



Integrated Report 2022

#Becoming1withtheWorld

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Dear Stakeholders,

On February 6th, 2023, our country was shaken by one of the biggest natural disasters in Türkiye's history. We are deeply saddened by the earthquakes that caused unimaginable destruction.

We are mourning the loss of so many lives in this catastrophe. We wish mercy to everyone who lost their lives. As QNB Finansbank, we lost our colleagues. Our grief is immense. We express our condolences to their grieving families. We will never forget our Financiers, their bright personalities and their valuable contributions. We will always Volunteer keep their memories and names alive.

Since the first day, we have been working with all our efforts to support the regions affected by the earthquake. We believe that with all our stakeholders, colleagues, suppliers, and business partners, we will overcome these difficult days with solidarity. We wish a rapid recovery for our country.



Foreword

QNB Finansbank devised the central theme of its first integrated report to reflect the motto of **“Becoming 1 with the World”** embodying the bank’s commitment to a global sustainable future.

Photos shot by QNB Finansbank’s employees including, Egemen On, the branch manager of the Kucukkoy branch, were used in the design and cover page of the report themed “Becoming 1 with the World” to better reflect QNB Finansbank through the eyes of its employees.

QNB Finansbank recognizes the imperative for change to commence from within and embraces a holistic approach to integrating sustainability into all its business processes. The organization conscientiously attends to the three dimensions of sustainability—environmental, social, and governance—within its own operations. Simultaneously, it endeavors to accompany and effectuate sustainable transformation among all its stakeholders, particularly its customers, through its sustainability strategy, aptly named “Becoming 1 with the World”. This strategy signifies the bank’s commitment to embarking on a collective journey towards sustainability.

The inaugural Integrated Report of QNB Finansbank, duly approved by the Board of Directors, encompasses a comprehensive account of its sustainability performance, outlining the Bank’s approach, strategy, management, and targets in alignment with its sustainability roadmap. This roadmap is structured over three distinct pillars derived from the QNB Group’s sustainability framework: Sustainable Finance, Sustainable Operations, and Beyond Banking. All three pillars support QNB Group’s goal of sustainable financial performance by reducing risks, opening up new business opportunities, and strengthening Group’s brand. Under each pillar, most material sustainability topics to Bank’s business and stakeholders are identified.

In parallel to QNB Group’s sustainability pillars, QNB Finansbank designed a sustainability roadmap that serves as a transformation journey, comprising of four main sections: Green Transformation, Responsible Transformation, Operational Transformation, and Transformation of Finansçı (Financier). In addition, we have incorporated Corporate Governance and Sustainable Value Creation as complementary sections for our four main sections. Each section adopts material topics under QNB Group’s sustainability pillars and embodies them with the Bank’s concerted efforts in fostering sustainability. QNB Finansbank’s 2022 Integrated Report concisely encapsulates the value generated by the Bank for its stakeholders, delineated within these four principal sections.

Our Sustainable Value Creation

In line with our motto “Becoming 1 with the World,” we shared our sustainability-linked business with all our stakeholders in the section called Our Sustainable Value Creation in our report. In the relevant sections of our report; we shared our business model, explained our sustainable governance perspective, identified our material issues, explained how we manage our relations with our stakeholders, and shared which initiatives we support in the field of sustainability.

For the details of our sustainability-linked business that we carry out under the following four principles, please refer to  [Our Sustainable Value Creation](#) section of our report.



Green Transformation

Within QNB Finansbank’s Sustainability roadmap, Green Transformation section resides the confluence of Climate Change and Client Transformation. The bank endeavors to enhance the positive effects while minimizing the negative impacts its customers have on the environment. The “Green Transformation” section elucidates how QNB Finansbank adapts its lending policies in response to climate change, adheres to newly established regulations, and contributes to mitigating environmental and social risks through the provision of responsible finance, products and services.



Responsible Transformation

Situated at the intersection of Client Transformation and Social Development in QNB Finansbank’s Sustainability roadmap, the impact area of Responsible Transformation aims for customers to actively contribute to social development. The section on “Responsible Transformation” expounds on QNB Finansbank’s commitment to responsible customer communication, emphasizing customer privacy and data security to enhance customer experience and satisfaction. Additionally, it highlights the Bank’s efforts to promote digital transformation, enabling increased access to banking products and services, especially for underserved populations. Furthermore, the bank seeks to raise awareness among its customers, thereby fostering social responsibility.



Operational Transformation

The Operational Transformation section, which is the confluence of QNB Finansbank’s Transformation and Climate Change, focuses on enhancing the Bank’s positive impact on the environment while minimizing negative influences. The “Operational Transformation” section provides an overview of QNB Finansbank’s risk anticipation and business continuity measures through the implementation of prompt action plans. It further outlines the Bank’s commitment to incorporating digitalization and innovation into its operations, reducing energy, water and plastic consumption, and increasing reliance on renewable energy sources. The establishment of responsible supply chains with suppliers is also emphasized, underscoring the Bank’s environmental and social responsibilities.



Transformation of Finansçı

The Transformation of Finansçı section, situated at the intersection of QNB Finansbank’s Transformation and Social Development, seeks to engage all employees in contributing to social development. The section on “Transformation of Finansçı” details QNB Finansbank’s efforts to foster the personal and professional development of its workforce, emphasizing gender equality and raising awareness of social issues among financier and their families through effective communication channels. The bank also leverages the participation of volunteer financier to invest in society and the community, thereby creating value beyond financial services.



About the Report

QNB Finansbank's sustainability roadmap is shaped by the critical factors of human well-being, societal progress, economic resilience and environmental stewardship, which collectively encompass the interests of the world—the most significant stakeholder. Aligned with the Bank's commitment to be in harmony with our world through impactful actions, QNB Finansbank proudly articulates its sustainability vision as “**Becoming 1 with the World**”

Corporate Governance

In the Corporate Governance section of our report, we explained the details of our governance structure for the sustainable growth of our Bank. Thanks to this governance structure, we are performing effectively in all areas. We achieve significant success in both business and sustainability areas. We have established relevant committees such as Audit Committee, Risk Committee, Credit Committee, Corporate Governance Committee and Remuneration Committee to evaluate our risks and take precautions. We explain our risk management strategy with five capitals; financial, natural, intellectual, human and social capitals, discuss our compliance and business ethics, and include an explanation of our sustainability principles compliance framework.


For detailed information, please refer to the  [Corporate Governance](#) section of our report.

As QNB Finansbank, we have been working with the vision of “being the architect of every individual and commercial financial plan that will catalyze Türkiye's success” since 1987, the date our Bank was founded. Since 2018, we have been sharing our sustainability performance with our stakeholders through our annually published sustainability reports. This year, we are pleased to present our first Integrated Report, which makes a holistic assessment of our financial and non-financial performance in 2022, as well as conveying its forward-looking strategy.

Structure and content of the report

QNB Finansbank's First Integrated Report provides up-to-date information about the Bank's activities carried out with its approach focusing on creating sustainable value by taking into consideration financial and non-financial capital elements together. The 2022 Integrated Report includes the Bank's 2022 performance, the value created for all of its stakeholders with this performance, the risks and opportunities it has faced in the value creation process, its targets and the integration of the Bank's sustainability priorities into the business model.


Period and scope of the report

QNB Finansbank 2022 Integrated Report presents the Bank's performance for the period between January 1st, 2022 and December 31st, 2022. The integrated report covers the Bank's activities in Türkiye and overseas operations. The activities of the Bank's subsidiaries are not included in the scope of reporting. However, a brief summary about its subsidiaries is included in the report given. See  [Subsidiaries and Affiliates](#).

