

Sustainability Report

2021



Contents

1. Introduction and Overview of QNB Finansbank	3
1.1 About the Report	4
1.2 Message from the Chairman	5
1.2 Message from the General Manager	6
1.3 QNB Finansbank at a Glance	7
1.4 Sustainable Financial Performance	10
1.5 2021 Performance Summary and Sustainability Highlights	11
2. Sustainability Approach of QNB Finansbank	12
2.1 QNB Finansbank Sustainability Framework and Strategy	13
2.2 Sustainability Governance	15
2.3 Stakeholder Engagement and Communication	16
2.4 Materiality Assessment	17
2.5 External Commitments	18
3. Sustainable Finance	19
3.1 Sustainable Investment, Lending, Products and Services	20
3.2 Supporting Corporate Customers and Entrepreneurship	22
3.3 Financial Health and Inclusion	25
3.4 Customer Experience and Satisfaction	26
3.5 Responsible Customer Communication and Marketing Activities	27
3.6 Customer Privacy and Data Security	27
3.7 Digital Transformation and Innovation	28
4. Sustainable Operations	31
4.1 Corporate Governance, Legal Compliance and Risk Management	32
4.2 Talent Management and Development, and Retention of Talents	35
4.3 Diversity and Inclusion	38
4.4 Environmental Impact of Operations	39
4.5 Responsible Procurement and Supply Chain	39
5. Beyond Banking	40
5.1 Investments in Society and Community	41
6. Comments and Other Remarks	43
6.1 Summary of Sustainability Performance	44
6.2 Global Reporting Initiative (GRI) Standards Content Index	45
6.3 United Nations Global Compact (UNGC) Progress Report	48
6.4 Women's Empowerment Principles (WEPs) Progress Report	49

1. Introduction and Overview of QNB Finansbank

Contents

- 1.1 About the Report
- 1.2 Message from the Chairman and the General Manager
- 1.3 About QNB Finansbank
- 1.4 Sustainable Financial Performance
- 1.5 2021 Performance Summary and Sustainability Highlights



1.1 About the Report

QNB Finansbank Sustainability Report 2021 presents a summary of QNB Finansbank's sustainability approach and sustainability performance in the period between January 1, 2021, and December 31, 2021, in a way that complements the issues outlined in QNB Finansbank Annual Report 2021.

This report was prepared in accordance with the core option of the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines and GRI Financial Services Sector Supplement (FSSS). Our Bank's contribution to the United Nations Sustainable Development Goals (UN SDGs) is also presented by associating our sustainability goals with the relevant UN SDGs.

In addition, the report refers to United Nations Global Compact COP (Communication on Progress) Index to share QNB Finansbank's contribution and support to the ten principles of the United Nations Global Compact with the public in 2021.

In this report, the terms "QNB Finansbank A.Ş.", "QNB Finansbank", "our Bank", "Bank" and "We" are used interchangeably to have the same meaning. As in the previous years, the figures and explanations in the report reflect QNB Finansbank's domestic operations -except subsidiaries- unless otherwise stated.

Feedback

For your opinions, suggestions, and feedback on this report and our sustainability works, you can contact our sustainability team via the e-mail address sustainability@qnbfinansbank.com

You can access the electronic version of the report [here](#).



1.2 Message from the Chairman

Dr. Ömer A. Aras

QNB Finansbank, Chairman of Board of Directors



Esteemed Stakeholders,

With the impact of the climate crisis, social change movements, and the pandemic in the world, the banking sector has assumed another fundamental responsibility besides funding and supporting the economic structure. Banks now play a critical role in determining how to do business for a sustainable world that focuses on the welfare of climate-friendly societies.

Within the last few years, the increasing understanding of transparency and sustainability has become mainstream upon the request of regulatory authorities, investors, and especially society.

The world acknowledges that we must fight together in our struggle against the climate crisis and for sustainable development. All

institutions, particularly banks, have important duties in promoting common standards.

The World Bank projects that climate change may force more than 216 million people from 6 regions of the world to internal migration until 2050 if no precautions are taken. Due to internal and external migration, hotspots will emerge in the 2030s and increase by the 2050s. It is more critically important than ever to comply with the United Nations' Sustainable Development Goals, which aim to solve all these problems and ensure global welfare by 2030.

As QNB Finansbank, we have been taking important steps towards realizing the Sustainable Development Goals announced by the United Nations since 2015. While we implement essential applications in line with our 2050 Net Zero Carbon Emission targets, we carry out our tasks together with our financiers, their families, customers and stakeholders.

Within the scope of our sustainable finance studies as part of our sustainability strategy, we work to create an inclusive economy and sustainable world. Within the framework of our responsibility towards society, we give support to institutions, investors, savers, and individuals to get access to sustainable banking products and services. In addition, with our sustainable operations, we undertake

pioneering practices that will encourage all our stakeholders to take steps, starting from ourselves, for a livable future.

As the trustees of our future, children are the focal point of our sustainability works. With our "Children"-oriented social responsibility projects, we carry out industry-leading works with projects to create value.

We see our bank as an institution that facilitates life by providing financing to all layers of society (individual, SME, corporate). We aim to internalize sustainability and to increase sustainability awareness in all processes of our Bank, from its daily life to the products and services it offers. In particular, we strive to ensure that the decision mechanisms we use in loan processes are compatible with sustainability principles.

2021 was a year when we, as Finansbank, set our targets, baseline, and climate action roadmap. In line with our approach to diversity, equality, and inclusiveness, we will continue to strengthen and disseminate our multilateral sustainability practices through our banking products, services, and digitalized business processes.

Sustainable development will not be limited only to stable growth and environmental factors. The creation of a better and equal business environment will be our greatest duty in building a sustainable future.

As I share with you our report, where you will find the details of the sustainability works in 2021, I would like to once again thank all our stakeholders, especially my colleagues.

Kind regards,

Ömer A. Aras
Chairman
QNB Finansbank A.Ş.

1.2 Message from the General Manager

Ömür Tan

CEO, QNB Finansbank



Esteemed Readers,

In 2015, the United Nations made a great commitment on behalf of the whole of humanity to put an end to starvation and poverty, ensure gender equality and equal educational opportunity, protect the environment and leave a more livable world heritage. It called for the contribution of governments, companies, and people all around the world to the 17 articles of Sustainable Development Goals for the fulfillment of this commitment until 2030.

The COVID-19 pandemic affected much more than our health. Millions of lives were lost with burdensome costs in terms of the humanitarian and economic situation. According to the United Nations' Sustainable Development Goals 2021 report, it caused decades of delays in the Sustainable Development Goals consisting of 17 articles.

Therefore, adding value to society, the environment, and the healthy operation of financial systems is now more critically important than before.

As the QNB Finansbank family, we set off to work harder and take more responsibilities to achieve the goal of creating a more inclusive, greener, and more

livable world in line with our mission of forming a lifelong partnership with everyone that touches QNB Finansbank, based on understanding the needs, creating the right solutions and satisfaction, while always aiming at success.

By increasing our sustainability performance for 2021 under the roof of Sustainable Finance, Sustainable Operations, and Corporate Social Responsibility Beyond Banking -which are the three building blocks of our sustainability strategy-, we accelerated our work with an approach that works for creating a more inclusive economy, takes initiatives to raise next generations as climate and development pioneers, and adopts gender equality. Accordingly, we continued our work addressing Children as the focal point of QNB Finansbank throughout 2021.

In line with our long-term targets of ensuring gender equality at all levels, we signed the Women's Empowerment Principles (WEPs), a joint initiative of the UN Global Compact and UN Women, and committed ourselves to the 7 principles to ensure gender equality in business life. On the other hand, we still see that structural and cultural barriers prevent women from being promoted to high-level leadership positions. Therefore, we focus on developing inclusive and balanced recruitment processes in terms of gender, and implementing tools that highlight this understanding in our Human Resources processes.

We continue to fulfill our responsibilities as an organization where people entrust their savings for their future. For this purpose, we have been providing uninterrupted support to the real sector. To ensure green growth, economic inclusion, and sustainability, we have been standing by all customers and stakeholders with more flexible banking activities that have integrated technology into all processes and deliver more effective and faster solutions as well as business continuation packages, special packages for public officers and

new digital solutions for SMEs. Moreover, we laid the foundations of a digital world that is flexible enough to meet our customers' future needs via our digital banking channels.

To accelerate adaptation to the rapidly-digitalizing processes after the pandemic, we launched the "DigiLearn Development Journey" for our financiers and commercial and corporate customers for the first time in Türkiye. The program aims to increase the digital literacy of both our employees and our selected commercial and corporate customers.

We also act with this awareness in our international activities to contribute to sustainable and green economic growth in every field. In May and November, we increased and renewed our syndication loans based on sustainability performance criteria. In the second quarter of 2021, we issued our first green bond worth USD 50 million with the EBRD. This issuance is also EBRD's first direct green bond investment in a bank in Turkey.

We are taking steps to responsibly manage our indirect environmental impacts due to our lending procedures as well as our direct environmental impact arising from our operational activities. We are reducing the cooling-related energy consumption of our Crystal Tower Data Center in 2021 by 25% compared to 2019, thus reducing our energy consumption and environmental footprint. We also realized various projects on the reduction of the environmental footprints of our water consumption and lighting systems in 2021.

In addition to these efforts, QNB Finansportföy, one of our affiliates, also launched the "Clean Energy and Water Fund Basket Fund" consisting of clean energy- and water-themed national and international funds to support organizations that reduce their water footprints and prioritize the use of clean energy.

We want to convey the awareness of sustainability to our children with several projects we will carry

out under the roof of the "Small Hands Big Dreams", our Corporate Social Responsibility Platform we introduced in 2015.

We aim to create equal opportunity by providing uninterrupted and regular training based on sustainability within the scope of our social responsibility efforts.

Coding training, which we pioneered as part of our social responsibility efforts in Türkiye, has been offered for the use of all children through online sessions since the pandemic. With the "Small Hands Are Coding" project, conducted in cooperation with Habitat Association, children aged 8-12 can receive their Scratch training online via www.minikellerkodyaziyor.com.

Since 2020, we have carried the "QNB Finansbank Tales Math Museum Traveling Truck" under the Small Hands Big Dreams project to an online platform that all children can access for free. QNB Finansbank Tales Math Museum has been continuing to provide training online via www.qnbfbtalematematikmuzesi.com so that every child can easily access and discover the magical world of mathematics. To ensure that the children's learning process is not interrupted, we quickly carried the training to online platforms from the beginning of the pandemic.

At QNB Finansbank, we will continue our work to prepare our world and our country for a future deserved by children, who are our focal point, in line with all developments in 2021, and share our added value with you through the Sustainability Report we will publish regularly.

Kind regards,

Ömür Tan

General Manager
QNB Finansbank A.Ş.

1.3 About QNB Finansbank

Established on October 26, 1987, under the name Finansbank A.Ş., QNB Finansbank continues to serve the Turkish economy as one of Turkey's largest private banks.

As of the end of 2021, QNB Finansbank has been offering its products and services with 10,944 employees, 444 branches -1 of which is in Bahrain, 1 in the airport free zone, and 442 in 68 provinces of Turkey- as well as multi-channel service network. Moreover, the Bank provides its customers with services on factoring, leasing (financial leasing), consumer financing, individual pension, and life insurance, portfolio management services, and e-transformation products through its affiliates and subsidiaries.

QNB Finansbank comes to the forefront with its strong shareholding structure, experienced and professional staff, innovative and unique products and services, customer-oriented strategy, and value-creating social responsibility projects.

QNB Finansbank has been continuing its journey under the roof of Qatar National Bank (Q.P.S.C.) (QNB Group) since June 2016, when 99.88% of its shares were sold, and is still taking steps to ensure that its success story, which makes it one of Turkey's largest private banks, is carried forward..



Vision and Mission



VISION

Being the architect of every individual and commercial financial plan that will catalyze Turkey's success



MISSION

Forging lifelong partnerships with all stakeholders by understanding their needs, finding right solutions and aiming for maximum customer satisfaction



VALUES RESPECT AND COMMITMENT

- We do our job in the rightest way with dedication and genuine commitment.
- We make clear promises and we keep them by all means, not omitting to report the results.
- We constantly develop ourselves and our colleagues.
- We act with honesty, transparency, and consistency in all our relations, which allows us to build long-term relationships based on trust.



LEADERSHIP

- We embrace change; we realize that everyone including us must do what behooves them in order to make change happen in the fastest and smoothest way.
- We take initiatives inasmuch as we can learn from our mistakes and do not repeat them; and we encourage taking initiatives.
- We define performance in terms of objective and measurable criteria and we evaluate it fairly and consistently.
- We always recognize a job well done; we provide feedback in order to improve each other.
- We go all the way in rationally defending what we believe is right and we work constructively to bring them to life.



BEING "US"

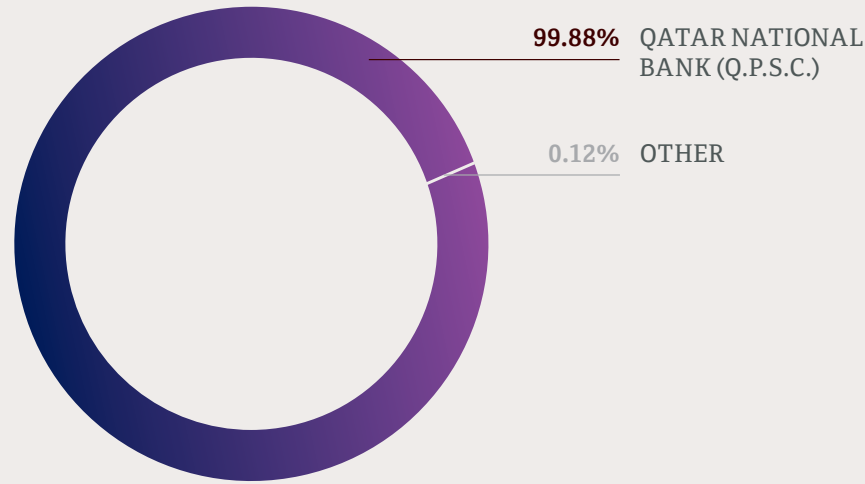
- The primary and common objective of all of us is to keep our customers satisfied. We help each other to make this happen and we appreciate the help that is offered us.
- We uphold and support team performance and corporate performance as much as individual performance.
- In all of our dialogues, we listen first and try to understand what is needed.
- We trust each other and respect each other's expertise.
- We make our decisions in consideration of the whole and of their possible impact on the whole.
- As QNB Finansbank and the staff of Finansbank, we watch over and support each other, our society, and the environment.



INNOVATION

- We do not elaborate on the reasons why something cannot be done; we think about and explain how it can be done with a new approach.
- When standard solutions fall short of meeting the requirements that differ from the routine, we promptly develop the most appropriate solutions by tapping the resources of our knowledge, experience, connections, and technology.
- We develop new ideas to make life easier for our customers and ourselves and we act in order to bring these ideas to life.

Shareholder Structure



About QNB Group

We are proud to be an affiliate of the QNB Group, a strong and prestigious bank with its growing international presence and high credit ratings. Founded in 1964 in Qatar, QNB is the leading financial institution in the Middle East and Africa (MEA) regions. Today, the QNB Group provides services to 20 million customers with over 28 thousand employees in more than 31 countries on three continents.

Primary Brands, Products and Services

As part of its approach of offering more than conventional banking services, QNB Finansbank provides a wide range of products and services with its innovative and customer-oriented strategy in various segments and business lines (corporate and commercial banking, SME and agricultural banking, individual/private and wealth banking, Enpara.com, payment systems, etc.).

Affiliates and Subsidiaries

- QNB Finans Yatırım Menkul Değerler A.Ş.
- QNB Finans Finansal Kiralama A.Ş.
- QNB Finans Portföy Yönetimi A.Ş.
- QNB Finans Faktoring A.Ş.
- Cigna Sağlık, Hayat ve Emeklilik A.Ş.
- Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.
- IBTech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. ve Tic. A.Ş.
- QNB eFinans Elektronik Ticaret ve Bilişim Hizmetleri A.Ş.

Note: You can find more information on primary brands, products, and services as well as affiliates and subsidiaries in the [QNB Finansbank 2021 Annual Report](#).

1.4 Sustainable Financial Performance



As QNB Finansbank, we believe that sustainable financial performance comes from sustainable business practices, and follow a sustainable growth strategy with our extensive customer portfolio, strong balance sheet, and dedicated human resources in line with our commitment and approach to creating value, not only for our shareholders but also for the society.

We sustained our determination to fulfill our responsibilities towards the banking industry throughout 2021. We continued our support to the real sector without slowing down, with KOSGEB loans, “back to business” loans with no principal payments for 9 months, and interest-free loan options worth TRY 20 thousand. We accelerated our efforts through our banking activities with more digitalization, more effective use of technology across all our units, rapid generation of solutions, business continuity loans, special packages for public servants, and new digital solutions for SMEs.

We supported the technological infrastructures of SMEs with the Digital Bridge and activated many services to help them quickly keep up with the new digital age.

QNB Finansbank wrapped up 2021 with a powerful balance sheet despite the harsh challenges faced by the world and our country. As of December 31, 2021, our Bank’s total assets increased by 63 percent compared to the end of 2020, amounting to TRY 371 billion 369 million. In the same period, our Bank’s net loans increased by 45 percent to TRY 200 billion 832 million, while customer deposits increased by 70 percent to TRY 213 billion 946 million. Our Bank’s net profit for 2021 amounted to TRY 3 billion 928 million with an increase of 43 percent compared to the previous year.

As QNB Finansbank, in May, we increased and renewed our syndicated loan and obtained a total of USD 335 million in financing from international banks.

With this transaction, which was carried out based on sustainability performance criteria, QNB Finansbank added a new one to its efforts for sustainable development. In the second quarter of 2021, we issued our first green bond worth USD 50 million with the EBRD. This issuance is also EBRD’s first direct green bond investment in a bank in Turkey.

Drawing on our bank’s strength boosted by stable growth, we renewed our second syndicate loan due in November 2021, based on the sustainability performance criteria, and obtained financing worth USD 350 million in total from international banks.

