

# İŞ FAKTORİNG



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Sustainability Policy

## A-Purpose and Scope

The Sustainability Policy sets out the basic principles and procedures aimed at preventing or minimizing negative environmental and social impacts and maximizing positive impacts related to the business and other activities of both the Company and its customers.

## B- Definitions

**Company:** İş Faktoring A.Ş.

**Low Carbon Economy:** A model that ensures that the energy required for all economic activities occurring in the production - consumption chain in the economy is provided in a way that leads to the lowest level of carbon emissions

**Sustainable Development:** To program the life and development of today and the future in a way that will allow the needs of future generations to be met without depleting natural resources by establishing a balance between man and nature

**Sustainability Committee:** The committee that determines the Company's sustainability goals and action plans, and ensures the necessary cooperation and coordination within the Company for their implementation

**Sustainability Working Group:** The working group operating under the Sustainability Committee, which aims to create action plans by generating ideas to ensure sustainable development and to ensure the implementation of the plans by submitting them to the Sustainability Committee for approval

## C- Principles and Procedures

In line with its sustainability policy, the Company acts in accordance with the following principles and procedures.

1. Monitors and manages the direct or indirect economic, environmental and social impacts of its activities.
2. Aims to support projects that play an important role in the transition to a low carbon economy.
3. Takes measures to minimize the direct and indirect impacts of its activities while taking into account the impacts of climate change and the associated risks and opportunities.
4. Aims to create a work environment that respects human rights, social justice and labor rights by taking into account employee satisfaction.
5. Rejects all forms of discrimination that violate equality of opportunity, discriminate, exclude or select people based on gender, religion, political opinion, race, origin, sect or any belief, sexual orientation, preference, mental or physical disability, age, cultural/social class and opinion/thought differences and aims to eliminate inequalities. Recognizes diversity in its workforce as a key component of its intellectual capital.
6. Within the scope of legal legislation and practices related to occupational health and safety, it aims to provide a healthy and safe work environment for its employees and to improve its processes in this regard through preventive, corrective and protective approaches.
7. Prepares its medium and long-term strategies in a way to safeguard the rights and interests of its employees, customers and all stakeholders, as well as the public interest.



8. It does not tolerate bribery and corruption in any way, and acts within the framework of the Company's Anti-Bribery and Anti-Corruption Policy in relevant cases. The Anti-Bribery and Anti-Corruption Policy supplements this policy.
9. Ensures that its employees or representatives do not directly or indirectly engage in soliciting or accepting gifts from customers that would violate the guidelines outlined in the Company's Gift and Hospitality Policy and they are committed to avoiding any actions that may imply such behavior. The Gifts and Hospitality Policy supplements this policy.
10. Carries out activities to increase employee awareness in order to comprehend the sensitivity of the sustainability issue.
11. Conducts a fair, impartial and honest process in procurement transactions. Acts in accordance with the Procurement Procedures with companies operating in line with Sustainable Development Goals, taking into account factors such as professionalism, quality, durability, reliability and cost of the product/service.
12. Follows the activities of multilateral initiatives that carry out sustainability studies on a national and international scale. Attaches importance to taking part in cooperation platforms on sustainability in line with its goals and strategies.
13. Adopts the principle of continuously improving sustainability practices.
14. Adopts the principle of sharing all information about the products and services offered in marketing and sales activities in a complete, clear and easily understandable manner with its customers by prioritizing a customer-oriented working approach.
15. The Bank monitors the activities prohibited or restricted by national legislation and international conventions to which Turkey is a party within the scope of the "List of Non-Financed Activities" attached to this policy and does not finance these activities without subjecting them to any environmental and social impact assessment or regardless of the amount limit.
16. Aims to regularly measure greenhouse gas emissions, which are the main cause of climate change, and makes plans to reduce them.

#### **D- Audit**

The audit of compliance with the provisions of the policy is carried out within the scope of internal audit.

#### **E- Effective Date**

This policy is approved by the Board of Directors on 10/01 /2023 and entered into force thereafter.

The Sustainability Committee and the Sustainability Working Group are responsible for fulfilling the provisions of the policy and updating the policy. Updates and amendments deemed necessary are approved by the Board of Directors and enter into force thereafter.

## ANNEX: List of Non-Financed Activities

İş Faktoring, to the best of its knowledge, does not provide financing for the activities of companies operating in the following fields and/or forms:

- Production and trade of products and activities prohibited by applicable local legislation and/or international conventions. The relevant prohibitions cover, but are not limited to, the following fields of activity:
  - Production and/or trade of drugs, pesticides, herbicides and ozone depleting substances banned by international conventions.
  - Trade in wildlife elements and products regulated under the CITES Convention (1)
  - Cross-border trade of wastes and waste products that do not comply with the Basel Convention and related international conventions to which Turkey is a party.
  - Production and/or trade in PCBs (2) or prohibited types of asbestos or products containing them.
- Activities involving forced labor (3) and hazardous child labor (4) and child labor in activities prohibited by national and international legislation.
- Activities that result in the significant alteration, damage or destruction of cultural property included on the UNESCO World Heritage List and the UNESCO World Heritage Tentative List.
- Production of weapons of mass destruction and landmines.
- Activities carried out in wetlands designated as RAMSAR Areas under the Convention on Wetlands of International Importance Especially as Waterfowl Habitat (RAMSAR Convention).
- Diamond mining and diamond trade in countries not involved in the "Kimberley" process.
- Activities in which drift-net is used in fishing for aquaculture.
- Work related to pornography or prostitution.
- The activity of transporting oil and other and hazardous substances through tankers that do not comply with International Maritime Organization (IMO) requirements.
- Loans for the financing of new greenfield thermal power plant investments to generate electricity using coal and natural gas as fuel.
- New coal mine investments.
- Gold mining using cyanide.

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

(2) PCB (polycarbonate biphenyl): A group of highly toxic chemicals found in oily transformers, capacitors and switch-gear, especially those dating from 1950-1985.

(3) Forced labor, as defined in ILO (International Labour Organization) conventions, refers to work or services that are not performed voluntarily and are performed by a person under the threat of force or punishment.

(4) The minimum age of child laborers must be as defined in the ILO Basic Human Rights Conventions and national legislation.