Compliance with legislation and regulatory framework


QNB Finansbank has prepared its report in accordance with the GRI Universal Standards 2021: Content Index Essentials, developed by the “Global Reporting Initiative” (GRI), the Financial Services Sector Annex of the GRI (FSSS) and the International Integrated Reporting Framework (<IR>) maintained by the Value Reporting Foundation (VFR). In addition, we carry out the actions we share through our report by complying with the United Nations Women's Empowerment Principles (WEPs). We also offer our Bank's contribution to the United Nations Sustainable Development Goals (UN SDGs) by aligning our sustainability goals with the relevant UN SDGs.

Audit

The selected non-financial information (Scope 1, Scope 2 and Scope 3) in the report has been audited by BSI. See  [pg. 90](#)

Contact

The report is accessible on  <https://www.qnbfinansbank.com/surdurulebilirlik>

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

Message from the Chairperson of the Board



Ömer A. Aras
Board Chairperson

Dear Esteemed Stakeholders,

The year 2023 began with a devastating earthquake disaster that saddened our country. We lost many citizens and colleagues due to the earthquakes that affected 11 provinces. We are deeply saddened by our losses as a nation. I wish God's mercy to all our citizens, especially our colleagues who lost their lives in the earthquakes, condolences to their relatives and our country, and quick recovery to the injured.

The year 2022 was marked by global challenges that strongly impacted our agendas, such as global economic concerns, rising inflation, the energy crisis caused by the Russia-Ukraine conflict and the supply chain problems that followed. On the other hand, the world continues to grapple with an irreversible climate crisis. Although Türkiye, as a regional

actor, is at the center of these global issues, thanks to its advantageous geographical position and strong commercial reflexes, Türkiye's GDP (Gross Domestic Product) grew by 5.6% in 2022 compared to the previous year.

In pursuit of reformatory solutions for the future along with the priority of economic development, Türkiye showed its active participation in COP27 this year by demonstrating its improved National Contribution Statement that it is not indifferent to the problem of climate change. In line with these important developments on a global scale and in our country, we, as QNB Finansbank, continue to provide financial support to our country's economy with the awareness of the transformative power of the banking sector, while at the same time we act with the awareness that we are responsible for actively participating in decision-making mechanisms for a sustainable future. We are working hard to contribute to the remedy of the climate crisis and sustainability concerns, and we aim to raise awareness on this issue among our stakeholders.

In 2022, we took an important step in sustainability reporting by preparing our first Integrated Report, which reveals the value we create for our stakeholders in environmental, social and economic aspects with our financial and non-financial capital elements determined in line with the classification of capital elements recommended by the International Integrated Reporting Council (IIRC). This report, which provides integrated information about the performance of our Bank, which operates by considering the benefits and priorities of all its stakeholders in line with its strategies, also provides the opportunity to share with you the risks and opportunities we encounter in the value creation process and our future targets. In addition, in line with our commitment as a signatory of the United Nations Global Compact, it also includes our contributions to the Sustainable Development Goals (SDGs).

At QNB Finansbank, we define sustainability as a journey of transformation. Environmental and social transformation starts with ourselves first; we focus on understanding the needs of our stakeholders we interact with, producing the right solutions, and aim to establish a lifelong partnership based on satisfaction and success. We are actively working to ensure that

sustainability we integrate into our strategy is internalized by all our employees. Accordingly, we have determined our sustainability roadmap in 2022 under the guidance of our senior management. Our Sustainability Committee, which ensures the active participation and contribution of our business units in the determination and implementation of sustainability actions and the roadmap, plays a crucial role in providing effective and strategic oversight of our sustainability actions under the leadership of our Bank's CEO and Chairperson of the Sustainability Committee.

We are proud to share that we have raised our Carbon Disclosure Project (CDP) score to the "A-", leadership level, as an indicator of our successful management of climate risks. Furthermore, our commitment to managing our sustainability performance was strengthened by the renewal of our two syndicated loan facilities this year, reinforcing our sustainability pledges and reaffirming trust in both our Bank and the Turkish economy. We renewed our syndicated loans with maturities in May and November, providing USD 360 million and USD 448 million in financing, respectively. Notably, our Bank achieved one of the highest debt rollover ratios in the banking sector with 104% at its latter transaction. These transactions, which are based on sustainability performance criteria, underline QNB Finansbank's support to the Turkish economy and sustainable growth.

On the social sustainability side, we believe that the participation of women's enterprises in the economy and the increase of the women's workforce as indispensable components of sustainable development. In this regard, we provide financial support to women entrepreneurs. As a signatory to the United Nations Women's Empowerment Principles (WEPs), a global and inclusive initiative, we are committed to maintaining our equitable approach in all our activities. We have reinforced this approach by being included in the Bloomberg Gender Equality Index, which evaluates our gender equality efforts in 2022. In cooperation with Kadir Has University, we have published our Gender Equality Guide, which includes the "Gender Sensitive Banking Principles" and the "Action Plan", which we started to work on in 2022. Thus, we took our efforts towards gender equality one step further and shared with the public that our goal is 'A More Equal World' with our 5 commitments.

As QNB Finansbank, we are dedicated to produce innovative solutions for green transformation and digital transformation, which are among the leading global trends. By embracing the digital transformation of SMEs and larger-scale companies, which is among our priorities, we offer the first example of platform banking in Türkiye with the Digital Bridge Platform. In 2022, we became the pioneer of 'Platform Banking' in Türkiye with our Digital Bridge Platform, which guides digital transformation processes. Guided by our bank's visionary approach to digitalization, we have provided our customers with access to digital solutions encompassing various areas such as banking, e-commerce, financial management, and e-transformation, all from a single platform - the Digital Bridge. We continue to work to offer green financing packages specific to this segment in order to accelerate and facilitate the green transformation of SMEs in the transition to a carbon-free economy. We also continue to develop environment friendly products and services to support our customers on alignment with European Union's Carbon Border Adjustment Mechanism.



In addition to our banking activities, we attach great importance to social investments with our social responsibility projects. Our social responsibility projects primarily include the education of our children and young people whom we take to our center. We support them to complete their education with the best opportunities for a better future. We also prioritize raising awareness of the climate crisis and environmental issues by investing in projects that will create climate awareness.

Looking ahead, we will continue our efforts for a more sustainable world that extends beyond our banking operations in 2023 by integrating the innovations brought by digitalization to our activities. In 2022, our Bank and group companies surpassed expectations, outperforming the sector. I would like to express my sincere thanks to all our financiers, customers and business partners who contributed to this success.

Kind Regards,

Ömer A. Aras
Chairperson of the Board
QNB Finansbank A.Ş.

Message from the CEO



Ömür Tan
CEO

Dear Esteemed Stakeholders,

We, as a country, are deeply saddened by the losses in the earthquake disaster that occurred at the beginning of 2023 and shook us all deeply. I would like to extend our sincere condolences to all our citizens affected by this devastating disaster. All our thoughts and hearts are with those who lost their loved ones and injured in the earthquake disaster.

2022 has been a year in which we faced numerous challenges, including a highly inflationary domestic market, decreased economic activity and supply chain bottlenecks in the foreign market, and the energy crisis. While the impact of sustainability issues on the economy has become more prominent with major global developments, we have once again seen the need to evaluate sustainability-related risks and develop strategies to ensure business continuity.

At QNB Finansbank, we have successfully sustained our financial strength throughout this year of such considerable developments. We have consistently supported Türkiye's economic growth by focusing on TL loans with an effective and sustainable roadmap in line with banking principles. Our TL deposits accounted for more than 60% of total client deposits. Both our loan and deposit growth performance exceeded those of private banks and the overall banking sector in 2022.