Sustainable Financial Performance-I (TRY Million)	2019	2020	2021
Basic Financial			
Income ⁽¹⁾	8,946	10,012	13,234
Operational Expenses ⁽²⁾	2,156	2,315	2,817
Remuneration and Side Benefits Paid to Personnel ⁽³⁾	1,716	1,894	2,186
Dividend Payments ⁽⁴⁾	0	0	0
Interest Payments to Creditors ⁽⁵⁾	1,212	1,119	1,421
Payments to the State (Tax) ⁽⁶⁾	558	512	1,062
Net Profit	2,622	2,747	3,928

Sustainable Financial Performance-II (TRY Million)	2019	2020	2021
Total Assets	181,681	227,244	371,369
Net Loans	110,683	138,719	200,832
Customer Deposits	100,219	125,976	213,946
Shareholders Equity	16,685	19,213	22,144

Key Ratios	2019	2020	2021
Capital Adequacy Ratio	15.73%	16.44%	15.91%
Average Return on Equity	17.12%	15.82%	19.05%
Average Return on Asset Ratio	1.53%	1.30%	1.47%

Notes:

⁽¹⁾ Income in the Bank’s Profit/Loss Statement is taken into consideration (Net Interest Income, Net Fee and Commission Income, Dividend Income, Net Commercial Profit/Loss, Other Operational Income, and Profit/Loss from Subsidiaries Subject to Equity Method).

⁽²⁾ It covers all operational costs of the Bank, excluding personnel expenses and provisions for loans and other receivables and losses.

⁽³⁾ It covers personnel salaries, premiums, and all payments made to the state on behalf of the employees.

⁽⁴⁾ It covers all dividends distributed.

⁽⁵⁾ It covers interests paid for all funds borrowed.

⁽⁶⁾ It covers current taxes and provisions for deferred taxes.

You can find detailed information on our financial performance in the [QNB Finansbank Annual Report 2021](#).

1.5 2021 Performance Summary and Sustainability Highlights



444

Branches



10,944

Employees



2,930

ATM^(*)

^(*) The number of ATMs is 7,650 in total with the Shared ATM program.



6,223 - 57%

Female Employees
Share within total labor force



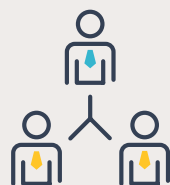
98.8%

Rate of Female Employees Returning to
Work after Parental Leave



579,866

Total Hours of Training Provided to
Employees



7.1 million

Active Customers



1.08 billion

Transactions Through Digital Channels



93%

Digital Channels Usage Rate^(**)

^(**) Rate of transactions through non-branch channels (Mobile, Internet, ATM, and Call Center).

2. Sustainability Approach of QNB Finansbank

Contents

- 2.1 QNB Finansbank Sustainability
Framework and Strategy
- 2.2 Sustainability Governance
- 2.3 Stakeholder Engagement and Communication
- 2.4 Materiality Assessment
- 2.5 External Commitments



2.1 QNB Finansbank Sustainability Framework and Strategy

At QNB Finansbank, we define Sustainability as the delivery of long-term value in financial, environmental, social and ethical terms, for the benefit of our customers, shareholders, employees and community, in alignment with QNB Group's sustainability strategy.

Our sustainability framework consists of three pillars: sustainable finance, sustainable operations and beyond banking. All three pillars support QNB Finansbank's goal of sustainable financial performance, through reducing risks, opening up new business opportunities and strengthening our brand. Under each pillar we have identified the sustainability topics most material to our business and a series of actions plans to improve our performance.

QNB Finansbank Sustainability Framework

Sustainable Financial Performance



Sustainable Finance



Sustainable finance, is the integration of ESG criteria into QNB Finansbank's financing activities to deliver value with purpose. Our ambition is to support customers to manage their environmental and social risks, lend to businesses that contribute towards sustainable development, improve access to finance for SMEs and underserved groups, and provide a responsible customer service. Delivering 'sustainable finance' is the most significant way in which QNB Finansbank can support national and global sustainable development initiatives. Moreover, it enables us to reduce reputational risks in our portfolio and maximize business opportunities emerging from the transition to a greener, more inclusive economy.

QNB Finansbank's material topics identified within sustainable finance are as follows:

- *Sustainable Investments, Lending, Products and Services*
- *Supporting SME's and Entrepreneurship*
- *Financial Inclusion*
- *Responsible Customer Communication and Marketing*
- *Digital Transformation and Innovation*

Sustainable Operations



Sustainable operations, is the integration of ESG criteria into our business operations and across our supply chain to ensure we operate ethically and efficiently. Our ambition is to further strengthen corporate governance and risk management practices, promote equality throughout our workforce and reduce carbon emissions generated by our operations. This approach keeps us compliant with increasing ESG related demands while helping QNB Finansbank to be an "employer of choice".

QNB Finansbank's material topics identified within sustainable operations are as follows:

- *Talent Attraction, Development and Retention*
- *Environmental Impact of Operations*
- *Responsible Procurement and Supply Chain*

Beyond Banking



Beyond banking refers to QNB Finansbank's corporate social responsibility (CSR) activities in the community where it operates. Our ambition is to make a positive contribution towards wider society through our CSR activities.

QNB Finansbank's material topic identified within beyond banking is as follows:

- *Social and Community Investment*

Within the scope of our sustainability approach, five topics out of fourteen are deemed as “fundamentals of sustainability”. These topics cannot be prioritized since they are equally important and should be achieved under any circumstances in terms of reaching sustainability goals.

Other nine topics are classified as our “sustainability priorities/material topics” and are subject to prioritization as shown in our materiality matrix.

Fundamentals	Our Understanding
Corporate Governance, Compliance and Risk Management	To conduct our activities in accordance with regulations, ethical banking principles, internal policies and procedures in a transparent and an accountable manner, to proactively manage financial and macroeconomic risks by an effective risk management policy, to ensure that our liabilities are met and our activities continue even under unfavorable market conditions
Sustainable Financial Performance	To diversify our funding sources by attracting different investors and investments through our robust financial performance and to put these funds into disposal of our stakeholders to support the society and strengthen the economy
Customer Experience and Satisfaction	To make customer experience and satisfaction our priority, to provide products and services that best suit your customers’ needs
Customer Privacy and Data Security	To employ best measures to mitigate data security risks
Diversity and Inclusion	To promote the culture of respect, equality and mutual trust across our Bank

Pillar	Priorities	Objectives
Sustainable Finance	Sustainable Investments, Lending, Products and Services	To review our investment and lending processes within the scope of our sustainability goals and priorities
	Supporting SME’s and Entrepreneurship	To continue supporting SME’s and entrepreneurs by offering products, services and loan facilities that are catered for their needs
	Financial Inclusion	To offer products and services to individuals and firms which have limited access to financial services
	Responsible Customer Communication and Marketing	To be honest, transparent and fair at all times in our interactions with customers
	Digital Transformation and Innovation	To offer user-friendly, accessible and environmentally friendly products and services to our customers in line with customer expectations and technological trends
Sustainable Operations	Talent Attraction, Development and Retention	To continue discovering, employing and keeping best talents, to provide our employees with training opportunities to build different skills and capabilities
	Environmental Impacts of Operations	To set our Bank’s climate change strategy, to carry out the necessary practices to detect the direct and indirect environmental and social impacts of our operations, to determine and implement the necessary measures for the prevention/reduction of the impacts.
	Responsible Procurement and Supply Chain	To review our procurement practices within the scope of our sustainability goals
Beyond Banking	Social and Community Investment	To continue supporting social responsibility projects

2.2 Sustainability Governance

QNB Finansbank sustainability governance framework is established with the intention to integrate sustainability practices in our decision-making processes.

Within this scope:

Sustainability Committee (SC)^(*) is established to provide adequate, effective and strategic oversight for the Bank's overall sustainability initiatives. SC is responsible for general oversight of sustainability strategy and performance, including informing and updating Board of Directors and Corporate Governance Committee on sustainability related matters.

Strategy Office, along with a designated sustainability team, manages overall sustainability exercises of our Bank. Strategy Office is also responsible for all sustainability related reporting.

Sustainability Working Groups are the teams proposing and executing projects and action plans.

This framework is supported by related policies, procedures, guidelines and QNB Finansbank's participation to local and global sustainability-related initiatives.^(**)



Notes:

^(*) CEO of the Bank acts as the Chair of the Sustainability Committee, and the committee consists of Executive Vice Presidents (EVP's), and/or Directors who are/will be appointed by the Chair considering their core responsibility and at least two members of the Strategy Office. Head of Risk Management also attends the meetings as an observer. The Board of Directors and Corporate Governance Committee are annually informed regarding Committee's activities. In 2020, the Committee held one meeting.

^(**) For further information on sustainability governance framework, see [QNB Finansbank Sustainability Policy](#).



2.3 Stakeholder Engagement and Communication

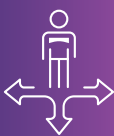
At QNB Finansbank, an individual or an organization/a group that has an effect on or affected by our Bank's operations is deemed as a "stakeholder". As stakeholders have certain expectations, we employ multiple methods and communication channels to ensure open, honest and transparent dialogue with all our stakeholders, enabling us to evaluate opinions and feedbacks to determine what we can do better. In terms of sustainability, in 2019 we established a separate sustainability section under our corporate website to publicly disclose our sustainability journey with our stakeholders, and since then we have received feedbacks and questions of our stakeholders through our designated e-mail address sustainability@qnbfinansbank.com

Stakeholder Groups

Customers



Employees


Shareholders
and Investors

Public
Institutions


NGO's


International
Financial
Institutions


Media



Suppliers

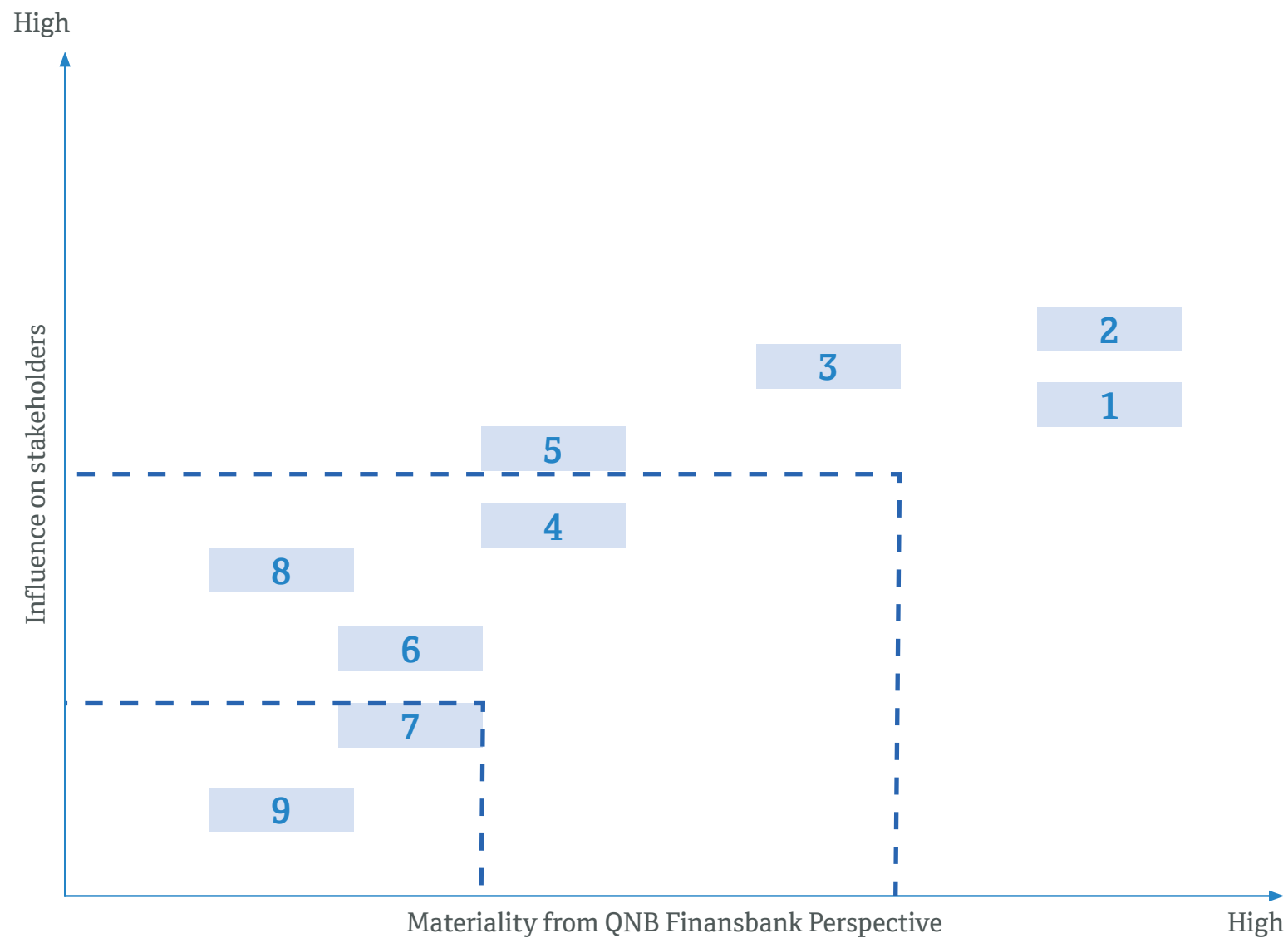


Key Stakeholder Groups and Communication Channels

Stakeholder Group	Needs and Expectations	Frequency of Communication	Main Communication Channels
Customers	<ul style="list-style-type: none"> Customer Service and Satisfaction Easy-To-Use Products and Services Transparency and Accountability 	Continuous	<ul style="list-style-type: none"> Customer Solution Center's Designated Communication Channels QNB Finansbank Corporate Website Mobile and Online Banking Channels Call Center Corporate Social Media Accounts Branches Digital Bridge Customer Services Center SME Banking Service Line (KOBI Rahat Hat)
Employees	<ul style="list-style-type: none"> Professional Development Fairness and Equal Opportunity Work-Life Balance 	Continuous	<ul style="list-style-type: none"> Finansçı Internal Communication Portal Employee Satisfaction Survey Artı1 Appreciation and Recognition System Leap Employee Assistance Program Ombudsman Reporting Line (Internal Audit) Learning and Development Programs FinClub Events Finarmoni Training Portal COVID Whatsapp Line
Shareholders and Investors	<ul style="list-style-type: none"> Share Price Performance Operational and Financial Performance Strong Corporate Governance, Risk Management and Ratings Transparency and Disclosure 	Annually and Quarterly As needed	<ul style="list-style-type: none"> Investor Relations Unit's Activities Annual Reports Sustainability Reports Investor Meetings Roadshows Public Disclosure Platform (KAP) Notifications
Public Institutions	<ul style="list-style-type: none"> Compliance with All Legal and Regulatory Requirements Robust Anti-Corruption and Bribery Measures Strong Risk Management Practices and Governance Structure 	As needed	<ul style="list-style-type: none"> Audits Regular Reporting Activities Regular Meetings Conferences
Non-Governmental Organizations	<ul style="list-style-type: none"> Making Positive Contribution to The Challenges Facing Society 	As needed	<ul style="list-style-type: none"> Social Responsibility Projects Sponsorships "Volunteer Finansçı" Program Sustainability Reports Participation to Local and Global Initiatives
International Financial Institutions	<ul style="list-style-type: none"> Transparency and Disclosure Strong Financial and Governance Structure 	Continuous	<ul style="list-style-type: none"> Meetings Presentations Conferences and Trainings Sustainability Reports
Media	<ul style="list-style-type: none"> Transparency, Accountability and Public Disclosure Addressing Financial, Environmental and Social Risks and Opportunities Making Positive Contribution to The Society 	As needed	<ul style="list-style-type: none"> QNB Finansbank Corporate Website Press Releases Advertorials Sustainability Reports Corporate Social Responsibility Activities
Suppliers	<ul style="list-style-type: none"> Fair and Transparent Tender Process New Business Opportunities 	As Needed	<ul style="list-style-type: none"> Meetings Bidding and Tendering Audits

2.4 Materiality Assessment

QNB Finansbank conducted a materiality assessment in 2017 in order to define material topics and sustainability priorities of the Bank, taking into consideration QNB Finansbank and QNB Group values, the Bank's corporate strategy, stakeholder expectations and best practice examples. The assessment was analyzed, reviewed and re-approved by the Sustainability Committee in 2019. This assessment was reviewed by our senior management to ensure that the topics included provides a complete representation of our organization's significant sustainability impacts. The outcomes of such assessment, material topics, are stated in our materiality matrix.



Fundamentals

- Corporate Governance, Compliance and Risk Management
- Sustainable Financial Performance
- Customer Experience and Satisfaction
- Customer Privacy and Data Security
- Diversity and Inclusion

Sustainability Priorities/Material Topics

1. Talent Attraction, Development and Retention
2. Responsible Customer Communication and Marketing
3. Supporting SME's and Entrepreneurship
4. Sustainable Investments, Lending, Products and Services
5. Digital Transformation and Innovation
6. Social and Community Investment
7. Financial Inclusion
8. Environmental Impact of Operations
9. Responsible Procurement and Supply Chain

2.5 External Commitments

United Nations Sustainable Development Goals

In order to show our Bank's commitment on sustainability and address the issues pointed out in United Nations (UN) 2030 Agenda for Sustainable Development, QNB Finansbank's material topics are aligned with the relevant United Nations Sustainable Development Goals (UN SDGs).



The table below shows how QNB Finansbank's most material sustainability topics align with the UNSDGs.

Goals		Material Topics
	Ensure inclusive and quality education for all and promote lifelong learning	<ul style="list-style-type: none"> Talent attraction, development and retention Social and community investment
	Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> Diversity and inclusion
	Promote inclusive and sustainable economic growth, employment and decent work for all	<ul style="list-style-type: none"> Sustainable financial performance Supporting SMEs and entrepreneurship Financial inclusion
	Build resilient infrastructure, promote sustainable industrialization and foster innovation	<ul style="list-style-type: none"> Customer privacy and data security Digital transformation and Innovation
	Ensuring sustainable consumption and production by promoting resource efficiency and non-hazardous materials	<ul style="list-style-type: none"> Responsible procurement and supply chain
	Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> Sustainable investment, lending, products and services Environmental impact of operations
	Promote just, peaceful, inclusive societies and institutions	<ul style="list-style-type: none"> Corporate governance, compliance and risk management Customer experience and satisfaction Responsible customer communication and marketing

United Nations Global Compact

The United Nations Global Compact (UNGC), the world's largest corporate sustainability initiative, consists of ten principles to promote better business practices in the areas of human rights, labor, environment and anti-corruption. In 2019, QNB Finansbank joined the UNGC and committed to making the principles part of its strategy, culture and day-to-day operations. In 2020, QNB Finansbank signed the 'CEO Statement for Renewed Global Cooperation', issued by the UN Global Compact as part of the United Nations' 75th-anniversary commemoration. With this statement, the Bank once again attested to its support for the United Nations and inclusive multilateralism, and also strengthened its commitment to the United Nations Global Compact (UNGC).



You may refer to **United Nations Global Compact Communication on Progress Index** on our Bank's corporate website to learn more on how QNB Finansbank supports UNGC's ten principles.

Women's Empowerment Principles

On February 24, 2021, we signed the Women's Empowerment Principles (WEPs), a joint initiative by UN Global Compact and UN Women, and confirmed our commitment to the 7 principles for building our corporate policies to further promote gender equality.

