation and effective use of corporate intellect.

Departing from the aforesaid principles, Anadolu Sigorta is analyzing very well how it should be using technology in order to be and become the insurance company preferred most by the society, to provide substantial benefits to the society, environment and economy and make a difference.

Besides several advantages, digital transformation is bringing forth several risks as well such as cyber security risk. To this effect, Anadolu Sigorta enhances the digitalization process via internationally recognized and accepted technologies, standards and security technologies and provides confidence to the customer.

In general perspective, to become an effective player in digital areas in future as at present, Anadolu Sigorta is attempting to become a corporate structure securing the society, responding swiftly to the requirements of customers and providing them services even beyond their expectations.

4.4. BUSINESS ETHICS AND LEGAL COMPLIANCE

Persistence of insurance operations is based on the trust and confidence in the insurance system including its actors. It is amongst the primary responsibilities of insurance companies besides regulatory bodies, to protect and develop the confidence in the insurance system as one of the basic constituents of a sound and robust economy. To this effect, insurance sector is being regulated by professional rules with a long past background as well as laws developed as modern reflections of the same.

Under such an awareness, Anadolu Sigorta targets to carry out and conduct its operations in compliance with such laws and regulations regulating insurance activities or deemed as binding in respect of its operational structure. To this end, Anadolu Sigorta manages its legal compliance processes by means of a proactive approach which is a part of its internal systems processes.

It is contained in Anadolu Sigorta Ethical Rules and Implementation Principles such rules pertaining to ensuring confidence and persistence in the insurance sector, enhancing service quality, preventing unfair competition and such operations and practices which might cause losses in the economy, describing the operating pattern and values of the company further to the laws in order to upgrade social benefit.

4.5. WORK LIFE

Principal factor in the success of Anadolu Sigorta lies in its skilled, qualified human resource open to change and success-oriented. Anadolu Sigorta identified with its character of being Turkey's Insurance School primarily presents its employees an equitable, egalitarian and secure workplace for the sake of developing

its human factor, where human and employee rights are observed. It diligently takes care in fulfillment of the requirements of international agreements that Turkey is a party to, primarily the fundamental principles such as labor rights, human rights and social justice under United Nations Universal Declaration of Human Rights and International Labor Organization.

Anadolu Sigorta manages basic human resources processes like recruitment, career management, employee development, wage management, performance management and ending of employment within framework of openness, transparency, equality and justice and informs its employees in relation with these processes. Decisions concerning employees are made independent of race, religion, language, creed, gender, mental or physical impediment/handicap, age, cultural or social class differences. While personal and professional development is being supported overall the Company in general, training and development means conducted to this end are provided to the employees within framework of egalitarian approach.

Providing support to ensuring social gender equality, Anadolu Sigorta takes measures to increase female employment and maintaining female labor in employment. On the other hand, it acts so as to remove those barriers impeding participation in employment of disadvantaged groups such as handicapped employees.

It is tolerated in no way and manner howsoever to any discrimination within work premises or any attitude which could be perceived as discrimination, verbal, physical, sexual, racial, psychological abuse or harassment.

Anadolu Sigorta pays due respect to the organization, unionization as well as collective labor agreement rights of its employees. All employees act in their free will regarding membership in labor unions and assuming duties in the management of unions. It is provided for the necessary conditions so that unions freely conduct their operations throughout the Company in general and the employees dealing with union-related activities and using their collective negotiation rights in an effective and free manner.

Anadolu Sigorta attends the physical and mental health of its employees and ensures a work ambient supporting this.

Anadolu Sigorta establishes the relevant channels whereby the employees could communicate and transmit their expectations, opinions, proposals and complaints for participating in the management and open communication, obtaining information about the activities and decisions of the Company.

4.6. RELATIONS WITH BUSINESS PARTNERS

In enabling sustainable business achievement throughout the value chain of Anadolu Sigorta in general, operations conducted in coordination with its business partners like agencies and suppliers play an important role.

Anadolu Sigorta expects primarily from its business partners to assume and adopt a work culture and concept of business ethics identical with itself, and a quest for service quality which is distinctive. It also pays attention to these principles in its business partner preferences.

Anadolu Sigorta establishes intimate relations with its business partners, develops applications and services enabling continuous improvement of their efficiency and performance.

4.7. IMPROVING AWARENESS OF INSURANCE

Anadolu Sigorta, the first national insurance company of Turkey and characterized as an “Insurance School” assumes wide-spreading of insurance awareness throughout the country in general as one of its primary duties.

Anadolu Sigorta targets to become a company of reference in the international insurance sector by assuming a pioneering role in product development, technology and innovation.

To this end, Anadolu Sigorta generates awareness throughout the social community about insurance products and services including benefits provided by the same by utilizing traditional and Internet based communication media or through social responsibility activities. It monitors the point arrived at via research conducted over the market in general, and plans new activities under highlight of the data obtained.