There have been significant advancements in sustainability-related regulations in addition to financial developments starting from 2019 and covering the year 2022. EU Taxonomy, a classification system aligning the European Union's climate and environmental goals with investment criteria for specific economic activities, and the EU Green Deal, a set of strategies reinforcing Europe's target to reduce carbon emissions by 55% by 2030 and become the world's first carbon-neutral continent by 2050, have underscored the urgency of addressing the climate crisis.

Following the developments in EU, the Ministry of Trade published the Green Deal Action Plan of Türkiye in July 2021. The plan comprises 32 targets and 81 actions aimed at aligning with the European Green Deal and transitioning our economy in a more sustainable and climate-friendly direction. Additionally, the Medium-Term Program (MTP) for the 2023-2025 period, published in September 2022, highlighted the importance of transitioning to a green economy and attracting international investments, particularly from the European Union, our main export market. All these developments once again revealed the need for taking action for global transformation.

Sustainability, an important component of our success at QNB Finansbank, is one of the main elements of our corporate strategy. The basis of our sustainability strategies is the QNB Group's Sustainability Framework, which consists of the following three pillars; Sustainable Finance, Sustainable Operations and Beyond Banking. Our sustainability roadmap, which we built on the

pillars of QNB Group and designed as a transformation journey consists of Green Transformation and Responsible Transformation, which focuses on the sustainable transformation of our customers, and Operational Transformation and Transformation of Finansçı, which ensures the sustainability of our activities. We have incorporated this transformation roadmap into our operations, products and activities, aligning with our commitment to our country's and the planet's sustainability.

As a part of our Operational Transformation strategy, we measure emissions from our banking operations and take the necessary actions to reduce our environmental footprint. We have procured renewable energy for the total electricity consumption across all our operating points, effectively neutralizing our reported greenhouse gas emissions under Scope 2. As an indicator of the successful management of our environmental impacts and climate risks, we are pleased to share that we have raised our score to the "A-", leadership level, with the reporting we made to the Carbon Disclosure Project (CDP), the world's leading environmental reporting platform, within the scope of the Climate Change Program.

As a financial institution that provides resources to the economy, we understand our responsibility towards all our business stakeholders. We recognize that our direct and indirect actions have the power to transform and influence those with whom we interact. At QNB Finansbank, we strive to mitigate any negative impact while promoting our understanding of the detrimental effects of climate change.

We carefully analyze environmental and social risks within the scope of our lending policies. By financing renewable energy projects, we contribute to mitigating the risks and impacts of climate change in the transition to a carbon-neutral economy. Since 2015, all new project financing for electricity generation investments has been allocated to renewable energy projects. Approximately 43% of our project finance loans comply with green and social sustainability criteria. We continue to work towards expanding this across all segments. Furthermore, we have publicly declared that we will not grant loans for new coal thermal power plants or new coal mining projects, aligning with our commitment to a sustainable future.

We also contribute to our customers' green transformation through providing responsible products and services. In 2022, we accelerated our efforts to develop sustainable products and services. We demonstrate our commitment to financial inclusion through supporting SMEs and women entrepreneurs. In 2022, we signed a USD 50 million loan agreement with EBRD to support women entrepreneurs. Our work for a more sustainable future continues non-stop.

Market volatility and supply chain difficulties in Europe have provided and continue to offer important opportunities for the Türkiye's economy to focus on increasing its exports. Our expertise in the industry, particularly through e-export assistance for SMEs, has been proven. Our innovative approach, such as the Step-by-Step Export Program, offers customized tools and services to facilitate overseas trade transactions for SMEs. While we offer new products and services to our customers with the digital solutions that we pioneer, we continue to stand by SMEs in their financing and technology needs.

We are devoting our efforts to more equal future. Taking a significant step towards Gender Equality, one of the 17 Sustainable Development Goals, we strive to create a more equitable work environment, a better world and an equal future. As a tangible output of these efforts, we broke new ground in the banking sector and, in cooperation with Kadir Has University in 2022, we published the Gender Equality Guide which includes the QNB Finansbank Gender Equality-Aware Banking Principles that summarize our short and long-term commitments, and the Action Plan, with the “Our target is equal a world. QNB Finansbank is breaking the glass ceiling!” slogan. We have made our work in this field visible in the international arena by being included in the Bloomberg Gender Equality Index, which evaluates our work in 2022 and appreciates our internal efforts to promote gender equality.

As a bank that puts our children, who are our future, at the center of attention, we position investing for children at the hearth of all our activities. Under the Tiny Hands Big Dreams Program, we provided trainings to more than 500 children in 13 provinces, through the Climate Protectors Are Growing Up Project in collaboration with the Educational Volunteers Foundation of Türkiye (TEGV) on climate awareness and creating solution projects. In this way, our children learned how to create projects, to describe problems by developing climate awareness and to find solutions to these problems. We also became a supporter of the Nature Pioneers Youth Program, in collaboration of WWF Türkiye and the Ministry of National Education. This project involved the training of 11 secondary school teachers from 10 provinces across Türkiye as formatter trainers, who, in turn, trained 30-160 teachers in surrounding provinces. Ultimately, this initiative reached 10,000 children, providing climate training through 1,000 teachers. Middle and high school students reached within the scope of the program developed solutions to the problems brought by the climate crisis using innovative approaches and technologies of the age and produced innovative and transformative projects in the communities of Wildlife Protectors, Aquatics, Plastic Hunters, Food Warriors and Carbon Scavengers.

At QNB Finansbank, we believe that change begins within ourselves, and we have taken a holistic approach by integrating sustainability into all our business processes. In the upcoming period, we will continue to partner with the sustainability journey of all our stakeholders, especially our customers, with our perspective of “Becoming 1 with the World”, while advancing in our operations by prioritizing the three main pillars of sustainability - Environment, Social, and Governance.

Kind regards,

Ömür Tan
CEO
QNB Finansbank A.Ş.

QNB Finansbank at a Glance and Milestones

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1. QNB Finansbank at a Glance and Milestones

1.1 Corporate Profile

About QNB Group

Founded in Qatar in 1964, QNB is a leading financial institution in the Middle East and Africa (MEA) region. Currently, QNB Group employs 28 thousand people on three continents and over 31 countries with over 28,000 employees. We are pleased to be a subsidiary of the QNB Group, a reputable bank with a strong, high credit rating and a growing international presence.

Brief Information About the Bank

QNB Finansbank, with 11,427 employees, is one of Türkiye's largest private banks; established in 1987, under the name Finansbank A.Ş. In 2016, 99.88% of Finansbank A.Ş.'s shares were acquired by the Qatar National Bank (Q.P.S.C.) (QNB Group). Since then, QNB Finansbank continues to take steps to create value and continue its success story under the roof of QNB Group.

As of the end of 2022, QNB Finansbank, serves its customers with a total of 436 branches, including its headquarters Crystal Tower, Operation Centers in Erzurum and İstanbul Ümraniye, 15 Regional Directorate, and 434 domestic, 1 international (in Bahrain) and 1 Atatürk Airport Free Zone branches.

Therewithal, QNB Finansbank, through its affiliates and subsidiaries, provides customers with factoring, leasing, consumer finance, insurance, asset management services and e-transformation products.

Employees:	11,427
Branches:	436
ATMs:	3,133

Shareholder Structure

QNB Group:	99.88%
Other:	0.12%

Primary Brands, Products and Services

QNB Finansbank offers an extensive 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.) as part of its approach to providing more than conventional banking services.