In support of

**WOMEN'S
EMPOWERMENT
PRINCIPLES**

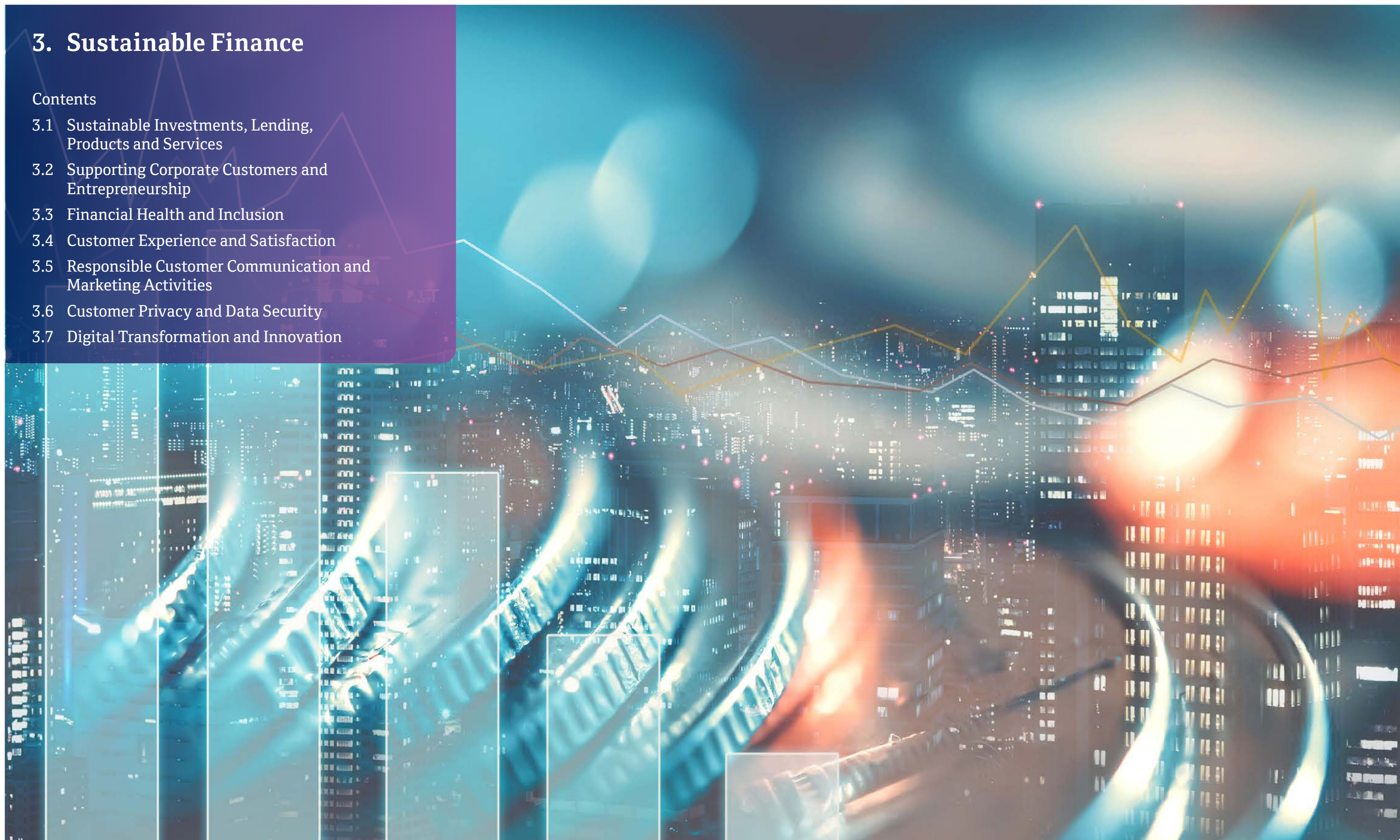
Established by UN Women and the
UN Global Compact Office

Note: Detailed information on UN SDGs can be reached through respective [official page](#).

3. Sustainable Finance

Contents

- 3.1 Sustainable Investments, Lending,
Products and Services
- 3.2 Supporting Corporate Customers and
Entrepreneurship
- 3.3 Financial Health and Inclusion
- 3.4 Customer Experience and Satisfaction
- 3.5 Responsible Customer Communication and
Marketing Activities
- 3.6 Customer Privacy and Data Security
- 3.7 Digital Transformation and Innovation



3.1 Sustainable Investments, Lending, Products and Services

Acting on the awareness that the financial industry and especially banks can reduce environmental and social risks by adopting responsible investment and lending practices, QNB Finansbank supports its customers in the determination, assessment, and management of their environmental and social risks.

Within this scope, our Bank continued to support renewable energy investments to contribute to Turkey's sustainable economic growth and development in 2021.

Environmental and Social Risk Management System

QNB Finansbank carries out its lending activities in accordance with the risk management system established to take into account the environmental and social risk assessments of the projects being financed.

In August 2019, QNB Finansbank launched a project to bring QNB Finansbank's sustainability framework, policies, and practices in full compliance with the QNB Group's long-term strategies as well as local and international best practices. In 2020, it reviewed and updated the scope and practices of the Environmental and Social Risk Management System, which it established in accordance with international standards.

At the end of 2020, QNB Finansbank gained an automated tool for use in environmental and social risk assessments and supportive procedures for lending processes.

In June 2020, QNB Finansbank Exclusion List was approved by the Board of Directors in consideration of the QNB Group's and QNB Finansbank's current practices and future expectations, examples of international best practices, and analyses and recommendations of external consultants.

All loan applications to the Bank are controlled according to the "QNB Finansbank Exclusion List". Since 2021, QNB Finansbank has also been applying the Environmental and Social Risk Assessment Model, a part of the Environmental and Social Risk Management Policy, for all project financing loans with a minimum amount of USD 10 million and a term of 24 months and above.

In 2021, there are 19 projects subject to the Environmental and Social Risk Assessment Model, and a total loan amount of USD 377,161,222 was approved for these investment projects. The risk categorization table of the projects subject to the Environmental and Social Risk Assessment is as follows;

Risk Category	Number of projects subject to Environmental and Social Risk Assessment Model	% Distribution
Total A	6	31.58
Total B+	5	26.32
Total B-	8	42.11
Total C	0	00

Project site visits within the scope of environmental and social risk assessment could not be carried out in 2021, due to the implementation of the policy and assessment model in 2021 and the restrictions caused by the Covid-19 pandemic. However, as of 2022, we have started to carry out regular site visits to observe the work carried out to identify environmental and social risks at the project site and mitigate their impacts.

None of the loan applications received by the Bank in 2021 were rejected due to non-compliance with the Environmental and Social Risk Management Policy.

Sectors	Sectoral distribution of projects subject to Environmental and Social Risk Assessment Model	Distribution of Loan Amounts (USD)
Enerji	6	49,115,000
Üretim	6	96,781,372
Altyapı	7	231,264,850

Contribution to Sustainable Economic Growth

In 2021, QNB Finansbank focused on extending the maturity of its international borrowing by expanding its product range and relationships as its main strategy.

In 2021, QNB Finansbank increased its synergy with QNB Doha in the field of sustainability and issued a 3-year, 50 million USD green bond with EBRD based on the strength of the Group's inclusion in the Green, Social and Sustainability Bond (GSSB) Framework Agreement. This issuance was not only the Bank's first green-themed bond but also EBRD's first direct green bond investment in a financial institution in Turkey. These funds are used in the financing of the internationally certified green building projects in the QNB Finansbank portfolio.

The Bank also continued to raise funds in different mediums and managed to increase the number of Banks/Financial Institutions it worked with within 2021. QNB Finansbank continues to finance Small- and Medium-Sized Enterprises and Agricultural Banking customers with the resources it has created, while also encouraging energy efficiency projects.

QNB Finansbank contributed to accelerating the transition to sustainable business models by providing sustainable external financing resources needed by the real sector with the awareness of the banking and finance sector's great responsibility in the transition to a green economy. In parallel, the syndication agreements due in May and November were renewed in 2021 in connection with the sustainability goals.

In May 2021, total external funding of USD 335 million was obtained with the participation of 12 international banks. In November 2021, total external funding of USD 350 million was obtained with the participation of 37 banks from 21 countries. The syndication loans with a maturity of 367 days cover commitments of not financing new coal projects and using renewable resources in electricity consumption and are used in the financing of foreign trade to support the real sector and sustainable development.

Sustainable Products and Services tailored to customers' needs

Our Bank endeavors to contribute to the solutions of possible social and environmental problems by offering sustainable products and services suitable for its customers' needs^(**).

As of the end of 2021, 32% of loans allocated by QNB Finansbank under Projects and Structured Finance comply with the United Nations Sustainable Development Goals criteria. Renewable energy, clean transportation, energy efficiency, health, and green buildings were financed with these loans allocated in accordance with the United Nations Sustainable Development Goals criteria.

Since 2015, only renewable energy projects have been supported for electricity generation under Projects and Structured Finance. As of the end of 2021, 14% of loans allocated under Projects and Structured Finance consist of renewable energy projects. 26% of these loans are classified in the "Clean Energy" category within the scope of the United Nations Sustainable Development Goals criteria.

Under Projects and Structured Finance, QNB Finansbank aims to increasingly support projects that save energy, gravitate towards renewable resources and give minimum damage to nature with the target of leaving a sustainable environment to the next generations and contributing to the reduction of carbon emissions.

Through the Digital Bridge, QNB Finansbank provides free services to SMEs with solutions consisting of very important areas for a business, such as e-Transformation Services (e-Invoice, e-Archive, e-Freight Bill and e-Ledger, etc.) and Administrative Solutions (Human Resources, e-Commerce Marketplace, Pre-accounting, Alternative Financing, Multiple Bank Account Management, etc.).

On this journey towards supporting SMEs' digital transformation, it continues to analyze

the customers' needs and make several developments in line with its targets.

It guides customers to digitalization with the digital solutions it offers for all needs and creates a positive impact in terms of sustainability. Moreover, companies were enabled to quickly perform all banking and non-banking transactions through the Digital Bridge Platform as the gateway of QNB Finansbank Corporate Internet Branch in 2021. With all these services, it provides both time and cost savings for their business.

QNB Finansbank has been offering discounts and special advantages for market and pharmacy expenses of retirement pension customers with CardFinans Emekli since 2014. This credit card product portfolio with special offerings for retirement pension customers grew rapidly in 2020.

This product was made available for the contactless use of customers to meet the hygiene needs brought along by the pandemic in 2020.

Launched in September 2018 by QNB Finansbank, the CardFinans TarımKart offers advantages for farmers with its features, the most important of which is the ability to make payments once a year.

With the CardFinans TarımKart, farmers can meet all their input needs for agricultural production throughout the year, and make payments once a year, on the bank statement date they set according to the harvest season of the crops they produce.

Moreover, they can benefit from the interest-free period of up to 6 months when they make purchases from contracted merchants with the CardFinans TarımKart, and postpone their payments until the harvest season. Farmers holding the CardFinans TarımKart can use installment loans with terms up to 2 years from all QNB Finansbank ATMs 24/7. They can access their Overdraft Account and withdraw cash from the ATMs whenever they need.

In addition, farmers with no regular monthly income can give automatic payment orders for their SSI and BAĞ-KUR premium payments with the CardFinans TarımKart, and repay their monthly premium debts once a year in the harvest season. Farmers can make their payments to their cards whenever they want throughout the year, and then use their cards again if needed for POS transactions or installment loans. They can also determine Direct Borrowing System (DBS) limits for the main companies that they make regular payments to, and pay with the special TarımKart DBS limit for the relevant companies.

In 2022, our Bank will continue to provide its customers with products and services that will contribute to the development and transformation of the agriculture sector.

Notes:

^(*) Previous figures were revised according to the compliance criteria specified for hydroelectricity in the QNB Green, Social, and Sustainability Bond Framework.

^(**) To be qualified as sustainable, the products or services should deliver a solution to an environmental or social topic/problem (according to the assessment as per the internal criteria identified).

Renewable Energy Portfolio (TRY) ^(*) (According to the criteria defined in the ICMA Green Bond Principles and the QNB Green, Social and Sustainability Bond Framework)

	2019	2020	2021
Hydroelectric	107,999,495	141,197,221	140,352,266
Wind	215,784,714	293,472,903	413,453,753
Solar	134,512,669	455,909,886	1,289,555,447

3.2 Supporting Corporate Customers and Entrepreneurship

QNB Finansbank continues to support corporate customers and entrepreneurs by offering products, services, and loan facilities suitable for their needs.

Digital transformation projects, new strategic partnerships for women entrepreneurs, and investments in digital banking channels are the major subjects of focus in 2021.

Digital Bridge platform was awarded in the category of “Top Innovations in Corporate Finance” as part of “The Innovators 2021” awards by Global Finance, one of the world’s most prominent financial magazines.

At Stevie International Business Awards, QNB Finansbank won the Golden Stevie in the “Business Intelligence Solutions-New” category for Digital Bridge Platform and the Silver Stevie in the “Customer Service Solutions - Technology Partner of the Year” category for NeoVade, while our subsidiary QNB eFinans won the Bronze Stevie in the “Customer Service Solutions - Technology Partner of the Year” category.

QNB Finansbank comes to the forefront of the sector with ways of doing business, which is both profitable for the bank and attractive for customers. Customer-oriented services such as Corporate Digital Transformation, SME Cloud, and online loan usage were the keys to success in the Corporate segment.

Since 2012, QNB Finansbank Corporate segment loans have recorded an approximately sevenfold growth. In 2021, the Bank continued its growth and had a successful year in risk management by closely monitoring the risks.

In parallel to 2020, 2021 was a deposit-oriented year, when the Bank achieved annual growth of 65% in total Corporate segment deposits.

In 2019, QNB Finansbank embraced the digital transformation of SMEs and large-scale enterprises and became the first example and pioneer of platform banking in Türkiye with the Digital Bridge Platform. To ensure that SMEs can continue business and maintain the competitive environment in the field of digital transformation, which gained great importance during the pandemic, QNB Finansbank accelerated the digital transformation of companies by offering digital solutions on the Digital Bridge Platform for free.

By receiving services from various fintechs for the Digital Bridge Platform, it offered digital solutions that facilitate the customers’ procedures and save time and costs. In 2020, it put the customers’ health at the forefront and abolished the obligation to open accounts to use its products, granting the applicants a period of 3 months for opening accounts. Therefore, customers could apply for and use these solutions

without having to be QNB Finansbank customers.

Moreover, SMEs could follow the information on the creative and innovative solutions offered by the Digital Bridge, videos on how to use all digital solutions on the platform, and live broadcasts on the digitalization agenda with experts through the Digital Bridge Academy. They were also able to ask questions and express their opinions to experts in free webinars on current subjects.

The Digital Bridge Platform reached 20 thousand SMEs and large-scale enterprises even in its first year, and almost quadrupled the number of its customers by the end of 2021.

Launched to help our exporter customers in maintaining and increasing their market shares and to guide companies that will export products for the first time, the Step-by-Step Export Program was made available to all SMEs and entrepreneurs.

Companies are supported in 3 subjects through the **Step-by-Step Export** Program created in cooperation with our consultants and business partners to stand by our customers at every step with the vision of becoming **the first bank that comes to the mind** of exporter companies or companies that will export products for the first time.

The first service is a free consultancy, where any company -regardless of whether

they are our customer- can call the number **0 850 222 00 35 Digital Bridge Solution Center/Step-by-Step Export Hotline** to receive consultancy services on foreign trade and especially export from our expert consultants. Moreover, our Bank’s customers are provided with services on Foreign Marketplace Integrations and Account Management, appropriate market/country and marketplace research, training, logistics and storage, and customs and foreign trade solutions for advantageous prices by our solution partners under the roof of the

Step-by-Step Export Program. Finally, our customers are offered advantageous products and services for their banking transactions under the Step by Step Export Program.

On the other hand, we provide the “Women Entrepreneur Export Support Loan Package” in cooperation with Eximbank to support our women entrepreneurs.

In today’s world where supply chain management has come to the forefront, we offer our supplier financing product for supplier companies and entrepreneurs. We aim to support uninterrupted and consistent management of supply chain flow with this financing service, ensuring that our supplier customers, who regularly provide goods and services to their buyers, can have the required liquidity at a discount in exchange for their receivables from sales,

whenever they need and without waiting for the maturity date. With this service, our supplier customers have the opportunity to collect their invoices with more advantageous interest rates without being subject to a credit rating process. Moreover, our customers can quickly adapt to today's business and finance world by meeting their financing needs digitally and rapidly on electronic media.

On the other hand, buyers and sellers can digitally create mutual offers for paying invoices before or after their maturity date and get financing with/without loans through the NeoVade platform launched for our SME customers.

Therefore, we mediate faster and easier management of the conventional maturity/price negotiations between buyers and suppliers in a dynamic fashion on electronic media.

The QNB Wallet product, one of our digital payment solutions, aims for efficiency by offering ease of use and saving time for customers, especially based on the increasing demand for digitally accessing all kinds of financial services and on our Bank's focus on digitalization during the pandemic. Thanks to the card saving feature offered with MasterPass integration, our customers can make payments by using their credit or debit cards saved in MasterPass.

Swift Inbound Tracking, where customers can track all Swift transactions step by step, is another service we pioneered

on the path toward digitalization. Thus, corporate customers are enabled to track both incoming and outgoing swift transfers through the corporate website.

The pioneer of digital transformation for corporate clients: Digital Bridge Platform

QNB Finansbank's Digital Bridge Platform was launched in 2019, to show SMEs and large-scale enterprises ways of doing business in the future, support them throughout the digital transformation process and ensure they are technology-ready for a digital future.

From 2019 to 2021, it has been facilitating the companies' operational and day-to-day transactions by periodically analyzing their needs throughout this process to prepare them for digital transformation, and serving as the pioneer of Platform Banking in Türkiye and the world, known as "bank as a platform", where they can meet their banking and non-banking needs digitally.

Launched to facilitate SMEs' transition processes required by law from time to time -such as switching to e-invoice- and providing them with digital solutions that meet all their business needs on a single platform, the Digital

Bridge started its activities by providing SMEs with e-Transformation services consisting of e-Invoice, e-Archive, e-Freight Bill, e-Ledger

and e-Self-Employment Receipt, which are offered by QNB eFinans, an affiliate of QNB Finansbank, for free. It then started to offer free-of-charge solutions in 2020 under the title "Managerial Solutions" by developing digital and technological enhancements by following the requirements of companies and the industry through continuous onsite works, customer feedback, and online surveys. This came in addition to its e-Transformation Solutions and enabled the works of SMEs and large-scale enterprises to be digitalized.