Subsidiaries and Affiliates

- QNB Finansleasing (QNB Finans Finansal Kiralama A.Ş.)
- QNB Finansinvest (QNB Finans Yatırım Menkul Değerler A.Ş.)
- QNB Finans Asset Management (QNB Finans Portföy Yönetimi A.Ş.)
- QNB Finansfactoring (QNB Finans Faktoring A.Ş.)
- QNB Finans Varlık Kiralama Şirketi A.Ş.
- Cigna Health Life and Pension (Cigna Sağlık, Hayat ve Emeklilik A.Ş.)
- QNBeyond Ventures B.V.
- IBTech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma Geliştirme, Danışmanlık, Destek San. ve Tic. A.Ş.
- eFinans (QNB eFinans Elektronik Ticaret ve Bilişim Hizmetleri A.Ş.)
- Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.

For a brief summary of affiliate performances, please refer to our [QNB Finansbank Annual Report 2022](#).



1.2 Vision, Mission and Values



VISION

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



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.

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 to 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.

LEADERSHIP

- We embrace change; we realize that everyone including us must do what behooves them to make change happen in the fastest and smoothest way.
- We take initiative since we can learn from our mistakes and not repeat them, and we encourage taking initiative.
- 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 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.

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 to bring these ideas to life.



MISSION

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



1.3 Milestones of QNB Finansbank

Corporate Milestones of ONB Finansbank	
1987	Establishment of the Bank
1999	First Installment Credit Card: Galaxy Card
2000	Establishment of Finans Portföy Yönetimi, Finans Gayrimenkul Yatırım Ortaklığı, Finans Sigorta A.Ş.
2001	Skipping the first installment and earning miles with Galaxy Card
2003	Best Call Center of Europe
2004	Finansbank: 5 th Best Bank of Türkiye Türkiye's USD 200 Million Subordinated Loan Provider Bank
2005	1 st in Türkiye and 5 th in Europe of Visa International: Galaxy Card USD 500 Million Insurance Loan with The Highest Amount Realized in Türkiye
2006	Merge with NBG, Greece's Largest Bank
2007	Türkiye's Fastest Growing Bank with 203 Branch Openings
2009	First Turkish Bank to be included in World Finance 100 "the best in class" Bank with the highest mortgage lending World's First Debit Card with installment: CardFinans Nakit
2010	Only Turkish Bank in Cards and Payments Europe: Best New Debit Card Launch Highest Amount of Syndicated Loan with EIF Collaboration First Debit / Credit Card without Card Fee: Fix Card
2016	Merged with Qatar National Bank, one of the World's Most Powerful Banks
2021	Launch of the new QNB Mobile supported by Digital Intelligence Q
2022	The Best SME Bank of Türkiye award within the scope of the SME banking award program organized every year by Global Finance Magazine

Sustainability Milestones of QNB Finansbank

2017	Publication of our Annual Report which includes our sustainability efforts.
2018	Publication of our first Sustainability Report.
2019	Became a member of the UN Global Compact.
2020	Signed CEO Statement for the United Nations Global Cooperation. Reviewed our Environmental and Social Management System in order to update its scope and practices.
2021	Successfully signed two syndicated loan agreements based on sustainability criteria Successfully issued our first green bond with the European Bank for Reconstruction and Development (EBRD). Became a signatory to the UN Women's Empowerment Principles (WEPs). Commenced reporting for the Carbon Disclosure Project (CDP) Climate Change Program. Transitioned to sourcing all of our bank's electricity consumption from renewable sources.
2022	Expanded our list of unfinanced activities by including new coal thermal power plants and coal mine investment projects. By neutralizing the carbon emissions of online channels made our digital platforms climate-friendly. Started to source all of our Bank's electricity from renewable generation. Secured USD 50 million in funding from the European Bank for Reconstruction and Development (EBRD) to be used by women-led businesses. As part of the SWAP agreement signed with Merrill Lynch International, our Bank agreed to receive a rebate conditional on sustainability performance criteria. Successfully signed two syndicated loan agreements based on sustainability criteria. Became a member of the Business Council for Sustainable Development Türkiye. In partnership with the Educational Volunteers Foundation of Türkiye (TEGV), implemented the "Climate Protectors Raising" project, aimed at educating children about climate change. Elevated our CDP Climate Change Program score from C to "A-" Leadership Level, receiving one of the highest ratings in the Turkish finance sector. Our 3 Headquarters buildings (Kristal Tower, Ümraniye, Erzurum) qualified to receive TS EN ISO 14001:2015 standard Environmental Management System certificate approved by TÜV SÜD. Zero Waste certificate obtained for our 3 Headquarters buildings (Crystal Tower, Ümraniye, Erzurum). Established "QNB Finansbank Clean Energy Index" at Borsa Istanbul With the Blindlook integration, which provides voice guidance service that will enable our visually impaired customers to use our digital channels more easily, we have become an EyeBrand (visually-impaired) brand. Became a supporter of the Nature Pioneers Program, which is the project coordinator of WWF Türkiye and the Ministry of National Education.

1.4 2022 Highlights

58% Women employees

775, 917 **Total hours** of training provided to employees

“A-” **Leadership Level** CDP score in Climate Change Program

TL 23.9 billion Total eligible green & social portfolio

2022 As of this year, we do not grant loans to **new coal thermal power plants and new coal mine investments**

1.8 billion Transactions through digital channel

500 children from 13 cities in Türkiye participated in training sessions aimed at enhancing climate awareness and fostering the development of solutions-focused projects.

35% Compliance rate of loans allocated within the scope of Project and Structured Finance with United Nations Sustainable Development Goals criteria

1st Bank to receive Capital Market Board approval for Green and Sustainable issuance eligibility under its MTN Program in 2022

With our Digital Bridge Platform, we won **3 international awards** in 2022 as the pioneer of Platform Banking in Türkiye

1st Integrated Report has published in 2022

The paper used in the Bank’s operations has been reduced by **81%** since 2015 due to digitalization in banking processes.

TL 345 billion Net Loans

4.4 million+ Digital active retail customers

4.6 million Mobile banking customers

During the year 2022, QNB Finansbank achieved several notable milestones and initiatives, demonstrating its commitment to sustainability and responsible practices:

- **Public Climate Commitment on Coal Financing:** QNB Finansbank publicly announced its commitment not to finance new coal power plants and new coal mine investment projects, aligning with its strategy to address climate change.
- **Renewable Energy Partnership:** In collaboration with Barclays and Merrill Lynch International ESG-Linked Repo Agreement & SWAP Transaction, the Bank ensured that all its electricity consumption was sourced from renewable energy, affirming its dedication to sustainable energy practices.
- **Climate-Neutral Digital Platforms:** QNB Finansbank prioritized environmental consciousness by making its digital platforms climate-friendly and neutralizing carbon emissions associated with its online channels.
- **Empowering Women-Led Businesses:** The Bank successfully secured USD 50 million funding from the European Bank for Reconstruction and Development (EBRD) specifically designated for women-led businesses, contributing to gender equality and economic empowerment.
- **Syndication Loan based on Sustainability Criteria:** QNB Finansbank obtained a syndication loan that adhered to stringent sustainability criteria, emphasizing the Bank’s commitment to environmentally and socially responsible financing.
- **Business Council for Sustainable Development Türkiye (BCSD):** QNB Finansbank joined the BCSD, reinforcing its engagement and collaboration within the sustainability ecosystem.
- **Climate Education Project with Children:** In partnership with the Educational Volunteers Foundation of Türkiye (TEGV), the Bank implemented the “Climate Protectors are Raising” project, fostering environmental awareness and education among children.
- **Enhanced Carbon Disclosure Project (CDP) Score:** QNB Finansbank significantly improved its CDP score from C to A-, attaining one of the highest ratings within the Turkish finance sector.
- **ISO 14001 Environmental Management System Certifications:** The Bank’s three headquarter buildings (Kristal Tower, Ümraniye E Block, and Erzurum Operation) obtained TÜVSÜD approved ISO 14001 Environmental Management System certificates, validating its commitment to sound environmental practices. This corresponds to 20% of the number of employees.
- **Zero Waste Certifications:** QNB Finansbank obtained zero waste certificates, valid for five years, for its three headquarter buildings (Kristal Kule, Ümraniye Block E, and Erzurum Operation), exemplifying its dedication to minimizing waste and promoting sustainable waste management practices. It is planned to gradually transition to a zero-waste system in branches in 2023 and beyond.
- **“QNB Finansbank Clean Energy Index”** has been established as a benchmark to promote and track listed companies operating in renewable energy areas, and clean energy investments in the market.