Incorporating a wide range of solutions, including pre-accounting, reconciliation processes, HR management, and multiple bank account management, Digital Bridge introduced these enhancements in line with customer feedback and the needs arising from the legal requirement in Türkiye.

In 2021, it continued to support companies in meeting their needs by adding new solutions to the Digital Bridge Platform, making it truly a living platform. ikas as an e-Commerce infrastructure solution for companies wishing to build their own e-Commerce website, and Navlungo for finding, purchasing, and managing logistics offers for companies selling products in foreign marketplaces were added to the platform.

The year 2021 marked a period of growing maturity for the digitalization efforts that Digital Bridge first initiated in 2019, both through its services provided to the

companies and the digitalization impact created on the industry. Since it provides services via a digital platform, the Digital Bridge paved the way for a significant digital transformation in the ways of doing business for companies using this platform, and positive customer feedback also cemented this. Companies reported having saved certain costs and time through the digital solutions offered by the Digital Bridge via the Platform and said they were able to allocate the remaining budget and time to further digitalize their company while leveraging it for technological investments or for making operational processes more efficient.

In 2021, Digital Bridge also continued to develop the Digital Bridge Academy it launched in 2020, where customers can learn how to use the solutions on the platform and follow the trends in the industry. It invited guests, who are experts in various subjects on SMEs' agenda, and organized online webinars for SMEs to ask their questions.

The Digital Bridge's efforts to digitalize both its customers and the industry continued throughout 2021. In June 2021, the Digital Bridge Platform became the gateway of QNB Finansbank Corporate Internet Branch. With this innovation on the Digital Bridge Platform, SMEs were able to view a summary of the banking information related to their companies on the platform and review and apply for the Digital Bridge solutions that meet their needs. Instead of attempting to make their internet banking and Digital Bridge transactions through different

screens, our SMEs were able to check and complete all their banking and non-banking transactions with a single password, through a single screen. The efforts to consolidate corporate banking transactions and Digital Bridge transactions under the same roof were further reinforced with the introduction of the “My QNB Finansbank Agenda” feature in November 2021. Thus, SMEs could instantly access the reminders associated with banking transactions.

They were able to make their payments without delay by viewing them through “My QNB Finansbank Agenda,” with reminders for 32 important transactions such as DBS, EFT/Wire Transfer, Credit Card Payment, and POS transactions.

Our customers enjoyed a significant degree of efficiency not only through the individual enhancements on Digital Bridge that were introduced in line with the digitalization needs in the current market but also through partnerships with other banking organizations. Following the integration into enpara.com - the first branchless digital bank in Türkiye - “Enpara.com Şirketim” customers started to enjoy all of the Digital Bridge solutions in June 2021, without becoming QNB Finansbank customers. With their Enpara.com Şirketim credentials, there is no need for an extra password.

Moreover, it introduced the “Step by Step Export via the Digital Bridge” program in November 2021 to deliver a solution to a different need, by bringing experts together with SMEs, which will export products for the first time and need support in export

procedures and guiding them on the ways of doing business.

Reaching 20 thousand SMEs in the first 3 months and 71 thousand customers by the end of 2021, the Digital Bridge Platform benefited QNB Finansbank in acquiring new customers.

Moreover, it was deemed worthy of six international awards in 2021 with Digital Bridge as the pioneer of “Platform Banking” in Turkey. It proved its success globally by winning awards in innovation, digital strategy, and technology throughout the year. Attracting the attention of SMEs and fintechs, the Digital Bridge become a pioneer that is closely followed by companies working on digital transformation. The Digital Bridge is easily and freely accessible by all corporate segment clients, especially SMEs, and will maintain its digitalization efforts unceasingly in 2022.

Instant Solutions through SME Banking Service Line (KOBİ Rahat Hat)

In 2021, QNB Finansbank continued to invest in non-branch channels to ensure that its customers can carry out their transactions with the fastest and most efficient method and benefit from all banking services without leaving their workplaces.

Especially portfolio managers who worked at home with their tablets during the pandemic could quickly meet all demands of the Bank’s customers. With “SME Comfort Line”, which provides services to SMEs only and enables

them to carry out all banking transactions on the phone -except depositing and withdrawing money-, SMEs received instant professional support and could quickly carry out all transactions without going to branches. There are ongoing projects to carry out branch-only transactions -especially loan extension processes- via SME Comfort Line.

QNB Finansbank Internet and Mobile Branches designed specifically for SMEs continued to provide uninterrupted services to customers with new functions added in 2021. Moreover, with the “Financier 360” Project launched in 2018 and planned to continue in the upcoming period, QNB Finansbank SME Banking portfolio managers were trained to provide 360-degree services and financial consultancy to their customers. During the pandemic, the contents of “Financier 360” training were designed in

parallel with pandemic process management and portfolio managers continued to receive their training online.

Offered for the transactions of SMEs and large-scale enterprises, the Corporate Internet Branch and QNB Mobile continued to provide services with newly-added functions in 2021. Especially after the Digital Bridge Platform, which offers solutions for digital needs of companies, became the gateway of QNB Finansbank Corporate Internet Branch, companies can now perform all banking and non-banking transactions from a single screen and with a single password.

By adding a customer satisfaction survey on the corporate website in 2021, we started to measure customer satisfaction with the aim of identifying their needs accurately and taking relevant actions.

SME Financing Loan Portfolio by Segment^(*) (TRY Thousand)	2019	2020	2021
Micro	9,334,142	9,858,940	9,694,058
SME	11,120,011	12,312,624	14,903,783
Commercial	22,976,685	31,733,867	48,105,092
Corporate	26,283,129	34,562,791	58,044,764
Number of Customers			
Micro	1,396,582	1,330,205	1,409,202
SME	126,754	119,032	122,486
Commercial	40,826	47,743	44,713
Corporate	6,273	6,425	6,652

Note: ^(*) According to QNB Finansbank segment definitions: Micro-enterprises: annual income of TRY 0-12 million, SME: annual income between TRY 12-125 million, Commercial: annual income between TRY 125 million-1.5 billion, Corporate: annual income of TRY 1.5 billion and above.

3.3 Financial Health and Inclusion

Making our resources and services available to individuals and businesses that experience difficulties in accessing more reasonably priced and easy-to-use banking services are one of the major tools for supporting socio-economic development. Therefore, QNB Finansbank aims to reach customers that have limited access to financial services with products, services, campaigns, and training activities suitable for their needs.

Barrier-Free Banking

As part of our Financial Inclusion approach, we continued to serve the Turkish economy and our customers with 443 branches (*) in 67 provinces in 2021. The total number of our ATMs is 2,930. QNB Finansbank customers could continue to carry out free transactions at over 7,650 ATMs thanks to the Shared ATM project launched in 2019 with DenizBank and TEB. Therefore, our customers could benefit from easy access, geographical penetration, and uninterrupted service.

Installations in several main arterial roads and metro stations, especially in the hinterland of Istanbul Metropolitan Municipality, facilitated widespread access to our resources and services in the most populated city of our country. QNB Finansbank continued to provide



services under the “Barrier-Free Banking” program and ensured that customers with physical disabilities or over a certain age can access banking services through different products and services suitable for their needs. In 2021, 100% of our ATMs are for visual and hearing-impaired customers, and 3.6% are for orthopedical handicapped customers.

You can find detailed information on the program [here](#).

Access Points (Number)

	2019	2020	2021
Branch (*)	524	474	443
ATMs	2.941	2.897	2.930
Cities (where ATMs are located)	73	73	67

Note: (*) Number of domestic branches is given.

Digital Banking

In addition to developing services provided through digital channels to meet its customers' banking needs easily and quickly, QNB Finansbank also continued to offer innovative solutions in 2021. The number of individual digital active customers exceeded 3.7 million at the end of 2021, with an increase of 18% compared to the previous year.

Renewed for facilitating our customers' access to financial services and offering a better experience, QNB Mobile was supported with AI-based Digital Intelligence-Q, and made available to all customers in 2021. The new mobile application, known as “Q” in short, is distinguished from others with its digital intelligence, customizable dashboard structure, user-friendly interface, rapid-access dashboard, and enriched “my agenda” menu.

The process of becoming a customer/opening an account remotely with a video call through QNB Mobile was introduced in May 2021 to facilitate our customers' access to financial services in the post-pandemic period. Over 60,000 people completed video calls and successfully became customers of our Bank in 8 months, without the need for going to branches and putting in wet signatures. During the pandemic, our Bank's customers could carry out contactless transactions quickly with the feature of withdrawing/depositing money with a QR code through QNB Mobile.

In addition to all these features, the Bank also continued to offer an extensive digital banking

experience to its customers with transactions such as redirection to e-State, payment with a QR code, Istanbul Card top-up, and Money Transfer with Easy Address.

In 2021, QNB Finansbank continued to focus on and invest in QNB First Digital, a mobile interface designed specifically for customers, to offer the privileges of the High-Income Segment and Private Banking “digitally” and increase customer satisfaction. All banking services (deposits, investment products, credit cards, cash flow products, insurance, etc.) are offered on a self-service basis through QNB First Digital, where some non-banking privileges like Free Dry Cleaning, free/discounted books from QNB First Library and QNB First Loyalty Program, as well as special discounts on digital platforms (Netflix, App Store, etc.), are also available. In consequence, mobile banking penetration of the High-Income Segment and Private Banking customers increased by 8% in 2021.

It introduced the “Step by Step Export via the Digital Bridge” program in November 2021 to deliver a solution to a different need, by bringing experts together with SMEs, which will export products for the first time and need support in export procedures and guiding them on the ways of doing business.

You can find all QNB Finansbank products, services, and processes developed with an innovative and customer-oriented perspective to facilitate our customers' access to financial services, help them take healthier financial decisions, and comply with newly-emerging

3.4 Customer Experience and Satisfaction

technologies and changing customer expectations under the heading **3.7 Digital Transformation and Innovation**.

Financial Health and Inclusion for Corporate Customers

As a pioneer of digital transformation, QNB Finansbank continues to facilitate the access of corporate customers and entrepreneurs to financial services by offering products, services, and loan facilities suitable for their needs, and to help them take healthy decisions.

Digital transformation projects, new strategic partnerships for women entrepreneurs, and investments in digital banking channels are the major subjects of focus in 2021. To ensure that SMEs can continue business and maintain the competitive environment in the field of digital transformation, which gained great importance during the pandemic, QNB Finansbank accelerated the digital transformation of companies by offering digital solutions on the Digital Bridge Platform for free. Launched to help our exporter customers in maintaining and increasing their market shares and to guide companies that will export products for the first time, the Step-by-Step Export Program was also made available to all SMEs and entrepreneurs.

You can find all our efforts for facilitating the access of corporate customers to financial services and helping them take healthy decisions under the heading 3.2 Supporting Corporate Customers and Entrepreneurship.

Increasing Financial Literacy

Increasing the financial literacy levels of corporate and individual customers is critically important for them to control their financial health and facilitate their access to financial services.

Established in 2020, the Digital Bridge Academy brings technological innovations and opportunities to SMEs and enables them to manage their businesses easily. SMEs come together with experts in their fields through this platform and are offered content and online training opportunities to help their businesses. SMEs are provided with services such as Digital Bridge Solution Videos, where they can view information on the creative and innovative products offered by the Digital Bridge and videos on how to use these products, and Journey to Future SMEs, where they can meet with experts in their fields to easily manage their business and changes. Moreover, the Digital Bridge Live Broadcast Calendar allows SMEs to participate in training, seminars, conferences, and chats organized by the Digital Bridge from wherever they want, convey their questions to speakers during live broadcasts or watch the missed live broadcasts whenever they want.

With the “Financier 360” Project launched in 2018 and planned to continue in the upcoming period, QNB Finansbank SME Banking portfolio managers were trained to provide 360-degree services and financial consultancy to their customers. During the pandemic, the contents of “Financier 360” training were designed in parallel with pandemic process management, and portfolio managers continued to receive their training online.

As a reflection of our mission “To establish a lifelong partnership with everyone that touches QNB Finansbank, based on understanding the needs, creating the right solutions and satisfaction, while always aiming to succeed”, we strive to provide our customers with high-quality services and products that not only meet their needs but also exceed their expectations.

In this context, the Customer Solution Center (CRC) has the main responsibility for analyzing customer complaints, finding the root causes of complaints, and taking corrective actions when necessary. In 2021, approximately 100 corrective actions were taken as a result of the analyses carried out within this framework.

As a basic principle, the Customer Solution Center (CRC) works to resolve customer requests and complaints as soon as they arrive at our Bank for the first time, and in a way that ensures customer satisfaction. Flow changes and improvements that are determined to improve the first contact response rate are implemented with the analyses conducted.

Established in 2015 with the main responsibilities of improving and developing the experiences of our customers at our bank, supporting business units to determine basic business conduct principles, measuring customer satisfaction, and identifying areas for improvement; the “Customer Experience Office” continued to work in 2021 in accordance with the “Customer Experience Principles” approved by the senior management of our bank. In 2021, we started to make Net Promoter Score (NTS) measurements through digital channels as well, thus accelerating and facilitating our customers’ feedback to our Bank.

We also initiated Customer Satisfaction Score (C-Sat) measurements in addition to Net Promoter Score (NTS) measurements in 2021. We made measurements for different channels, products, and journeys, thus starting to report the satisfaction of our customers at the moment of truth.

In 2021, the Customer Experience Office created a “Satisfaction Score Prediction Model” by utilizing machine learning algorithms together with analytical teams to predict the satisfaction scores of all individual customers. With this model, we also started to measure the satisfaction levels of our customers who did not respond to satisfaction surveys and to identify and report product journeys and transactions that make our customers unhappy without the need to ask them.

We also continued to receive employee feedback on customer experience through the “Perfect Customer Experience Platform”.

In 2021, QNB Finansbank realized many projects focusing on digitalization to improve the customer experience and increase the number of transactions that customers can make through digital channels. Launched in 2019, Q-Digital Intelligence made it easier for our customers to access our bank and enabled them to manage and perform their financial transactions wherever and whenever they want without the need for any bank personnel.

In 2021, new scenarios and transaction sets were introduced to Q-Digital Intelligence to make customers’ lives easier, enabling them to access financial solutions through the digital world.

Customer Experience and Satisfaction

Net Promoter Score (NPS) % Enpara.com

2019

2020

2021

75

77

78

3.5 Responsible Customer Communication and Marketing Activities

Within the scope of our aim to establish long-term business relationships with our customers based on mutual trust at QNB Finansbank, all information affecting their decisions is provided to our customers at the very beginning of the business relationship in an open, transparent and adequate manner, and our marketing and communication activities are carried out in accordance with current regulations, expectations of our customers, and our Bank's policies and procedures.

As part of this approach, we ensure that our customers are provided with accurate and complete information about our products and services in all our sales channels (branches, online banking channels, call center, direct sales). We also carry out control activities to ensure that no misleading information is provided in our marketing activities.

In this context, in addition to compliance with current legal regulations, all new product and service launches as well as any changes to existing products and services are submitted to the assessment and approval of Legal Compliance, Legal Counsel, and Customer Experience Office.



Note: Our Bank's framework policy on the subject is the information security policy. Compliance with this policy is audited by the Inspection Board, and the senior management is regularly informed. In case of any non-compliance with the matters specified in the policy, the responsible person is investigated, and action is taken as specified in the disciplinary board instruction.

Responsible Customer Communication and Marketing Activities	2019	2020	2021
Number of Incidents due to Non-compliance in Marketing Communications	0	0	0

3.6 Customer Privacy and Data Security

At QNB Finansbank, ensuring customer information privacy and data security is one of our sustainability priorities as a reflection of our ethical banking philosophy, sustainability strategy, and customer-oriented perspective. For this purpose, our Bank takes effective security precautions as appropriate for the scope and size of its activities, and in line with legal regulations, and examples of national and international best practices. Our Bank's security policies, practices, and systems are constantly updated according to the highest industry standards, thus ensuring that our Bank and our customers are protected against newly-emerging risks and security threats.

In addition, studies are carried out to raise awareness of our customers and employees on cyber threats, fraudulent activities, and other data security risks through training, security bulletins, and warnings.

Personal Data Protection and Management

QNB Finansbank's purpose is to set out the principles adopted for the processing of personal data within the scope of the personal inviolability, corporeal and spiritual existence of the individual expressed in Article 17 of the Constitution; the fundamental rights and freedoms of the person protected in Article 20 of the Constitution, and Personal Data Protection Law no. 6698 ("Law");

and to ensure transparency by informing the personal data owners/data subjects.

QNB Finansbank pays utmost attention to the security of personal data and continues its activities with the awareness that the security of personal data is at the forefront of all products and services offered.

Personal data usage limited to banking transactions, the confidentiality of the private life of the person whose data is processed, and the protection of fundamental rights and freedoms are the basic principles of QNB Finansbank.

- Personal data are processed in accordance with the principles specified in the law.
- QNB Finansbank processes personal data
- in accordance with the relevant legislation and the requirements of the rule of fairness and uses them within these limits.
- It ensures that the personal data it processes is accurate and up-to-date, taking into account the fundamental rights and legitimate interests of data subjects. In this context, it carefully takes into account issues such as the sources from which the data is obtained are specific, the accuracy of which is confirmed, and the assessment of whether it needs to be updated.
- It clearly and precisely determines the purpose of data processing and ensures that this

purpose is legitimate. The fact that the purpose is legitimate means that the personal data processed by QNB Finansbank are related to and necessary for the banking services it currently offers and the business or activity it performs in this context.

- It ensures that the personal data processed are conducive to the realization of the determined purposes and avoids the processing of personal data that are not related to the realization of the purpose or that are not needed. For processing data to meet the needs that may arise later, it meets the conditions for processing personal data as set out in the Law as a principle, as if it starts processing for the first time.
- In accordance with Banking Law no. 5411 and all legislation to which it is subject within the scope of its activities, it retains personal data only for the period necessary for the purpose for which they are processed. If there is no valid reason for further storage of personal data by QNB Finansbank, the data in question shall be erased, destroyed, or anonymized.
- It uses technological resources and human resources integratedly to ensure data security and takes the protection of customer privacy and data security as a mission in all data processing procedures.

Confidentiality of Customer Information and Data Security	2019	2020	2021
Data Security Breaches	0	0	0

3.7 Digital Transformation and Innovation

As QNB Finansbank, we work in an innovative and customer-focused way to adapt our products, services, and processes to newly developed technologies and changing customer expectations.