1.5 The Environment We Operate in & Our Sustainable Financial Performance

1.5.1 Global Economic Developments

Global economic recovery continues while uncertainties remain.

Global economy's gradual recovery from both the pandemic and Russia's invasion of Ukraine continued in 2022. As an important actor in both the regional and global arena, China's economy rebounded strongly as it removed its restrictions on Covid-19, affected the economies of the associated countries as well. Subsequently, supply chain disruptions eased, whereas the negative effects of the war on energy and food prices began receding. Moreover, economic activity and labor markets showed resilience as monetary policies tightened in most advanced economies while inflation proved to be long-lasting than initially anticipated. These factors might lead global monetary policies to remain tight for an extended period. The rapid tightening of monetary policies by the major central banks continued in order to limit inflationary pressures and lead inflation rates to move back towards targets. These policies caused distress in the global banking sector, but risks to financial stability subsided thanks to the swift actions of the financial and monetary authorities.

According to the IMF's April 2023 World Economic Outlook, the global GDP growth is projected to decrease from 3.4% in 2022 to 2.8% in 2023, before rising modestly to 3% in 2024. The economic slowdown is concentrated in advanced economies, especially the Eurozone and the United Kingdom, whereas many emerging market economies are foreseen to pick up. Although disinflation proceeds more slowly than initially anticipated, global inflation is expected to fall from 8.7% in 2022 to 7% in 2023 and 4.9% in 2024.

1.5.2 Economic Developments from Türkiye

Türkiye's economy grew by 5.6% in 2022 as the country continued to recover from the pandemic, following the strong growth rate rebound by 11.4% in 2021. GDP growth lost momentum in the second half of 2022 because of the slowdown in the industrial sector due to weaker global demand for exports. However, the economic activity in the retail sales, services and construction sectors increased thanks to the acceleration in loan growth on the back of accommodative monetary and credit policies. Strengthening domestic demand elevated the growth performance in the beginning of 2023, disrupted by devastating earthquakes that hit Türkiye in February. But industrial production and retail sales rebounded strongly in March, indicating a rapid recovery.

Widening current account deficit, outflows in portfolio investments and savings dollarization initially caused the Turkish lira to depreciate in 2022. Later, thanks to the introduction of the FX-protected deposits, savings dollarization started to reverse. In addition, macro prudential and regulatory measures were used extensively to support the Turkish lira. As financial inflows also increased in the second half of the year, the exchange rates stabilized. Together with the fall in the international commodity prices, this relieved the inflationary pressures at the year-end. As a result, after peaking at 85.5% in October 2022, annual consumer inflation began to fall. The consumer inflation ended 2022 at 64.3% and decreased further to 43.7% as of May 2023.

While the financial sector continued to support economic activity in 2022, it maintained its strong appearance among the activities that make up the GDP. When analyzed within the scope of the finance sector, in 2022 as a chained volume index compared to 2021, it is seen that the total value added of finance and insurance activities increased by 21.8%.

Including the significant growth in 2021, the banking industry continued to support the economy this year with the help of the Banking Regulation and Supervision Agency and other governmental organizations. In the same period, the deposit base expanded by 68% to TL 7,975 billion, while the total cash loans in the banking sector increased by 53% to reach TL 7,100 billion. Providing sustainable financial performance is among our fundamental priorities. As QNB Finansbank, we have completed 2022 with a strong balance sheet, thanks to our strategic governance approach, correct financial management and responsible banking activities. In 2022, our Bank's net profit was TL 17 billion 224 million. As of December 31st, 2022, our total assets increased by 62%, compared to the year-end of 2021.

For more detailed information on our financial performance, please refer to [Sustainable Financial Performance](#) section of the report.

1.5.3 Global Developments and Sectoral Expectations

Climate change, one of the biggest threats facing our world, continues to have a negative impact on all ecosystems, national economies, natural resources and human health.

As QNB Finansbank, we integrate the approach of Climate Change Mitigation and Adaptation, which we consider as one of our material issues, into our work. According to the World Economic Forum's 2022 Global Risks Report, the most severe risks for the next five years are societal and environmental risks. When 10-year period and beyond considered, the most critical long-term risks include "climate action failure", "extreme weather" and "biodiversity loss" among the top three positions, followed by "debt crises" and "geoeconomic conflicts". According to Climate Change 2022, the 6th assessment report of the Intergovernmental Panel on Climate Change (IPCC), current policies and commitments will cause 2.3-2.5°C of warming, and short-term actions will not eliminate all impacts, even if they reduce losses and damages. However, governments and the private sector have responded to these changes by taking major steps, in order to mitigate the climate crisis; Türkiye officially declared its revised Nationally Determined Contribution (NDC) at COP27. Minister of Environment, Urbanization and Climate Change declared that Türkiye increased its targets of greenhouse gas (GHG) emissions reduction from 21% to 41% through 2030 compared to the Business as Usual (BAU) scenario given in Türkiye's first NDC considering 2012 as the base year.

The European Commission aims to transform international trade with its green economy vision.

Within the framework of the Green Deal, the environmental plan put forward in line with the goal of reducing greenhouse gas emissions by 55% by 2030 and becoming carbon-neutral by 2050, the European Union is developing additional measures to minimize its carbon footprint in many sectors from energy to transportation, from iron and steel to automotive. To achieve this goal, the EU aims to completely change the fossil fuel-based economic model by extending the criteria it has set to the countries with which it has trade relations. Among the new measures being discussed in this context is a “carbon tax at the border”. The Carbon Border Adjustment Mechanism (CBAM) directly affects our country, which carries out more than 40% of its exports to EU countries. The CBAM will ensure the carbon price of imports is equivalent to the carbon price of domestic production, and that the EU’s climate objectives are not undermined. Additionally, the European Union, which prices carbon under the Emissions Trading System (ETS), limits carbon emissions in emission-intensive sectors such as electricity generation, cement, iron and steel, and obliges producers who exceed this limit to pay additional costs.

All these developments will accelerate the transition of all sectors, especially carbon-intensive sectors, to a low-carbon economy and will be a driving force for sustainable transformation. In this context, it is foreseen that the importance of sustainable financing packages will increase and that they will be provided to companies in line with the increasing importance of sustainability criteria when providing financing. In this condition, the importance and impact of the framework and standards related to sustainable finance is increasing. Local and global institutions are also increasing their work on this issue.

Finance sector is in an extremely critical position due to the guiding and encouraging role it plays as a volunteer financier in the transition to climate change and a low-carbon economy.

Institutions such as the Capital Markets Board of Türkiye, Banking Regulation and Supervision Agency and the Banks Association of Türkiye continued their work in 2022 in order to guide and develop sustainable finance. Within the scope of the preparation of regulatory and framework-defining documents on sustainable finance in Türkiye in 2022, the Capital Markets Board published the “Green Debt Instrument, Sustainable Debt Instrument, Green Lease Certificate, Sustainable Lease Certificate Guide” on February 24th, 2022. With this guide, the basic principles to be followed in the financing process of green projects have been determined. Accordingly, the Banking Regulation and Supervision Agency (BRSA) published the 2022-2025 Sustainable Banking Strategic Plan. With the published plan, it is aimed to benefit from overseas green financial markets by taking into account the ESG dimensions of the banking sector’s global investment strategies. As QNB Finansbank, we are a member of the Banks Association of Türkiye (TBB), which was the first organization to prepare informative source documents on sustainability for the Turkish banking sector. In 2021, the “Sustainability Guide for the Banking Sector” was updated by the TBB in order to observe the ESG dimensions of development in the activities of the banking and financial sector. As QNB Finansbank, we work with our responsible banking approach, aware of the importance of the finance sector in sustainable transformation. We support projects that add sustainable value to our stakeholders, and we conduct social and environmental risk assessments with our ESRA model for the loans we provide. Additionally in 2022, we obtained \$908 million of sustainability-linked loans from international financial markets.

For more detailed information on our sustainable performance, please refer to [Our Sustainable Value Creation Model](#) section of the report.

A new term has emerged to describe an increasingly common alternative to resigning: “Quiet Quitting.”

In recent years, “Quiet Quitting”, which has been mentioned frequently, has started to affect all companies globally. Driven by many of the same underlying factors as actual resignations, quiet quitting refers to doing the minimum requirements of one’s job and putting in no more time, effort, or enthusiasm than absolutely necessary. According to the U.S. Bureau of Labor Statistics, more than 47 million Americans voluntarily quit their jobs in 2021. Youthall Türkiye carried out a study in order to mirror the results of the “Quiet Quitting” concept in our country. In the survey, in which 1002 people participated, it was stated that 74% of the participants were actively working. In the scope of the research; 24 percent of employees state that they are in the process of quiet quitting, and 46.6% are prone to this concept due to reasons such as low salary, work-private life imbalance, unclear job description, closed career paths and long working hours.

As QNB Finansbank, we care about the satisfaction of our employees, carry out activities that will contribute to their personal and professional development, and provide opportunities. We are aware of the importance of the happiness of our employees in the success of our Bank. In this context, we use different channels, products and journeys, thus analyzing the satisfaction of our employees at the moment of truth. In 2022, our employee satisfaction survey resulted in 77%, and we will continue our efforts to increase this percentage in the coming years.

For more detailed information on our employee engagements, please refer to [Talent Attraction, Employee Development and Engagement](#) section of the report.

1.5.4 Digital Transformation in Financial Services

Digitization has had a profound impact on the financial industry and has shaped the way financial services are delivered, accessed and managed.

Today, any delay in digitalization affects the company at least as much as the financial problems. In the future, banking is envisaged as a versatile sector that will bring people together with digitalization in order to offer customer-oriented solutions seeking perfection. To meet customer expectations, banks have expanded their industry segments into retail, IT, and telecom to enable services such as mobile banking, e-banking, and real-time money transfers. While these developments enabled customers to enjoy most of the banking services at their fingertips anytime, anywhere, they also came at a cost to the banking industry.

As QNB Finansbank, we have diligently pursued the development of numerous digital innovations, recognizing their profound influence on customers’ banking experiences on accessing financial products and services. Notably, a remarkable 78% of our active customer base employs QNB Mobile, while the proportion of financial transactions conducted via digital channels has surpassed an impressive 94% this year.

Features such as AI bots, digital payment advisers and biometric fraud detection mechanisms lead to higher quality of services to a wider customer base.

The financial sector has accelerated its preparations in recent years due to the pandemic and has taken great steps towards digitalization. In recent years, the industry has faced significant obstacles such as the Great Recession, disruptions caused by the ever-changing workplace, FinTech growth, supply chain issues, and careful investment. At this point, the fintech market is expected to reach USD 179 billion at the end of the year and USD 213 billion in 2024. Harnessing cognitive technology with Artificial Intelligence (AI) brings the advantage of digitization to banks and helps them meet the competition posed by FinTech players. Especially today, it is seen that the speed of change is increasing day by day, and adapting to the rapidly changing world is a necessity of continuity.

Thanks to our investment in digital technologies, 94% of our total transactions were realized through digital channels in 2022. We achieved a net promoter score of 79% with Enpara, Türkiye's first branchless digital banking service. We invested more than TL 80 million in 10 startups with QNBeyond Ventures.

Cybersecurity is frequently mentioned as one of the most important problems of the digital world.

According to the World Economic Forum (WEF) Global Risks Report, widespread cybercrime and cyber insecurity will be among the most important risks of the coming period. A rise in cybercrime, attempts to disrupt critical technology-enabled resources and services will become more common, with attacks anticipated against agriculture and water, financial systems, public security, transport, energy and domestic, space-based and undersea communication infrastructure. As QNB Finansbank, we implement comprehensive security measures in accordance with regulatory requirements, instances of national and international best practices, and the nature and scale of our activities.

For more detailed information on our digital performance, please refer to [Digital Transformation and Innovation](#) and [Customer Privacy and Data Security](#) sections of the report.

1.5.5 Sustainable Financial Performance and Profitability

Our sustainable financial performance combines a purposeful business practice with a sustainable growth strategy considering our diverse customer portfolio and focus on value creation for all stakeholders. We effectively implemented this understanding to be a more effective, customer-oriented and accessible bank in line with our digitalization process, goals and responsibilities throughout 2022.

As QNB Finansbank, we closed 2022 with a strong balance sheet exceeding expectations after a struggling year. As of December 31st, 2022, our Bank's total assets increased by 62% compared to the end of 2021, amounting to TL 601 billion 755 million. In the same period, our Bank's net loans increased by 72% to TL 344 billion 957 million, while customer deposits increased by 80% to TL 384 billion 58 million. Our Bank's net profit for 2022 amounted to TL 17 billion 224 million. We renewed our two syndicated loans which matured in May and November, obtained USD 360 million and USD 448 million from international banks. As an indicator of our support to sustainable environment and our country, we are pleased to state that our November syndication was rolled with a 104% roll-over ratio, the highest roll-over ratio in the sector in the second half of 2022.

Key Metrics and Ratios

Financial Strength (TL million)	2020	2021	2022
Income ⁽¹⁾	10,012	13,234	45,799
Operational Expenses ⁽²⁾	2,315	2,817	6,193
Remuneration and Side Benefits Paid to Personal ⁽³⁾	1,894	2,186	4,473
Dividend Payments ⁽⁴⁾	0	0	0
Interest Payment to Creditors ⁽⁵⁾	1,119	1,421	2,903
Payments to the State (Tax) ⁽⁶⁾	512	1,062	7,059
Net Profit	2,747	3,928	17,224

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.

Key Performance Indicators (TL million)	2020	2021	2022
Total Assets	227,244	371,369	601,755
Net Loans	138,719	200,832	344,957
Customer Deposits	125,976	213,946	384,058
Shareholders' Equity	19,213	22,144	44,265
Earnings per Share	0,0820	0,1173	0,5141

Key Ratios	2020	2021	2022
Capital Adequacy Ratio (%)	16.4	15.9	15.1
Return on Equity (%)	15.8	19.0	53.1
Return on Assets (%)	1.30	1.47	3.51

For more detailed information on our financial performance, please refer to [QNB Finansbank Annual Report 2022](#).