Within the framework of this approach:

- In 2021, same as last year, our Bank devoted extensive time and resources to innovation efforts that would benefit the financial sector, namely artificial intelligence, machine learning, and big data analyses. Especially during the pandemic, it endeavored to develop products and services that directly respond to needs and create added value for both customers and the economy.
- It was ensured that our customers can perform their banking activities uninterruptedly via QNB Mobile, without having to go to the branch. Many digital innovations were introduced, such as withdrawing and depositing money with a QR code at ATMs, paying with NFC (mobile contactless), and opening an account with video calls via QNB Mobile. With the introduction of remote customer acquisition into our lives in the first half of 2021, anyone who wishes can become a QNB Finansbank customer easily and quickly from anywhere through QNB Mobile.
- Works on the Option product began in 2021 after the going live of Spot FX products in 2019 and Forward products in 2020 on the Digital Treasury Platform, Digit.
- In 2021, new products and orders were added to the digital approval journey

that started in previous years with the integration of customer product sales.

- QNB Finansbank took its place among the limited number of member banks of the FAST (Instant and Continuous Transfer of Funds) system offered by the TCMB, which allows for 24/7 money transfer. In addition, QNB Finansbank rose to the 3rd rank among all banks, due to the advertisements and campaign setups in digital media in 2021, focusing on the innovative product “Easy Address”.
- With the QR payment service, our customers started to pay with QR from the POS devices of both QNB Finansbank and other banks participating in the application through the Interbank Card Center (BKM).
- In 2019, our bank introduced the Digital Bridge Platform, which is the pioneer of the world-renowned “Platform Banking” in Türkiye, to embrace and facilitate the digital transformation of our SMEs and large-scale enterprises. It first launched the e-Transformation Services consisting of e-Invoice, e-Archive, e-Freight Bill, e-Ledger, e-Producer Receipt, and e-Self-Employment Receipt, which were offered free of charge to customers on the Digital Bridge. In 2020, it was turned into a platform by adding solutions that enable companies to carry many of their administrative needs to the digital environment within the scope of collaborations with financial technology companies.

In 2021, it continued to support companies in meeting their needs by adding new solutions to the Digital Bridge Platform, making it truly a living platform. Again in 2021, the Digital Bridge Platform became the gateway of QNB Finansbank Corporate Internet Branch, and our SMEs started to control and perform all banking and non-banking transactions from a single screen and with a single password instead of carrying out both internet banking and Digital Bridge transactions from separate screens. With the addition of the “My QNB Finansbank Agenda” feature to the Digital Bridge Platform in the same year, our SMEs were able to instantly reach reminders about their banking transactions.

Following the integration into enpara.com, the first branchless digital bank in Türkiye, “Enpara.com Şirketim” customers started to enjoy all of the Digital Bridge solutions, without becoming QNB Finansbank customers. With their Enpara.com Şirketim credentials, there is no need for an extra password. The Digital Bridge also helped QNB Finansbank to acquire new customers, reaching 71 thousand customers by the end of 2021, 30% of which were new customers.

- With all these developments, QNB Finansbank Digital Bridge Platform won six international awards in 2021. Digital Bridge won a Golden Stevie in the Business Intelligence Solution-New category at the “Stevie International Business Awards”, the world’s only international business awards program, where it was deemed worthy of 3 awards with its business partners.

The Digital Bridge Platform was also granted an award in the “Europe’s Most Innovative Bank” category at World Finance 2021, one of the most prestigious award programs in Europe. It was honored by being among the top 10 banks in the category of “Outstanding Innovation in Corporate Banking” at the 9th international “The Innovators 2021”, organized by Global Finance. Finally, it won the first award in the category of “The Best Digital Strategy” at the European Customer Centricity Awards, one of the most important customer experience contests in Europe.

- Digital transformation studies were carried out within the framework of the “paperless banking” vision to both save time in transactions made at branches, and to protect nature. More than 90% of the transactions carried out at branches in 2021 were completed without documentation, via the digital approval flow.
- QNB First Digital was awarded the “Bronze Stevie” in the category of “Success in Customer Satisfaction” at the Stevie Awards 2021, which is one of the most prestigious award programs in the business world. QNB First Digital, which was deemed worthy of international awards many times before, added a new one to its list of successes with this prestigious award.
- Launched in 2019 to enrich customers’ personal banking experiences, Q-Financial Intelligence continued to serve more than 3.5 million QNB Mobile customers throughout 2021 by reminding the Bank

customers of their regular transactions on time and warning them about important issues.

The number of customers using Q increased from 1.1 million in 2019 to 1.9 million in 2020. Similarly, the number of monthly sessions increased from 0.8 million to 2 million. In 2021, many new features and scenarios were added to Q, which has been constantly improving itself. 18 million questions asked by customers were answered with the chatbot feature positioned under Digital Intelligence Q in 2021. Throughout the year, a natural language processing algorithm was developed with current topics, which made it possible to give comprehensive answers to more questions. For example, when Q was asked why it was called by the call center, Q was able to answer this question. Similarly, subjects such as receipts, debt restructuring, and credit information were added to Q's knowledge database. Transactions such as obtaining passwords for credit or debit cards, opening/closing cards for internet shopping, and participating in campaigns were made easier within the dialogue. In 2022, efforts will continue to better understand what customers write and to improve their journeys within the dialogue.

- The “Digital Intelligence Q” project, which was realized with the cooperation between QNB Finansbank and Onedio, received the Bronze SMARTIES award in the Contextual / Native Advertising category at the MMA Smarties Türkiye & EMEA 2021 Awards of SMARTIES, the first competition program

in the world that rewards the “Modern Marketing” approach put forward by brands, agencies and technology providers, and as a result, “Making an Impact on Mobile”.

- Emphasizing innovation and digitalization in every field, QNB Finansbank pioneered the banking sector in 2012 and established Türkiye's first digital bank, Enpara.com. Enpara.com has been providing its customers with both easy and cost-free banking services through completely digital channels for 10 years. It eases the lives of customers as all processes from the process of becoming a customer to the products and services it offers are completely digital. It distinguishes itself in the sector, especially in the SME segment with Enpara.com Şirketim Credit Card and Enpara.com POS products, which can be used by applying completely through digital channels.

Our Digital Channel Services with Enpara.com

Realized in 2012 as the first direct banking model in Türkiye, Enpara.com continually serves both its individual and corporate customers only through digital channels. In 2021, Enpara.com reached a total of 3 million individual customers with a growth of 26%. Serving SMEs under the Enpara.com Şirketim brand since 2016, Enpara.com's customer growth in this segment was 47% and the total number of customers reached 100 thousand.

In 2021, the ratio of online and offline chat calls to Enpara.com Solution Center to total

incoming calls (voice and chat) was 53% on a monthly basis.

Following the remote customer acquisition arrangement with live video calls that was implemented in 2021, Enpara.com became the bank that acquired the most customers through this channel. The share of remote customer acquisition in Enpara.com's total individual customer acquisition reached 51%.

Enpara.com received many thanks from its customers throughout the year due to its field team visiting customers all over Türkiye, the Solution Center where customer advisors can be contacted in 30 seconds, its customer-friendly approach, and simple and easy-to-use designs. Its Net Promoter Score in 2021 was 78%, which is well above the sector average as usual.

Our Contribution to the Entrepreneurship Ecosystem with QNBeyond

Fincube was established to create the banking technologies of the future and continued its activities under the name QNBeyond. In 2020, QNBeyond contributed to the realization of many projects, and 8 startups were hosted in the first period of the Acceleration Program launched in 2019.

In March 2020, 11 startups were accepted in the second term of the program. Startups were strategically determined together with our senior management in line with our Banking of the Future perspective and

went through various ways to grow their businesses in the Acceleration Program for 6 months. The 6-month program was carried out completely online due to the pandemic that started in March. In this period, startups continued to benefit from mentorships, C-level sponsorships, and high support for business development as well as being able to accelerate their growth with the advantages they obtained from their business partners. The Online Demo Day event was held at the end of the program and watched simultaneously by around 500 people, while 430 thousand people were reached with press reflections.

A total of 8 collaborations were signed with startups in the second term. QNB Finansbank, Mastercard, and MindBehind developed a new project for Masterpass merchants to receive payments via WhatsApp within the framework of the cooperation, for which a press release was also published. An “AI Fund” was established under the management of artificial intelligence using the algorithms developed by Akıllı Param, one of the QNB FinansPortföy's initiatives. The fund will go live with the Bank's employees in 2021 and be the first investment fund in Türkiye to be managed entirely by artificial intelligence.

QNBeyond Acceleration Program will open its doors to startups that it considers as an opportunity to work together strategically and create value in its third term, which will start and end in 2021.

QNBeyond Ventures

QNBeyond Ventures was launched in 2020 to create strategic and financial returns. By the end of 2021, more than 1800 startups were reviewed, 47 startups were evaluated in detail and 6 startups were invested in. Invested startups included Kassa, a P2P money management app; KolayBi, a cloud-based accounting software; ikas, an e-commerce platform; Pisano, an omnichannel customer experience management platform; Ango, a data tagging platform for AI teams; and Magnetiq, a digital ad management platform for SMEs. In 2021, Kassa, KolayBi, and ikas received new investments in rounds attended by local and global investors, increasing their valuations.

In 2022, investments in early-stage startups will continue to explore potential opportunities.

In summary, 2021 was a year in which QNB Finansbank took actions to accelerate digital transformation, especially with the start of the pandemic, took intensive actions to protect the health of the Bank's employees and customers, and continued to diversify applications for the needs of customers. In the coming period, QNB Finansbank will continue to put its customers' priorities and satisfaction first and invest in the necessary product and service infrastructure developments to provide the most appropriate and fastest service to meet the demands and needs of its customers.

Digitalization

	2019	2020	2021
Number of Active Digital Customers	2,992,195	3,434,471	3,971,558
Number of Transactions by Channels			
Internet	97,420,414	80,747,925	71,879,237
Mobile	261,708,113	326,854,022	698,993,068
Telephone	142,195,134	174,678,380	187,425,067
ATM	166,824,605	151,445,467	124,490,808
Branch	152,663,887	107,745,775	102,704,239



4. Sustainable Operations

Contents

- 4.1 Corporate Governance, Legal Compliance and Risk Management
- 4.2 Talent Management and Improvement, Talent Retention
- 4.3 Diversity and Inclusion
- 4.4 Environmental Impact of Operations
- 4.5 Responsible Procurement and Supply Chain



4.1 Corporate Governance, Legal Compliance and Risk Management

Corporate Governance and Compliance

With our strong corporate governance culture and infrastructure at QNB Finansbank, we carry out our activities in compliance with legal regulations, ethical banking principles, and in-house policies and procedures, in a transparent and accountable manner. Within this scope:

The Board of Directors, as the highest-level management body of QNB Finansbank, safeguards our Bank's long-term interests while taking strategic decisions to protect the optimum balance between the Bank's risks, growth, and revenues. The Audit Committee, Risk Committee, Credit Committee, Corporate Governance Committee, and Remuneration Committee also provide the necessary support to the Board of Directors with their efforts.^(*)

The Inspection Board as well as Risk Management, Internal Control, and Legal Compliance departments carry out their work under the Audit Committee by the rules outlined in the Banking Law no. 5411 and the "Regulation on Internal Systems and Internal Capital Adequacy Assessment Process of Banks".

The Inspection Board is an independent and objective assurance and consultancy function working to assess compliance with policies and procedures for the purposes of increasing the Bank's operational efficiency and creating added value.

Risk Management is responsible for defining, measuring, monitoring, controlling, and managing the risks with the four units under its roof (market risk, credit risk, operational risk, and model verification). For the management of all risks that the Bank and its subsidiaries may be exposed to, the Risk Management Department's main responsibilities include creating risk management strategies, creating and developing risk measurement and assessment strategies, determining and measuring risks, establishing

and implementing risk management policies and procedures, and carrying out risk monitoring and reporting activities.

Internal Control is responsible for protecting the Bank's assets and carrying out daily activities effectively and efficiently, in accordance with the laws, in-house policies and procedures, and general banking practices.

Legal Compliance is responsible for identifying and assessing risks that may arise in case of non-compliance with the laws, regulations, and standards in force, expressing opinions and recommendations, and monitoring and reporting such risks. The Legislation, Capital Markets, and Investment Products Compliance, Compliance with Legal Regulations, Financial Crimes Compliance (Misconduct Control, Anti-Money Laundering, Suspicious Transaction Tracking and Analysis,

Sanctions, and Customer Evaluation), and Personal Data Protection and Management units operate under the roof of Legal Compliance.

The Legal Compliance Department undertakes to protect the Bank's reputation and reliability by complying with the current laws, regulations, and ethical standards within the boundaries of the Bank's area of activity.

All staff members are expected to abide by the relevant laws, regulations, and ethical standards. In this respect, legal compliance is one of the building blocks of a solid corporate governance understanding.

Additionally, Legal Compliance supports the Corporate Governance Committee in auditing and assessing the efficiency of the Bank's corporate governance practices and framework. Legal Compliance ensures that the implementing

instruments related to corporate governance are up to date, and obligations are fulfilled. The Bank's corporate governance framework is outlined in the QNB Finansbank Corporate Governance Policy and Guidelines.

The responsibilities of Legal Compliance include developing the legal compliance training provided to Bank employees based on legal and regulatory requirements; ensuring the Bank's compliance with all relevant laws, regulations, standards, and agreements; following national and international developments in these fields; ensuring compliance of policies and procedures in its area of responsibility with laws and regulations; reviewing new and revised products/services and relevant processes; investigating and reporting breaches and abuses of laws and regulations, and offering the appropriate action plans and precautions to the Audit Committee and/or senior management.

Ethical Banking Practices

QNB Finansbank adopts universal human rights principles and national/international ethical banking practices and expects its employees to act accordingly. This approach covers our practices related to risk management on Anti-Money Laundering/Combating the Financing of Terrorism, implementation of the "Know Your Customer" principle, Prevention and Follow-up of Sanctions, Anti-bribery and Anti-corruption, Codes of Conduct for Employees, Prevention of Misconduct, and Human Resources. Codes of Conduct and Instructions for Employees (Approved by the Board of Directors), Code of Ethics for Finance Professionals, Corporate Governance Policy and Guidelines, Anti-bribery and Anti-corruption Policy, Committee Policy on Anti-Money Laundering/Combating the Financing of Terrorism (AML-CFT), Intra-group Knowledge Sharing Program Between Our Bank and the Subsidiaries of the Financial Group under the Regulation for Compliance with Obligations on Anti-Money



Laundrying/Combating the Financing of Terrorism, Anti-Money Laundering/Combating the Financing of Terrorism Policy, Group Compliance Policy on Anti-Money Laundering/Combating the Financing of Terrorism, Misconduct Risk Management Policy, Precious Metals Responsible Supply Chain Compliance Policy, Policy on Conflicts of Interest and relevant procedures are communicated to our employees through routine reminder training or notifications as well as orientation training for newly-hired employees.^(**)

In addition to these practices, our Bank has various notification channels in place to submit tip-offs or complaints to the relevant authorities (Audit Committee, Chairman of the Inspection Board, Compliance Officer, Ombudsman, Senior Management, etc.) in accordance with the confidentiality principle. Notifications submitted through these channels are reviewed by the relevant authorities, and necessary actions are taken under relevant procedures.^(***)

Risk Management

At QNB Finansbank, effective risk management is a major element of our strategy and is critically important for the continuity of our activities. Therefore, our Bank allocates significant resources for the development of our policies, procedures, and infrastructure to comply with legal regulations, international best practices, and directives of the Basel Committee on Banking Supervision (“Basel Committee”).

Our Bank’s risk management starts with the Board of Directors, which determines the basic risk policy and risk appetite. The Risk Committee, Audit Committee, Asset-Liability Management Committee, Operational Risk Management Committee, Reputational Risk Management Committee, and Risk Management Department are the main bodies comprising QNB Finansbank’s risk management structure.

Audits for the compliance of Risk Management

activities with international best practice standards and regulations are carried out by our Bank’s Inspection Board and Internal Control Units regularly.

For the coordination of Risk Management, reports covering the results of the Internal Capital Adequacy Assessment Process (İSEDES) and Internal Liquidity Adequacy Assessment Process (İLİS) -which are conducted in integration with risk appetite, stress tests, and budget studies- are evaluated by the Risk Committee and Board of Directors every year.

Climate risk was assessed in İSEDES and İLİS reports at the end of 2021. Within this scope, QNB Finansbank’s sustainability-related syndication loans are reviewed in terms of Environmental, Social, and Governance commitments, and possible risks are taken into consideration for their impacts on the Bank’s risk metrics.

The main types of risks managed effectively at our Bank are explained below:

Credit Risk:

Credit Risk Management at our Bank is conducted effectively in parallel with the current situation and expectations in the macroeconomic environment. Indicators of capital and asset quality, which are critically important for our Bank, and other risk metrics for the loan portfolio are monitored through regular reporting. Actions are taken proactively when approaching the threshold values set as warning signals in the Bank’s risk appetite statement and prevention plan. Moreover, the sensitivities of these indicators under stress scenarios are tested regularly. In addition, portfolio sensitivity for elements that directly affect the loan portfolio -exchange rate, interest rate shock, etc.- is measured through stress test studies and closely monitored. Asset quality of the loan portfolio is regularly reviewed with the methodology based on customer-based financial and non-financial factors. Evaluation results are

shared with the relevant business units and, when required, the audit authority, to ensure that actions are taken.

Our Bank calculates “Expected Loan Loss” monthly based on methodologies in compliance with the TFRS 9 requirements, and considering the future expectations for the macroeconomic environment. In this process, it uses the risk parameters developed internally.

The Bank’s models are periodically reviewed by the Model Verification team, which carries out its activities independently of the Credit Risk Management Unit.

To keep our loan portfolio’s sensitivity against systematic risks at the minimum level, loan concentration limits are identified based on sectors and customers, and concentration levels are regularly monitored to manage the loan portfolio actively. In addition, loan concentration levels are measured with various methods under Internal Capital Adequacy Assessment Process (İSEDES), and capital is allocated when required.

Tools and methodologies that ensure effective risk management, monitoring, and reporting are followed, and development and automation opportunities are utilized with relevant technological investments.

Market Risk:

QNB Finansbank established a structure to effectively identify, monitor, and manage the risk arising from changes in market prices (including interest rates, security and bond prices, and exchange rates) and the uncertainties in their volatility levels. This structure defines the principles, measurement methods, processes, and limits that cover all QNB Finansbank transactions arising from market risk.

Value at Risk, nominal position, interest rate sensitivity, and option Greek limits were determined for the effective management of

market risk and for keeping the risk profile at levels according to the determined risk appetite. In addition to these limits, early warning levels were defined for some limit types to prevent potential losses by running early warning mechanisms and taking possible precautions on time after necessary reviews.

Structural Interest Rate Risk:

Because of its banking activities, QNB Finansbank carries interest rate risk arising from mismatching of repricing periods between assets and liabilities. To manage this risk, the Bank defined the Banking Accounts Interest Rate Risk (BHFOR) Management Policy, according to which interest rate risk is measured for banking accounts for all banking transactions, except trading accounts. The Structural Interest Rate Risk is identified and managed with duration gap, economic value, economic capital, interest rate sensitivity, net interest income, and stress test approaches.