1.5.6 Management Analysis of the Year

The Turkish economy faced numerous challenges last year, particularly during a period of high double-digit inflation. Türkiye grappled with the global energy crisis, the interest rate hikes by central banks in developed countries that lead to depreciation of the Turkish Lira and other difficulties associated with global market developments. On the other hand, expectation of a decrease in inflation, and the Central Bank's statements indicating a more balanced exchange rate policy in 2023 provided reassuring signals to the markets.

QNB Finansbank continued to support the Turkish economy throughout the year 2022, in a challenging operating backdrop dominated by elevated inflation, ongoing war in Europe and the global economic slowdown. As of December 31st, 2022, the total assets of the Bank increased by 62%, compared to 2021 year-end, reaching TL 601 billion 755 million. In the same period, the Bank's net loans grew by 72% to TL 344 billion 957 million. With its securities portfolio growth of 107%, the Bank strengthened its robust liquidity as well as supporting its balance sheet growth.

The Bank sustained its deposit-oriented funding strategy, and the Bank's customer deposits rose by 80% to TL 384 billion 58 million as of December 31st, 2022. Having diversified its funding base with long-term external funding, QNB Finansbank rolled its two syndicated loan transactions in 2022 based-on sustainability performance criteria, with the awareness of the banking sector's responsibility in sustainable development. The Bank raised USD 360 million from its May, and USD 448 million from its November syndication transactions, respectively.

The Bank's net interest income including swap costs rose by 326%, compared to the previous year, reaching TL 32 billion 665 million in 2022, thanks to the growth in average interest earning assets, improvement in loan deposit spreads and also contribution of the CPI-indexed securities portfolio. Net fees and commissions income amounted to TL 6 billion 128 million, recording an annual growth of 81%. The Bank's profit before tax for 2022 reached TL 24 billion 283 million, and net profit increased reached TL 17 billion 224 million.

QNB Finansbank Project Finance differentiates itself from the market via the support as well as solutions it provides to its clients. Despite challenging market conditions, it granted a limit to 22 projects, in a broad range of sectors in corporate and commercial segments, of significance to the Turkish economy. The volume of TL denominated loans in project finance increased by

71% as of June 2022. QNB Finansbank continued to serve its "Private Banking" customers with assets above TL 2.5 million in 2022, in line with the customer risk and return expectation and by offering customized solutions.

As QNB Finansbank, 35% of the loans we allocated within the scope of Project and Structured Finance as of the 2022 year-end are in compliance with the United Nations Sustainable Development Goals criteria. With these allocated loans, in line with the United Nations Sustainable Development Goals; Financing was provided for renewable energy, clean transportation, energy efficiency, health and green buildings.

QNB Finansbank carries out the lending activities and the environmental and social risk assessments process of the financed projects, in line with the Environmental and Social Risk Assessments Policy and Sustainability Policy. As of 2022, QNB Finansbank decided not to finance new coal thermal power plant and new coal mine investment projects. The maximum maturity of the related loans in the Bank's portfolio will be as of 2032.

QNB Finansbank Business Development and Strategy Office (FİGS) monitors the business processes and workloads to increase efficiency of sales and operation processes, and channel usage; offers end-to-end or local solutions depending on strategies, changing needs and technological innovations; and carries out projects to realize such solutions for unique customer experience. In the digital approval journey that started in previous years, new products and transactions were added to the scope in 2022, and the digital approval rate of digitally approvable documents in retail and corporate customers has reached 91%. Foreign currency buy-sell transactions for corporate customers, limit application and credit card renewal are in the new transactions included. In 2023, projects regarding digital approval of banking services provided at the branches will continue. Deep learning algorithm studies have been carried out to process customer orders faster. Deep learning algorithms started to be used in the check entry process, and further improvements will continue in 2023.

Following the activities completed in 2022, the Internal Audit Department accomplished its goals by providing independent and objective assurance and consultancy services as in previous years and contributed to the regular, systematic and disciplined evaluation and improvement of the effectiveness of corporate governance, risk management and internal control environment in order to improve and add value to the Bank's activities.

Transparent, fair, accountable and responsible corporate governance practices lie at the heart of sustainable growth of QNB Finansbank. Board composition, Board Committees and other Committees at the Bank as well as their duties and members participation at the meetings were reported in detail in the 2022 Annual Report of the Bank. The Bank's Corporate Governance Compliance Report and Corporate Governance Information Form are also incorporated in 2022 Annual Report.

Since 2018, QNB Finansbank has disclosed its ESG performance in its annual sustainability reports. In the meantime, the Bank fully integrated sustainability in its strategy, policies and operations, as detailed in relevant sections of this report. With this Integrated Report, QNB Finansbank is happy to announce its commitment to report its financial and non-financial information in a holistic and forward-looking manner in its integrated reports going forward.

Our Sustainability *Value Creation*

- 2.1 Our Business Model
- 2.2 Sustainability Governance
- 2.3 Sustainability Strategy of QNB Finansbank
- 2.4 Stakeholder Engagement and Communication
- 2.5 Materiality Assessment
- 2.6 Initiatives Supported in the Field of Sustainability