Liquidity Risk:

Even though the Bank is capable of paying its debts, Liquidity Risk occurs if it does not have sufficient financial resources to cover its debts due at that moment or can protect itself only with very high costs.

The Bank manages the liquidity position based on the fact that cash and available borrowing resources do not fall below a pre-determined level of total deposits. Early warning signals, stress levels depending on the liquidity risk size, and actions to be taken at all stress levels were defined under the “Liquidity Emergency Action Plan”. The Bank’s lifespan is calculated and monitored with stress tests in parallel to these stress levels.

Operational Risk:

Operational Risk is defined as the possibility of direct or indirect losses arising from human, process, system, and external factors. The

Operational Risk and Business Continuity Management Unit is responsible for defining, measuring, and monitoring operational risks, as well as coordinating management activities and managing business continuity.

Activity- and process-based operational risks are identified with Risk Control and Self-Assessment efforts as recommended by Basel II and classified according to reasons, events, and results, ensuring that actions are taken for major risks. The efficiency of the operational risk loss data collection process which started in January 2005 has been increasingly continuing. Loss data to provide meaningful statistical data to QNB Finansbank are collected. Based on the reasons and results of these losses, business processes requiring improvements are defined and necessary actions are taken. Key Performance Indicators that may serve as early warning signals for major risks were defined and are monitored regularly. Strong operational risk management processes and methodologies were established. Prepared to minimize losses arising from business interruption, Business Continuity Management Plan entered into force. Extensive tests for the Disaster Recovery Center are carried out every year with the participation of Information Technologies and business units.

Reputational and Human Resources Risk

QNB Finansbank acts with the awareness that efficient management of reputational risk is important. Maintaining our Bank's reputation at a high level, both for customers and regulatory and supervisory authorities is among the essential and prioritized targets of our Bank. For the management of this risk, the Reputational Risk

Management Policy was prepared and entered into force with the Board of Directors' approval in 2017.

The Board of Directors is ultimately responsible for protecting the Bank's reputation and reliability before all stakeholders, especially legal authorities, customers, investors, and employees.

The Bank ensures the effective functioning of action plans that keep reputational risks under control, supervises whether these plans are implemented, and reports through the Reputational Risk Management Committee as necessary.

The Reputational Risk Management Committee was established as a sub-committee of the Risk Committee for the management of reputational risk.

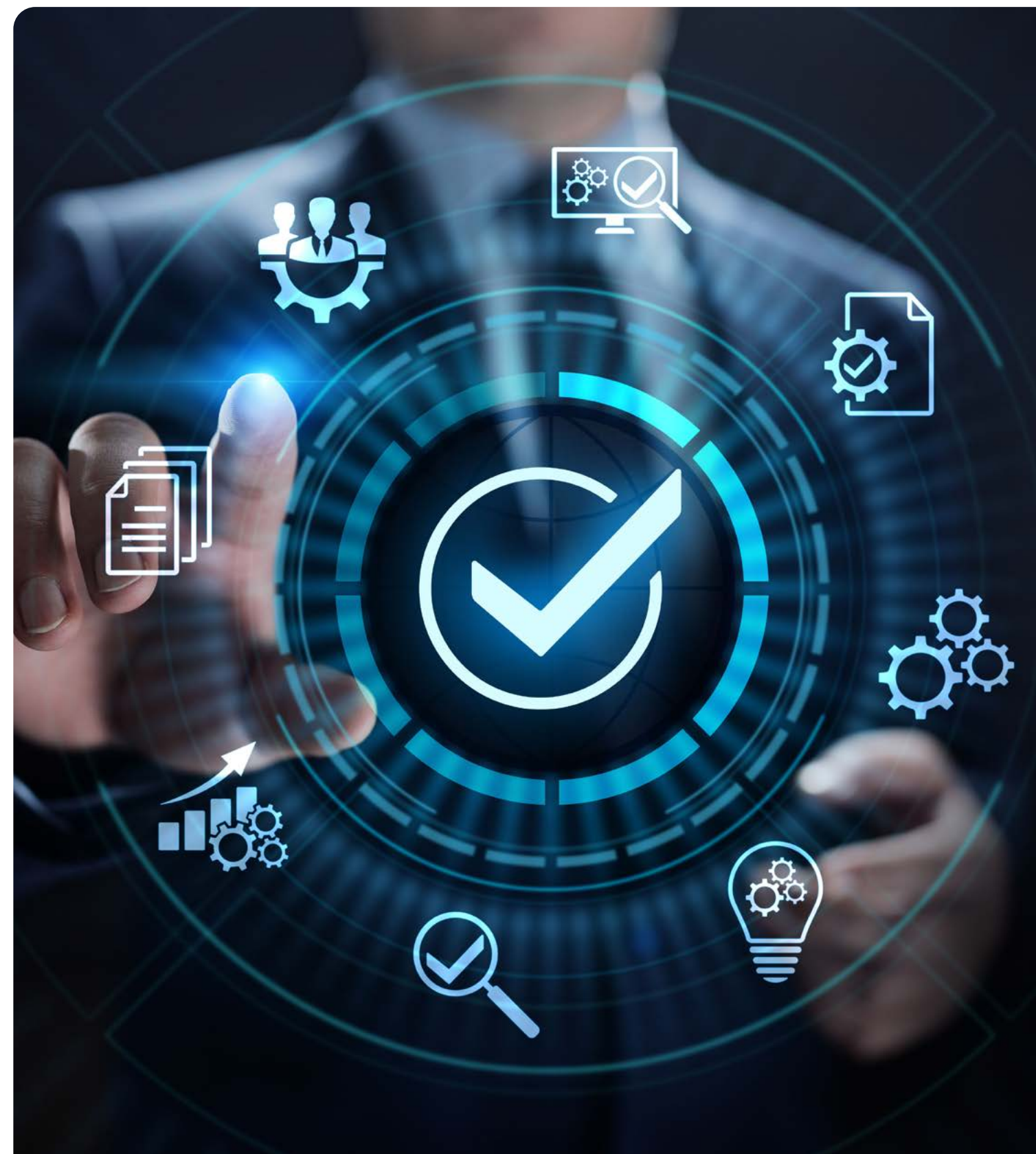
Moreover, there is an early warning system against risks that may pose direct threats to the Bank's reputation. Regarding the Human Resources risks, the Discipline Committee at our Bank is responsible for assessing all kinds of actions or practices deemed contradictory to the effective laws and regulations, banking practices and ethical principles as well as the policies and procedures of our Bank, and for taking the necessary measures accordingly.

Notes:

(*) You can find detailed information on QNB Finansbank committees in the [Annual Report 2021](#).

(**) Regular training on Laundering of Proceeds of Crime, Operational Risks, and Personal Data Protection Law continued in 2021. In addition, Legal Consultancy Department provided training on different subjects, especially the Banking Law, Commercial Code, and Code of Obligations as well as guarantee law, seizure practices, and negotiations with public institutions.

(***) You can find some of our policies [here](#).



Corporate Governance, Legal Compliance and Risk Management	2019	2020	2021
Bribery & Corruption Incidents Identified	0	0	0

4.2 Talent Management and Improvement, Talent Retention

With the awareness that its most valuable capital is human resources, QNB Finansbank has positioned the human resources policy to support increasing the Bank's performance to ensure that it progresses sustainably by recruiting, improving, and retaining new talents at the Bank. As part of this, human resources policy has been gathered under 4 main fields:

- **Human Resources Planning and Recruitment:** Supporting the recruitment process through employer brand management, labor force management, analyses, and business development projects in line with the Bank's requirements to be a preferred employer and attract talented individuals to the Bank.
- **Performance Management:** Making the success assessable with tangible and measurable criteria as well as creating an employee engagement environment with a fair and transparent system by serving the bank's performance increase in line with the individual performances of employees.
- **Talent and Improvement Management:** Enhancing the technical and managerial knowledge and skills of employees; ensuring the retention of employees with high performance and potential, and contributing to the improvement of employees.
- **Engagement and Reward:** Developing policies to increase employee engagement regarding the organization and increasing their engagement to ensure that the Bank reaches its goals.

At QNB Finansbank, where 85% of recruitment is composed of new graduates, analyses are performed according to the career preferences of the university students while the university and social media activities are carried out in line with the results of such analyses.

It is ensured that young people take a step to achieve their dreams thanks to the brands such as Finans Up Kariyer Kulübü, Career, Finans Pro, Audit Pro, and Finans 101. It was aimed that the

university students learn the business life, the banking sector, and QNB Finansbank through experience with the Finans 101 Online Internship Program, which was designated as "The Most Known Career Event" by the university students in The Most Admired Companies Survey in 2022. Finans 101 was transferred with all of its processes to the online environment due to the pandemic and was designed as a 2-week online program that could be accessed by all students in Türkiye.

Approximately a thousand students were provided with the opportunity of internship and gaining experience every year with the program carried out triannually as of the start of the pandemic. Students were provided with the opportunity of receiving thousands of online training apart from the compulsory technical and personal development training during their internships for 2 weeks. Besides, 10 live training events where they met with trainers and QNB Finansbank managers were also prepared. The number of students provided with the internship opportunity as part of Finans 101 has been 2,762 for the last 3 years.

The most important feature of Finans Up Career Club, which is the first practice that brought the Global Business Excellence award to Türkiye in 2013, is that it offers the opportunity of consulting on many subjects related to business and social life for the students and the Finans Up people who begin to work professionally thanks to the Up Society process, which was implemented with the sense of alumni. Beyond being a program in which students learn about themselves and invest in their development before business life, Finans Up is also a career club where QNB Finansbank employees and all Finans Up members build a network and a community to develop themselves under a shared culture.

For this reason, Finans Up contains programs that develop young people in all aspects and shape their lives and careers.



Overview of the Labor Force	2019	2020	2021
Labor Force by Age and Gender (Number)			
Total Employees	12,087	11,111	10,944
Female Employees	6,721	6,250	6,223
Male Employees	5,366	4,861	4,721
Employees Aged 18-30	4,607	3,765	4,091
Employees Aged 31-50	7,254	7,119	6,651
Employees Aged 51 and Above	226	227	202
Recruitment and Labor Force Turnover			
Newly Hired Employees	2,054	1,164	2,120
Employee Turnover (Volunteer)	1,444	955	1,575
Performance Assessments			
The ratio of Employees with Regular Performance and Career Development Assessments Made (%)	88	88	90

Awareness-raising projects are carried out for university students to explore their career paths with Career apart from the Finans Up Career Club; internship opportunity is provided with Finans Pro to students who want to gain experience at the Bank's Headquarters; and with Audit Pro, employment opportunities are offered to students who want to start a career in the field of audit. Due to the pandemic, all of the talent acquisition programs were redesigned to be compatible with the digital environment. All of the events of Finans Up and Career were held online. The contribution of talent acquisition activities to the brand image is measured through The Most Admired Companies Survey conducted by the company Realta. QNB Finansbank ranked 8th with a preferability rate of 4.8% among the banks in 2009 and 2nd with a rate of 20.59% in 2022.

Performance management at QNB Finansbank is a management tool that promotes development through continuous feedback culture, aiming to guide the employees in their development as well as delivering high and sustainable performance and increasing corporate performance through individual performance development. The strengths and areas of improvement are assessed individually for each employee with the semi-annual performance measurement and personalized roadmaps are created. Individual performance is made assessable through tangible and measurable criteria to enhance employee engagement with a fair and transparent system.

Talent management at QNB Finansbank aims to provide both an interesting and a functional employee experience, in which the pivots of

culture, environment, and technology are interrelated. It is quite important to contribute to the development of employees' goals and purposes in parallel with the company's strategies, to take an active role in subjects like analyzing the needs, and to create an action plan with the right teams in a short time.

To determine the executive candidates and the existing executives, who are required to be invested in by our Bank as part of our Talent Management strategy, assessments of potential are performed. With the assessment of the potential process, it is tried to create awareness by defining the needs of our employees during their career journey and is aimed to train leaders of the future from the bank.

The outputs of Assessments of Potential also ensure interaction with various human resources functions such as career development of employees, shaping the training opportunities, promotion, and rotation.

At QNB Finansbank, the Assessment Center processes started to play an active role in all promotion processes for the position of Manager and above to create the QNB Finansbank executive brand; elect the Headquarters' executives with an open, measurable, rational, and systematic method; nurture and develop the leadership pipeline; invest in the development of quality labor force and ensure its continuance as of 2018. As part of this, new processes have been designed for the executive role at each level with the Headquarters AC, Advanced Executive Development Program, Credits Executive Development Program, and Senior Executive Development Programs.

Flexible Innovation Program has been prepared and implemented to create in-house learning opportunities where the employees will have various experiences to explore their areas of interest and observe their own skills in the innovative projects performed at the bank.

As part of the Flexible Innovation Program, the employees can participate in in-house and start-up projects alongside their own duties. It is ensured that more space is provided to the employees for gaining different experiences and skills by going beyond their existing roles and that they receive more frequent and personalized feedback by taking charge in different roles. The 2nd Phase of the Flexible Innovation Program has been completed and it is planned to transfer the application system online and expand the target audience

by increasing the number of projects in the forthcoming periods.

The Career Architecture process, which has been continuing at QNB Finansbank for many years, was redesigned with a new perspective in 2021. The main purpose of the project has been to strengthen our career management processes through training and development opportunities. So that we can prepare our current human resources for the business life of the future today with our new process, of which the process setup and development programs have been subject to detailed changes. It was aimed to revise the inter-passageway of field staff and accordingly the training programs during our process, the first phase studies of which were initiated in 2021.



QNB Finansbank acts through an approach aiming that executives are trained internally and each employee chooses his/her own career path. It offers this opportunity to the employees with “Career Architecture” and “Career Bulletin” while conducting one-to-one interviews with the employees on their career goals with the “Career Consultancy”. To make the branch manager assignments internally, the assessment and evaluation center practice and then the tailor-made development programs are carried out as part of the "Development Architecture".

Along with the reflections of the pandemic period, the priorities determined in the annual development agenda were reviewed while the adaptation to the pandemic and information activities were prioritized to facilitate the employees’ adaptation to this period. It was aimed to strengthen the resilience muscles of the employees and keep their motivation high through mental-physical-corporal events and practices. Personal development, resilience, motivation, management of crisis periods, economical developments, training, and development programs for remote working have been also prioritized in the new period while the current development programs include subjects focusing on the finance sector such as sales and risks.

In 2021, 2,352 training programs were conducted in various subjects including personal development and leadership development, banking, economy-finance, sales, marketing, product, audit, credit analysis, foreign language (English), and risk management.

70% of the training programs planned for post-pandemic 2021 were carried out with a coeducational perspective through remote methods such as online classes, videos, podcasts, game-based online training, e-learning, and e-book. From the coeducation perspective, it was aimed to ensure that the participants experience various training methods such as a webinar, gamification, simulation, and online class so that the information given is reinforced and becomes permanent through long-term dissemination.

“Financier 360” training, which was created specifically for the branch employees to ensure they act in line with the usage determined on topics such as customer relations, sales, credit, and risk management, was continued online. Moreover, Quick Contact webinars were also organized to accelerate the adaptation of employees to the pandemic process and strengthen their resilience muscles. All branch employees, branch managers, and regional sales managers participated in the training.

Training and development programs are reconstructed annually in line with different case practices and the bank’s strategies. The “Financier 360 Development Program” was entitled to awards in 3 branches at Brandon Hall Group Excellence Awards, deemed as one of the most prominent business awards. It was also deemed worthy of awards in 10 branches as part of The Stevie Awards for Great Employers, one of the most prestigious business world awards.

At QNB Finansbank, it is aimed that financiers with high potential show their potential and

that the development plans of all financiers are determined through the organizational development processes. To strengthen the leadership and managerial skills of the current and newly assigned executives as well as the employees having a potential of becoming an executive in the future with the individual development plans created as a result of the assessments of potential, there are executive/executive candidate training programs as part of “Finans Master”, “Koçvari Liderlik” (Coach-like Leadership) and “Hizmetkar Liderlik” (Servant Leadership) training, “Leaders Club” senior executive development programs and “Hizmetkar Liderlik Gelişim Sohbetleri” (Servant Leadership Development Talks) based on the servant leadership and covering all leader staff. Coaching service is also provided to all leaders and financiers at the process of assessment center through external coaches and internal coaches thanks to the “Coaching and Mentorship Center”. Besides, different development tools such as MBA programs and domestic/overseas conferences, and English

programs are provided for financiers with high potential.

Candidates suitable for the executive positions at the Headquarters, Field, and in the Alternative Sales Channels teams are determined through the practices such as advanced executive development program, Headquarters Assessment Center, Branch Manager Assessment Center, and Team Leader Assessment Center. In this regard, development programs are implemented for the candidates in the relevant pool.

Social and Environmental Risk Management in Lending Processes Training planned mostly for field employees was carried out remotely as e-training in 2021. Environmental and Social Risk Assessment training planned especially for the Project Financing and Project Syndication Loans teams was also carried out as an online class in 2021.

The aim of the revenue management at QNB Finansbank is to acquire new talents for the Bank and to increase the internal synergy

Employee Development and Employee Engagement	2019	2020	2021
Training and Development			
Total Training Provided to Employees (Hours)	654,103	428,238	579,866
Average Training per Employee (Hours) ^(*)	53	37	53
Total Resources Allocated to Employee Training and Development (TRY)	28,968,216	18,455,570	26,124,526
Employee Engagement and Satisfaction			
Employee Engagement Score (%)	64	64	59
Number of Activities for Employee Engagement ^(**)	627	275	259

Notes:

^(*) Due to the pandemic, training hours per person decreased compared to the previous years.

^(**) Due to the pandemic, the number of activities for the employees decreased compared to the previous years.

as well as the engagement, satisfaction, and motivation of employees at the Bank. Accordingly, a fair and transparent remuneration methodology that complies with the Bank's ethical values and internal balances and maintains the competition level is implemented. Reward models are designed in proportion to the added value created, preventing excessive risk-taking and focusing on individual and holistic target performance, thus supporting the Bank's strategic goals and increasing efficiency. Within the framework of the Bank's bonus and premium models, an average of approximately 2 salaries per employee were paid in performance-based cash payments in 2020.

In addition to remuneration and reward management, there are benefits in many areas such as health, leave, transport, food, communication, and technological facilities, aid packages, and employee support services that will raise the employees' living standards and work productivity.

An employee engagement survey specific to QNB Finansbank has been conducted every year since 2007 to evaluate the effects of satisfaction factors that drive employee engagement. Survey results are analyzed on a department basis, and actions for each department are defined with the participation of senior management.

Helping to maintain the balance between the professional and private lives of financiers, aiming to increase motivation by contributing to employee engagement and satisfaction,

organizing events that will be good for the sanity-body-mental health of financiers through cultural, sports, and social activities, and making them feel the privilege of being a financier, Employee Happiness brought 13,210 financiers together in 259 activities held in different cities and online platforms in 2021.

In addition to the events, discount agreements were signed with 150 companies during the year, offering financiers the opportunity to make advantageous shopping. The number of thanks submitted through the "Teşekkür" platform, which is another way of appreciating employees, reached 1,183 in 2021, while the total number of thanks submitted through the platform reached 17,300. With this practice, all employees have the opportunity to thank each other for creating value, thus adding a different meaning to their working days. The seniority awards ceremony is also organized by Employee Happiness every year to celebrate employees' respect and engagement to the bank. Taking place online in 2021, the ceremony was organized with an "Oscar Award Ceremony" theme, which was made accessible to all our financiers via webex and the "employee happiness" Instagram account. An online award ceremony was held on Wednesday, December 8 with the participation of senior management and 542 financiers who completed their 15th, 20th, 25th, and 30th years of service in the QNB Finansbank family. The plaques and badges of 897 financiers who completed their 5th and 10th years of service were also sent to their workplaces/homes by Employee Happiness.

Occupational Health and Safety

One of QNB Finansbank's priorities is to create a healthy and safe working environment for its employees. For this purpose, our occupational health and safety practices are carried out in accordance with the subjects outlined in QNB Finansbank Occupational Health and Safety Instructions, regulations in force, and examples of best practices.

Within this scope, all employees are provided with occupational health and safety training (basic training and, if required, subject-specific training), risk assessment works are carried out in our buildings, and emergency action plans are prepared. Moreover, our studies conducted to ensure occupational health and safety also include the organization of OHS Committee meetings regularly to assign the employee representative to our buildings and to review the activities related to occupational health and safety.

There are workplace doctors at buildings with 50 or more employees(*). Our health centers are structured to provide services to all employees with a large staff of doctors and nurses (6 workplace doctors and 8 workplace nurses).

Alternative communication channels were created to ensure that the employees can access the health center quickly and easily. Urgent requests via e-mail, Whatsapp line, and emergency telephone are met, and referral and consultancy services are provided. Routine health checks such as annual seasonal flu vaccines and eye/hearing tests are also available at our health centers. Life and health insurance are issued for all employees.

As part of our safety practices, our Safety Services unit takes physical and electronic safety measures by creating safety policies against threats to the Bank employees, customers, and properties.

Occupational Health and Safety	2019	2020	2021
Employee Fatalities	0	0	0
Employee Absenteeism Rate (%)(**)	2.9	3.4	5.6

Notes:

(*) The Head Office (Crystal Tower), Erzurum, and Istanbul Operation Centers (EROMER and FOMER) are the locations with Health Offices.

(**) Refers to the ratio of employee absenteeism with medical reports to total work days. Since the time of working from home increased due to the pandemic, the rate of receiving reports for 2 days and less decreased but the number of days for taking reports increased compared to the previous year since the maximum number of days of quarantine was 10. Therefore, the absenteeism ratio increased in 2020.

4.3 Diversity and Inclusion

QNB Finansbank supports the establishment of a corporate culture based on respect, equality, and mutual trust. In this respect, our activities are carried out with universal human rights principles, ethical banking practices, and in-house policies and procedures. Issued for this purpose and supported by other relevant policies and procedures as well as the activities of the Ombudsman and Inspection Board, the Codes of Conduct and Instructions for QNB Finansbank Employees guide them on how to reflect these values in their daily business lives.

Our Bank will continue to support diversity and inclusion with both internal and external efforts in parallel to its basic values and human resources practices.

In 2020, our Bank participated in the Target Gender Equality Program under the United Nations Global Compact (UNGC). Companies participating in the program set ambitious and realistic corporate targets in several fields -from increasing the number of women on boards of directors to increasing the number of women entrepreneurs in supply chains- and take action towards achieving such targets.

As a result of the program, our target studies for gender equality at our Bank were planned.

It is seen that one of the most important reasons for our success on the journey of 35-year QNB Finansbank is the involvement of women in management. Female executives in the management personnel are encouraged to participate in the development program organized by “The Women on Board Association Turkey” to support their development with training on various subjects by experienced persons from the business and academic world. The involvement of our sales and marketing executives in the “Women in Sales” project is ensured to support the empowerment of women. The project has been developed to create awareness at the companies and of the women to tread a fine line between women-men in the sales world through the “Sales Network Community”. Such international platforms are analyzed and followed up and it is also planned to establish various programs shortly, which will support our policy in this field.

On February 24, 2021, we signed the Women’s Empowerment Principles (WEPs), a joint initiative by UN Global Compact

and UN Women, and confirmed our commitment to the 7 principles for building our corporate policies to further promote gender equality. With this signature, we are committed to increasing our current efforts for gender equality in QNB Finansbank and its subsidiaries and to further expand awareness of the issue.

We are interested in and support the works of the Women on Board Association Turkey. Four female top-level executives participated in the 4th phase of the program in 2020.

Therefore, the qualifications of Mentees for the board membership were strengthened through the recommendations and guidance of the Mentors by bringing together the high-potential female executives and the decision-makers who elect/assign members to the Board. It was also ensured that the board chairmen of our country’s leading companies were closely acquainted with the female executives with different qualifications and recommended them to suitable positions. Apart from these, we have 11 female internal coaches who are graduates of Coaching schools with ICF (International Coaching Federation) certificates.



Diversity and Equal Opportunity

Female Employment

	2019	2020	2021
Number of Female Employees	6,721	6,250	6,223
Women’s Employment Rate (%)	56	56	57
Number of Female Employees in Senior Management	10	12	16

Parental Leave

Return to Work Rate (%)	99.1	98.6	98.8
Retention Rate (%)	91.8	92.3	96.0

4.4 Environmental Impact of Operations

At QNB Finansbank, we endeavor to develop different methods and implement different practices for increasing operational efficiency, particularly the consumption of energy and resources and reducing the environmental impacts of our activities.

We act on the awareness that our biggest environmental impacts are “indirect” due to our lending procedures on one hand, and take steps to responsibly manage our “direct” impact, which is our environmental footprint arising from our activities, on the other hand. For this purpose, we aim to reduce our environmental impacts by selecting eco-friendly devices for electrical and mechanical projects, controlling our buildings with automation systems, and taking actions to lower the consumption of energy and resources.

- We have reduced our environmental impacts by decreasing the Datacenter cooling energy consumption by 25% compared to 2019 through the winner of the

Productivity Increasing Projects that we carried out in 2021.

- It is aimed to deploy the aerators which decrease water flow and increase water volume for water saving in lavatory combination faucets at all of our branches to reduce water consumption in 2022.
- It is ensured that old air-conditioner models are replaced with high-efficiency air-conditioners.
- It is ensured that branches continue to use LED lighting fixtures.

Changes continued to be made in the heating systems for energy saving at our branches while it was ensured that 95% of transactions were performed without using papers through the Digital Confirmation Platform thanks to our ongoing practices such as digital transformation and paperless banking.

For the transition to the integrated environmental management system in 2022, it is planned to start works to obtain ISO 14001 Environmental Management Certificate.

Environmental Impact of Operations

Energy Consumption

	2019	2020	2021
Total Electricity Consumption (Kwh)	63,195,106	56,702,396	50,084,620
Natural Gas Consumption (m ³)	1,793,148	1,576,124	1,732,590

Water Consumption

Total Water Consumption (tons m ³)	177,973	121,582	99,396
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Materials and Waste

Total Paper Consumption (Tons)	388,030	155,793	167,134
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Note: Our Head Office building (Crystal Tower) has LEED Silver Certificate.



4.5 Responsible Procurement and Supply Chain

At QNB Finansbank, responsible purchasing means: decreasing the risks arising from the supply chain by considering the environmental, social, ethical, and reputational risks and impacts while making a purchasing decision; having long-term and value-creating collaborations based on mutual trust by acting cautiously and sensitively in our relationships with the suppliers; and preventing our purchasing practices from affecting the society, environment, and our Bank’s reputation negatively.

Within this scope, our purchasing practices were reviewed as part of our Sustainability Policy in 2020. A Special Sustainability Clause was drawn up to be added to our supplier contracts to ensure that suppliers embrace environmental and social responsibilities, undertake to develop practices accordingly, and in compliance with the Bank’s sustainability goals. With the awareness of its social responsibility of protecting the environment, QNB Finansbank expects its suppliers to prioritize the sustainability approach and carry out their activities in line with the principles of fighting the

climate crisis while taking the QNB Finansbank Sustainability Policy as a reference and acting according to this commitment.

As part of the agreements they sign with QNB Finansbank, suppliers are obliged to comply with the legislation in force (on personal data processing and protection, anti-bribery and anti-corruption, competition, environment, occupational health and safety, intellectual and ownership rights, etc.) and contractual obligations. With these agreements, suppliers undertake not to employ children contrary to labor legislation in force under any circumstances.

QNB Finansbank expects all suppliers to act in compliance with the legislation on the competition. Otherwise, a breach of the Competition Law can lead to the imposition of severe sanctions against companies and employees. QNB Finansbank reserves the right to terminate its business relationships with suppliers that do not accept compliance with the policies stated above and/or fail to make improvements within the specified period.

Procurement

	2019	2020	2021
Total Number of Suppliers Engaged	1,377	1,570	1,599

Notes:

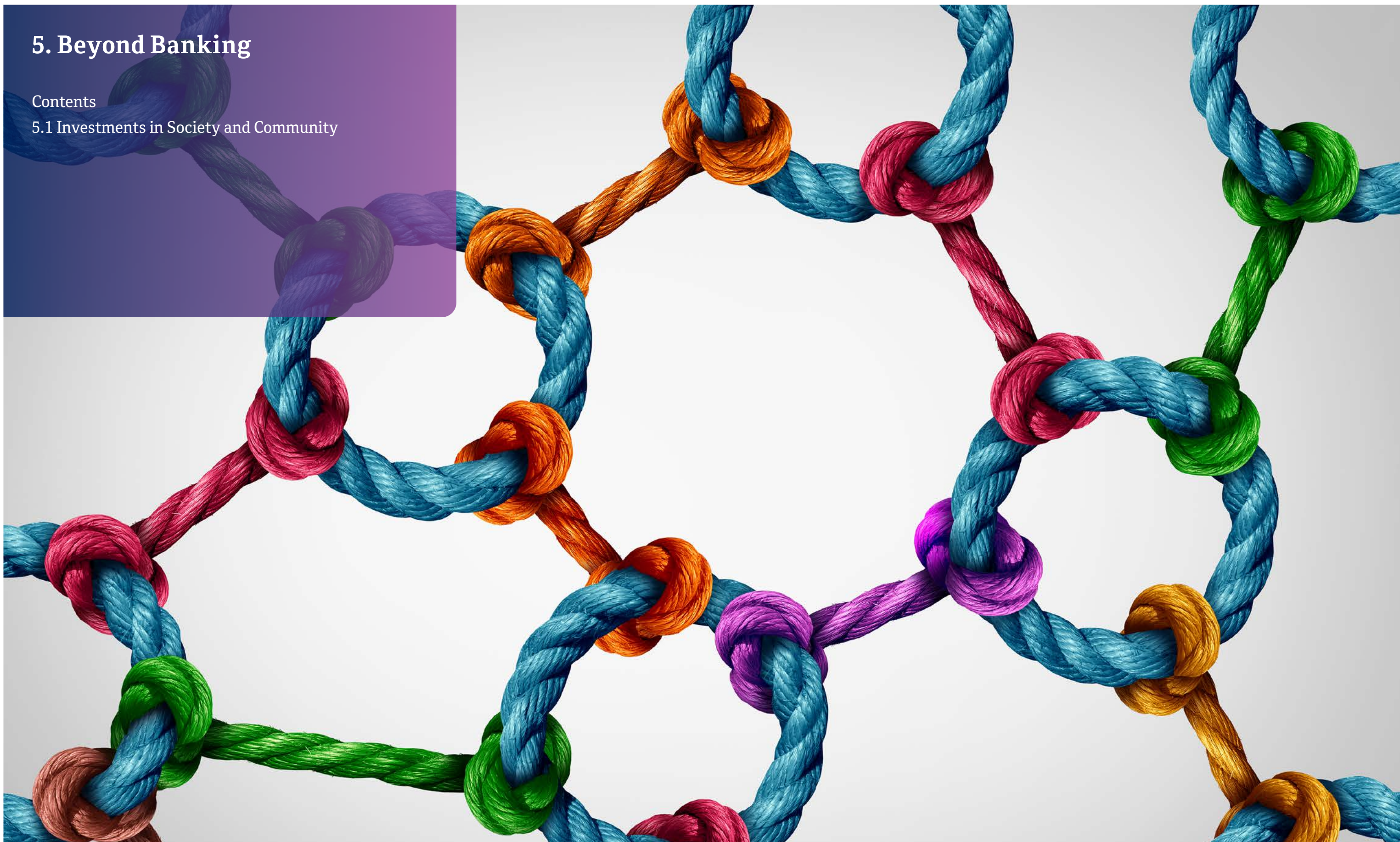
1- Procurement activities are carried out in compliance with the QNB Finansbank Purchasing Policy. Certain criteria (supplier’s reputation and certifications presented by suppliers) are applied for potential suppliers and performance assessment.

2- Our support service procurement procedure is applied for service procurement processes under the Regulations on Procurement of Support Services of Banks (support services). At the end of the process, the purchased services are submitted to the opinion and approval of the Audit Committee. You can find detailed information on the issue in the [QNB Finansbank Annual Report 2021](#).

5. Beyond Banking

Contents

5.1 Investments in Society and Community



5.1 Investments in Society and Community

At QNB Finansbank, we see investments in society and the community as important tools to create value. Therefore, we successfully demonstrate our strengths and values in every project we realize, while focusing on the areas where we can contribute the most with social responsibility awareness. In this framework, QNB Finansbank has carried out many projects in various fields ranging from sports to music, from culture- arts to education until today.

Within this scope, our social responsibility platform “Small Hands Big Dreams” was established in 2015 to prepare children, who are our focal point, for the future. The projects we supported in 2021 under the roof of this platform are listed below:

- Small Hands Are Coding
- ÇEV Art Young Talents
- QNB Finansbank Tales Virtual Math Museum
- TED Success Across the Board and Full ScholarshipIn 2021:

As a sponsor of ÇEV (Contemporary Education Foundation), QNB Finansbank aims to support ÇEV’s talented musician students to be accepted into specialized educational institutions abroad and supports the training of talented musician students aged 15-25.

- We have organized a total of 25 concerts so far with the main sponsorship of QNB Finansbank, including one on July 12, 2021. With these concerts, which Turkish celebrities also took part in, we reached nearly 3 million people and received positive feedback from thousands of people. We made social media announcements, held press conferences, and also collaborated with well-known names such as Berrin Yoleri to increase interest in this project.

Supporting health services and environmental activities are two very important fields of social responsibility for our Bank. In line with this principle, we continued our donations to relevant organizations in 2021 to support sustainable development after force majeure events and natural disasters.

Manavgat Region Fires: After the unfortunate forest fires that occurred in our country and affected the Mediterranean Region, we supported the 1 Million Saplings campaign of the Banks Association of Turkey by donating 5 saplings on behalf of each of our employees to re-green our forests. In addition, we worked in coordination with TEMA and our Human Resources department to make announcements for our bank employees to make donations.

During the pandemic, we continued to support the SME sector in line with our commitment to build a better society, empower communities and contribute to a more sustainable world.

- During the first period of the COVID-19 pandemic, the QNB Group was the first bank to participate in the National Response Program to support SMEs affected by the pandemic. QNB Group Qatar launched an awareness campaign that shared tips, advice, and information about COVID-19 with SME customers in Qatar, Türkiye, Egypt, and Indonesia.

As QNB Finansbank, our Bank also took part in this campaign.

The key to a sustainable future is to educate the next generation and create a knowledge-based economy and society. As a bank, we are conscious of the fact that one of our goals should be to educate children about financial values such as saving, spending, and sharing.



In particular, we aim to guide young people to the fields of science and mathematics, emphasizing the importance of money management and investing in financial concepts. For this purpose, the projects we carried out in 2021 included Scratch coding training for children aged 8-14 to improve the children’s creativity and computer skills, and to raise awareness of code literacy with our “Small Hands Are Coding” project, which we carried out in collaboration with Habitat Foundation. Due to the pandemic, coding training was transferred to the online platform via Zoom as of March 2020. In August 2020, the official website “www.minikellerkodyaziyor.

com” was developed and made accessible to all Turkish-speaking children and volunteer trainers living in Türkiye and abroad to create a valuable resource in the field of coding for children, youth, and educators.

Through the online and offline training on the website, more than 6500 children were reached by 198 volunteer trainers in more than 70 cities both in Türkiye and abroad, such as Isparta, Malatya, Manisa, Yozgat, Amsterdam, Catania, and Toronto. With 27 new training videos added in 2021, a total of 53 coding training videos are always accessible on the platform, and 2,793 people have watched these training sessions

so far. Finally, in March 2021, we organized the Scratch Cup, where the children could demonstrate the coding skills they had learned to a jury. More than 1,800 children applied for the competition.

The 10 finalist teams of 2 or 3 children demonstrated the games they coded to the jury, and received various awards in their respective categories.

In 2018, we sponsored the Tales Math Museum in Aydın and then rented a truck to take the modules in the museum on a tour in 36 cities, introducing more than 100,000 children to the fun world of mathematics. With the pandemic, the name of the project was changed to “QNB Finansbank Tales Virtual Math Museum”. We dedicated the official website www.qnfbftalesmatematikmuzesi.com to children on 23rd April 2021. We reached more than 128 thousand children all over Türkiye. Our training on the website consists of three sections: The Virtual Mathematics Museum section allows children to access visual and audio information from 40 stations and 360-degree shots; the Mathematics in Nature and Life section teaches children how mathematics can be used in nature and our daily lives with 25 educational videos, and the Workshops at Home section offers the opportunity to participate in 10 PDF and 6 digital workshops related to 40 stations.

We continued our “Success Across the Board” project, which we launched in 2015 in Ankara and Adana in cooperation with the Turkish Education Association (TED) and the relevant Directorates of National Education to create equal opportunities in education and enable children in public schools with lower academic achievement levels to increase their academic, social, cultural and sports achievements.

The project was carried out in 8 schools in Adana and Ankara. In 2019, we included 8 more schools. Until today, we have reached more than 25 thousand children. We have witnessed and will continue to witness countless achievements of hundreds of children in academic, social, cultural, and sports fields, from academic exams and competitions to basketball tournaments, chess tournaments, and poetry competitions.

After the Covid-19 pandemic, which started in March 2020 and affected the whole world, we decided to continue the training online. We kept in touch with our project schools during the process and continued to work on projects that can be realized under pandemic conditions and on the financial and moral support that can be provided.

380 students participated in various workshops such as Bird House Painting, Let’s Get to Know Space, and Cookie Decorating, which we organized with the contribution of TED University Student Communities during the February 2021 semester break.

Online support courses were organized by matching schools with highly successful students who study on scholarships.

In addition to the EBA training provided by the Ministry of National Education, curriculum course videos prepared by TED Schools teachers for their students were shared with our project schools, and our students were included in the education process.

In this period when health was very important and all education and curriculum exams were conducted online, our project schools were provided with all the support they needed such as masks, disinfectants, and technical infrastructure support.

Investments in Society and Community	2019	2020	2021
Total Hours Allocated to Volunteering Work ^(*)	7,089	1,449	1,881

Notes: ^(*) Due to the pandemic, hours of volunteering work decreased.

Voluntary Financiers

Our Bank’s business and sustainability strategy support our target of leaving a habitable world to the next generations. Therefore, our employees are encouraged to participate in corporate social responsibility projects, either by creating a new one or taking part in an existing one. Within this scope, a competition, in which QNB Finansbank employees participate with social responsibility projects they develop for children aged 4-14, is organized every year, and the selected projects are provided with financial support. Among the participants of the Voluntary Financiers Project competition in 2021, 3 projects were realized by QNB Finansbank, and 7 projects were realized in total with the support of our affiliates. We established a development center at a public school in Sinop with the “Every Game Has a Dream Inside” project. We established a computer class for 55 children living under legal protection at Kasımpaşa Children’s Shelter with the “Hands Reaching out for Dreams” project, while we organized a summer camp for the children of seasonal worker families to support their development with the “Your School is Your Place” project.

We contributed to the improvement of music and painting skills of children living under legal protection at Eskişehir Children’s Shelters with the “Song of Paintings” and “Rainbow Symphony” projects supported by our affiliates. 5 village schools in Erzurum went through maintenance and repair works to make them more convenient for children with the “Color My School” project. Finally, after the Manavgat forest fires, we established a Children’s Playhouse in the city center as a relief for children living in the region with the “My Playhouse” project.

Sponsorships

In addition to CSR projects, QNB Finansbank supports social and economic development with various sponsorships. QNB Finansbank’s sponsorship agreements with Trabzonspor Football Team continued in 2021 as part of our support of Turkish sports.

Memberships

The list of initiatives, associations and foundations that our Bank is a member/supporter of is as follows:

- United Nations Global Compact
- Banks Association of Turkey (TBB)
- Turkish Capital Markets Association (TCMA)
- Kredi Kayıt Bürosu (KKB)
- Interbank Card Center (BKM)
- Call Centers Association (ÇMD)
- International Chamber of Commerce Türkiye
- Habitat Association
- Turkish Education Association (TED)
- Contemporary Education Foundation (CEV)

6. Disclosures and Further Information

Contents

- 6.1 Summary of Sustainability Performance
- 6.2 Global Reporting Initiative (GRI) Standards Content Index
- 6.3 United Nations Global Compact (UNGC) Progress Report
- 6.4 Women's Empowerment Principles (WEPs) Progress Report

6.1 Summary of Sustainability Performance

Pillar	Material Topic	Key Performance Indicator	2019	2020	2021
Sustainable Finance	Sustainable Investments, Lending, Products and Services	Total Value of Renewable Energy Portfolio (TRY Million) ^(*)	458,3	890,6	1,843,3
	Supporting Corporate Customers and Entrepreneurship	Total Value of Micro and SME Loan Portfolio (TRY Billion)	20,5	22,2	24,6
		Total Number of Micro and SME Customers (Million)	1,5	1,4	1,5
	Financial Inclusion	Number of ATMs	2,941	2,897	2,930
	Customer Experience and Satisfaction	Net Promoter Score (NPS) % - Enpara.com	75	77	78
	Responsible Customer Communication and Marketing Activities	Incidents of Non-Compliance Concerning Marketing Communications	0	0	0
	Customer Privacy and Data Security	Data Security Breaches	0	0	0
	Digital Transformation and Innovation	Total Number of Transactions via Internet and Mobile Banking Channels (Million)	359,1	407,6	770,9
		Number of Active Digital Customers (Million)	2,99	3,43	3,97
Sustainable Operations	Corporate Governance, Legal Compliance and Risk Management	Bribery & Corruption Incidents Identified	0	0	0
	Talent Management and Improvement, Talent Retention	Number of Newly Hired Employees	2,054	1,164	2,120
		Employee Turnover (Volunteer)	1,444	955	1,575
		Total Training Provided to Employees (Thousand Hours)	654,1	428,2	579,9
		Employee Engagement Score (%)	64	64	59
	Diversity and Inclusion	Women's Employment Rate (%)	56	56	57
		Rate of Returning to Work after Parental Leave (%)	99.1	98.6	98.8
	Environmental Impact of Operations	Total Electricity Consumption (Million kWh)	63,2	56,7	50,1
		Total Water Consumption (Thousand m3)	178,0	121,6	99,4
		Total Paper Consumption (Tons)	388,0	155,8	167
	Responsible Procurement and Supply Chain	Total Number of Suppliers	1,377	1,570	1,599
Beyond Banking	Investments in Society and Community	Total Hours Allocated to Volunteering Work ^(**)	7,089	1,449	1,881

Notes:
^(*) Previous figures were revised according to the compliance criteria specified for hydroelectricity in the QNB Green, Social, and Sustainability Bond Framework.
^(**) Due to the pandemic, hours of volunteering work decreased.

6.2 Global Reporting Initiative (GRI) Content Index

GRI Indicator	Number and Title of Indicator	Relevant Section/Explanation
GRI 102: General Disclosures	102-1 Name of the organization	QNB Finansbank A.Ş.
	102-2 Activities, brands, products and services	About QNB Finansbank Primary Brands, Products and Services
	102-3 Location of the organization's headquarters	Esentepe Mahallesi Büyükdere Caddesi Kristal Kule Binası No:215 Şişli - İstanbul
	102-4 Number of countries where the organization operates	About QNB Finansbank
	102-5 Nature of ownership and legal form	About QNB Finansbank Shareholding Structure
	102-6 Markets served	About QNB Finansbank Primary Brands, Products and Services
	102-7 Scale of the organization	About QNB Finansbank Primary Brands, Products and Services 2021 Performance Summary and Sustainability Highlights
	102-8 Information on employees and other workers	Talent Management and Improvement, Talent Retention Diversity and Inclusion Summary of Sustainability Performance
	102-9 Supply chain	About QNB Finansbank Primary Brands, Products and Services Responsible Purchasing and Supply Chain Summary of Sustainability Performance
	102-10 Significant changes to the organization and its supply chain in the reporting period	There were no significant changes to the shareholding structure or supply chain in the reporting period.
	102-11 Precautionary Principle or approach	QNB Finansbank Environmental and Social Risk Management Policy QNB Finansbank Sustainability Policy QNB Group Sustainability Policy
	102-12 External initiatives	International Initiatives Memberships
	102-13 Membership of associations	Memberships
	102-14 Statement from senior decision-maker	Message from the Chairman Message from the General Manager

GRI Indicator	Number and Title of Indicator	Relevant Section/Explanation
GRI 102: General Disclosures	102-15 Key impacts, risks, and opportunities	Message from the General Manager
	102-16 Values, principles, standards and norms of behavior	About QNB Finansbank Vision, Mission, Values QNB Finansbank Employee Code of Conduct
	102-17 Mechanisms for advice and concerns about ethics	Stakeholder Engagement and Communication Corporate Governance, Legal Compliance and Risk Management
	102-18 Governance structure	Sustainability Governance Corporate Governance, Legal Compliance and Risk Management Annual Report 2021
	102-19 Delegating authority	Sustainability Governance Corporate Governance, Legal Compliance and Risk Management Annual Report 2021
	102-20 Executive-level responsibility for economic, environmental, and social topics	Sustainability Governance Corporate Governance, Legal Compliance and Risk Management
	102-21 Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement and Communication Materiality Assessment
	102-22 Composition of the highest governance body and its committees	Corporate Governance, Legal Compliance and Risk Management Annual Report 2021
	102-23 Chair of the highest governance body	Annual Report 2021
	102-24 Nominating and selecting the highest governance body	Annual Report 2021
	102-25 Conflicts of interest	Annual Report 2021 QNB Finansbank Conflicts of Interest Policy
	102-26 Role of the highest governance body in setting purpose, values, and strategy	Corporate Governance, Legal Compliance and Risk Management Annual Report 2021

GRI Indicator	Number and Title of Indicator	Relevant Section/Explanation
GRI 102: General Disclosures	102-27 Collective knowledge of highest governance body	Corporate Governance, Legal Compliance and Risk Management Annual Report 2021
	102-28 Evaluating the highest governance body's performance	Corporate Governance, Legal Compliance and Risk Management Annual Report 2021
	102-29 Identifying and managing economic, environmental, and social impacts	Stakeholder Engagement and Communication Materiality Assessment Corporate Governance, Legal Compliance and Risk Management Annual Report 2021
	102-30 Effectiveness of risk management processes	Corporate Governance, Legal Compliance and Risk Management Confidentiality of Customer Information and Data Security Annual Report 2021
	102-31 Review of economic, environmental, and social topics	Stakeholder Engagement and Communication Corporate Governance, Legal Compliance and Risk Management Annual Report 2021
	102-32 Highest governance body's role in sustainability reporting	Sustainability Governance
	102-33 Communicating critical concerns	Stakeholder Engagement and Communication
	102-34 Nature and total number of critical concerns	Annual Report 2021
	102-35 Remuneration policies	Talent Management and Improvement, Talent Retention Annual Report 2021
	102-36 Process for determining remuneration	Annual Report 2021
	102-37 Stakeholders' involvement in remuneration	Annual Report 2021
	102-38 Annual total compensation ratio	Annual Report 2021
	102-39 Percentage increase in annual total compensation ratio	Annual Report 2021
	102-40 List of stakeholder groups	Stakeholder Engagement and Communication
	102-41 Collective bargaining agreements	QNB Finansbank A.Ş. respects the right to unionize. Currently, there is no employee covered by a collective bargaining agreement.

GRI Indicator	Number and Title of Indicator	Relevant Section/Explanation
GRI 103: Management Approach	102-42 Identifying and selecting stakeholders	Stakeholder Engagement and Communication Materiality Assessment
	102-43 Approach to stakeholder engagement	Stakeholder Engagement and Communication
	102-44 Key topics and concerns raised	Annual Report 2021 General Assembly
	102-45 Entities included in the consolidated financial statements	About the Report Affiliates and Subsidiaries Annual Report 2021
	102-46 Defining report content and topic boundaries	About This Report
	102-47 List of material topics	QNB Finansbank Sustainability Framework and Strategy Materiality Assessment
	102-48 Restatements of information given in previous report	None
	102-49 Changes in reporting	None
	102-50 Reporting period	About the Report
	102-51 Date of most recent report	December 2021
	102-52 Reporting cycle	Annual
	102-53 Contact point for questions	sustainability@qnbfinansbank.com
	102-54 Claims of reporting in accordance with the GRI standards	About This Report
	102-55 GRI content index	Global Reporting Initiative (GRI) Standards Content Index
	102-56 External assurance	No external assurance about the report.
	103-1 Explanation of the material topic and its boundary	QNB Finansbank Sustainability Framework and Strategy Materiality Assessment
	103-2 Management approach and its components	QNB Finansbank Sustainability Framework and Strategy Materiality Assessment
	103-3 Evaluation of the management approach	QNB Finansbank Sustainability Framework and Strategy Materiality Assessment

GRI Indicator	Number and Title of Indicator	Relevant Section/Explanation
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	Sustainable Financial Performance 2021 Performance Summary and Sustainability Highlights Annual Report 2021
	201-3 Defined benefit plan obligations and other retirement plans	Annual Report 2021
	201-4 Financial assistance received from government	No financial assistance was received in the reporting period.
GRI 202: Market Presence	202-2 Proportion of senior management hired from the local community	Annual Report 2021
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	Annual Report 2021
	203-2 Significant indirect economic impacts	Sustainable Financial Performance Annual Report 2021
GRI 205: Anti-Corruption	205-2 Communication and training about anti-corruption policies and procedures	All policies and procedures are communicated to our employees as "reading tasks" via e-mail. These documents can be accessed 24/7 through our intranet "Finansçı".
	205-3 Confirmed incidents of corruption and actions taken	There were no such incidents in the reporting period.
GRI 206: Anti-Competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There were no such incidents in the reporting period.
GRI 302: Energy	302-1 Energy consumption within the organization	Environmental Effects of Operations Summary of Sustainability Performance
	302-4 Reduction of energy consumption	Environmental Effects of Operations Summary of Sustainability Performance
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	There were no such incidents in the reporting period.
GRI 401: Employment	401-1 New employee hires and employee turnover	Talent Management and Improvement, Talent Retention Summary of Sustainability Performance
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	The same benefits are provided to full-time employees and part-time employees.

GRI Indicator	Number and Title of Indicator	Relevant Section/Explanation
GRI 401: Employment	401-3 Return to work and retention rates of employees that took parental leave by gender	Diversity and Inclusion Summary of Sustainability Performance
GRI 403: Occupational Health and Safety	403-2 Types of injury, rates of injury, occupational diseases, lost days, absence, and number of work-related deaths	Occupational Health and Safety Summary of Sustainability Performance
GRI 404: Training and Education	404-1 Average hours of training per year per employee	Talent Management and Improvement, Talent Retention Summary of Sustainability Performance
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Management and Improvement, Talent Retention Stakeholder Engagement and Communication
	404-3 Percentage of employees receiving regular performance and career development reviews	Talent Management and Improvement, Talent Retention Summary of Sustainability Performance
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Talent Management and Improvement, Talent Retention Diversity and Inclusion
	405-2 Ratio of basic salary and remuneration of women to men	Our Bank makes no wage discrimination based on gender.
GRI 406: Non-Discrimination	406-1 Incidents of discrimination and corrective actions taken	There were no such incidents in the reporting period.
GRI 415: Public Policy	415-1 Contributions to political parties and politicians	QNB Finansbank does not provide financial support to any political parties.
GRI 417: Marketing and Labeling	417-2 Incidents of non-compliance concerning product and service information and labeling	There were no such incidents in the reporting period.
	417-3 Incidents of non-compliance concerning marketing communications	There were no such incidents in the reporting period.
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and customer data	There were no such incidents in the reporting period.
GRI 419: Socioeconomic Compliance	419-1 Non-compliance with laws and regulations in the social and economic area	There were no such incidents in the reporting period.

6.3 United Nations Global Compact (UNGC) Progress Report

Main Category	Principle	Relevant Section/Explanation/Policy in the Report
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	International Initiatives Corporate Governance, Legal Compliance and Risk Management QNB Finansbank Environment and Social Risk Management Policy QNB Finansbank Employee Code of Conduct QNB Finansbank Sustainability Policy QNB Group Sustainability Policy QNB Finansbank Annual Report 2021
	Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	International Initiatives Corporate Governance, Legal Compliance and Risk Management QNB Finansbank Environmental and Social Risk Management Policy QNB Finansbank Employee Code of Conduct QNB Finansbank Sustainability Policy QNB Group Sustainability Policy QNB Finansbank Annual Report 2021
Labour Standards	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	GRI: 102-41 Collective bargaining agreements
	Principle 4: The elimination of all forms of forced and compulsory labour.	International Initiatives QNB Finansbank Environmental and Social Risk Management Policy QNB Finansbank Sustainability Policy QNB Group Sustainability Policy
	Principle 5: The effective abolition of child labour.	QNB Finansbank Environmental and Social Risk Management Policy QNB Finansbank Sustainability Policy QNB Group Sustainability Policy
	Principle 6: The elimination of discrimination in respect of employment and occupation.	International Initiatives QNB Finansbank Environmental and Social Risk Management Policy QNB Finansbank Employee Code of Conduct QNB Finansbank Sustainability Policy QNB Group Sustainability Policy QNB Finansbank Annual Report 2021

Main Category	Principle	Relevant Section/Explanation/Policy in the Report
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges.	International Initiatives Sustainable Investment, Lending, Products and Services Environmental Effects of Operations Responsible Purchasing and Supply Chain QNB Finansbank Environmental and Social Risk Management Policy QNB Finansbank Sustainability Policy QNB Group Sustainability Policy QNB Finansbank Annual Report 2021
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	International Initiatives Sustainable Investment, Lending, Products and Services Environmental Effects of Operations QNB Finansbank Environmental and Social Risk Management Policy QNB Finansbank Sustainability Policy QNB Group Sustainability Policy QNB Finansbank Annual Report 2021
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	International Initiatives Sustainable Investment, Lending, Products and Services Environmental Effects of Operations QNB Finansbank Environmental and Social Risk Management Policy QNB Finansbank Sustainability Policy QNB Group Sustainability Policy QNB Finansbank Annual Report 2021
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Corporate Governance, Legal Compliance and Risk Management Talent Management and Improvement, Talent Retention GRI: 205-2 Communication and training about anti-corruption policies and procedures QNB Finansbank Anti-bribery and Anti-corruption Policy QNB Finansbank Employee Code of Conduct QNB Finansbank Sustainability Policy QNB Group Sustainability Policy QNB Finansbank Annual Report 2021

6.4 Women’s Empowerment Principles (WEPs) Progress Report

Principles of UN WEPs Progress Report		Relevant Section/Explanation/Policy in the Report
Principle 1	Establish high-level corporate leadership for gender equality	Materiality Assessment Diversity and Inclusion QNB Finansbank Employee Code of Conduct QNB Finansbank Sustainability Policy
Principle 2	Treat all women and men fairly at work – respect and support human rights and nondiscrimination	Diversity and Inclusion Talent Management and Improvement, Talent Retention QNB Finansbank Sustainability Policy
Principle 3	Ensure the health, safety and well-being of all women and men workers	Diversity and Inclusion Talent Management and Improvement, Talent Retention QNB Finansbank Employee Code of Conduct QNB Finansbank Sustainability Policy
Principle 4	Promote education, training and professional development for women	Talent Management and Improvement, Talent Retention
Principle 5	Implement enterprise development, supply chain and marketing practices that empower women	Supporting Corporate Customers and Entrepreneurship Diversity and Inclusion Digital Transformation and Innovation QNB Finansbank Sustainability Policy
Principle 6	Promote equality through community initiatives and advocacy	Investments in Society and Community Diversity and Inclusion QNB Finansbank Sustainability Policy
Principle 7	Measure and publicly report on progress to achieve gender equality	Investments in Society and Community Diversity and Inclusion Summary of Sustainability Performance

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