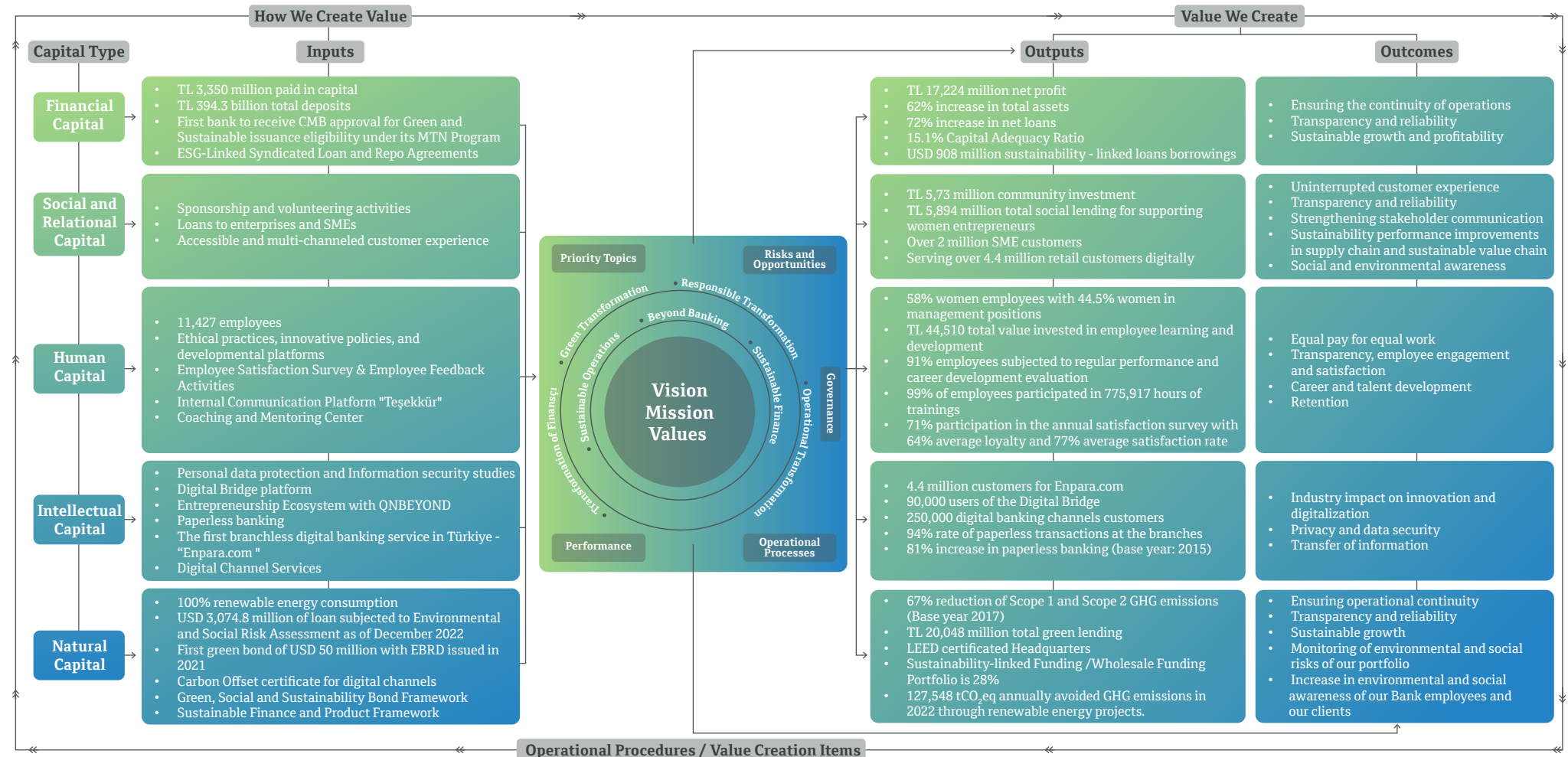


2. Our Sustainable Value Creation

2.1 Our Business Model

Our business model summarizes the value we create for all our stakeholders in the short, medium and long term with 5 financial and non-financial capitals: **Social and Relational, Human, Intellectual, Natural and Financial**. The capitals that we have determined according to the classification of capital items recommended by the International Integrated Reporting Council (IIRC).

As QNB Finansbank, we continue to our banking activities by considering environmental, social and economic sustainability, and contribute to the **United Nations Sustainable Development Goals** with our business model outputs.





2.2 Sustainability Governance

As QNB Finansbank we have built our Sustainability Governance Framework in order to maintain a sustainable performance by integrating global practices into our decision-making process. The framework is supported by related guidelines, procedures, and our participation in local and global sustainability-related initiatives. Our Board of Directors is the ultimate management authority in QNB Finansbank's sustainability management. Regarding the framework, our Sustainability Committee provides adequate, efficient, and strategic oversight of our overall sustainability initiatives. The Sustainability Committee meets at least twice a year, if necessary, the frequency of meetings can be increased. It is responsible for managing our overall sustainability efforts, monitoring our sustainability performance, and providing direction and support for the progress of sustainability projects as well as including informing and updating the Board and Corporate Governance Committee on sustainability-related issues. Sustainability Committee is the decision-making body for all matters relating to the Bank's sustainability performance.

CEO of the Bank serves as co-chair of the Sustainability Committee and Member of the Board of Directors. Chairperson of the Committee carries out duties as co-chairperson of the Bank's General Manager and Sustainability Management Officer. Sustainability Committee consists of the Executive-Vice Presidents, and Directors who will be appointed by the Chairperson considering their core responsibilities. Each member of the sustainability committee assesses climate and sustainability-related issues in their professions. Furthermore, new advances on global or national issues related to climate change are discussed in the Sustainability Committee.

We are resilient to the changing agenda and are able to take fast and efficient decisions about climate-related issues. In case of any ESG-related risks or opportunities are foreseen, actions are taken to eliminate the risks and uncover the opportunities. The Sustainability Committee reports key risks and opportunities to the Board of Directors via the Corporate Governance Committee. The Board of Directors and Corporate Governance Committee receive at least an annual update on the overall execution of our sustainability strategy and performance. The Head of Risk Management also attends the Sustainability Committee meetings as an observer.

The assessment criteria of the board members regarding competence and expertise in their positions are stated in the Banking Law. Beyond the Banking Law, we take into account the environmental competence based on members' previous and current responsibilities and achievements. The CEO and the C-level suite have sustainability-related responsibilities in their job description and as a part of their KPIs. As the KPIs achieved, they benefit from annual incentives.

The members of the Sustainability Committee are listed below:

- General Manager
- Information Technologies, Operations, Channels and Business Development
- Consumer and Small Business Banking
- Enpara.com
- Treasury/International Banking
- Legal Affairs

- Communications and Customer Experience Office
- Human Resources
- Corporate Banking and Project Financing
- Corporate and Commercial Loans Allocation
- Financial Control and Planning/Purchasing
- Medium-Size Enterprises and Commercial Banking/Cash Management and Foreign Trade
- Payment Systems
- Retail and Medium-Size Enterprises Loans Allocation
- Risk Management
- Compliance
- Digital Corporate Banking
- Sustainability Management Team

The Sustainability Management Team is responsible for coordinating our sustainability activities, Sustainability Working Groups, realizing the target-performance follow-up of the Groups, conducting data consolidation. Besides, the Team assesses the sustainability activities in terms of our sustainability goals and conducts our internal and external communication on sustainability issues. Sustainability Working Groups propose and implements projects and action plans. Together with the Sustainability Management Team, the Sustainability Working Groups are responsible for performing the strategy determined by the Sustainability Committee and coordination of the implementations.



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

2.3 Sustainability Strategy of QNB Finansbank

QNB Finansbank Sustainability Framework

We define sustainability as providing long-term financial, environmental, social and human value for the benefit of our customers, shareholders, employees, society, in short, all our stakeholders. As QNB Finansbank, we recognize the significant contribution the Group can make to society by adopting business practices to address ESG topics through our business operations and through our financing and community activities as well as by embedding a culture of sustainability in our DNA. We adapted QNB Group's sustainability framework and set our core pillars as; Sustainable Finance, Sustainable Operations, and Beyond Banking and accordingly we developed "QNB Finansbank Sustainability Roadmap". We aim to achieve sustainable financial performance by reducing our risks, creating new business opportunities, and strengthening our brand with the framework of the three aforementioned building blocks. Under each of our three building blocks, we address the issues that are of the most importance to the Bank in terms of sustainability and several action plans that we anticipate will improve our performance.



Sustainable Finance

As QNB Finansbank, we consider the core pillar of Sustainable Finance as the integration of ESG criteria with our financing activities in order to create value. Our main aims are to support our customers in managing their environmental and social risks, to provide financing to businesses that contribute to sustainable development, to facilitate access to finance for SMEs and individuals and companies with limited access to financial services, and to provide responsible service to our customers. With our Sustainable Finance building block, which is one of the most important ways we support national and global sustainable development initiatives, we aim to maximize the business opportunities arising from the transition to a more environmentally friendly and inclusive economy.



Sustainable Operations

We consider the integration of ESG criteria with our business activities and supply chain within the scope of our Sustainable Operations core pillar in order to ensure that our Bank can operate efficiently and in accordance with ethical values. While further strengthening our corporate governance and risk management practices, we aim to support equity in our workforce and reduce carbon emissions from our operations. With this approach, we become the "preferred employer" and ensure that the increasing ESG-related demands are met.



Beyond Banking

We consider our corporate social responsibility (CSR) activities in the fields we operate under our Beyond Banking core pillar. As QNB Finansbank, we aim to reach wider audiences and make a positive contribution to society with our CSR activities.

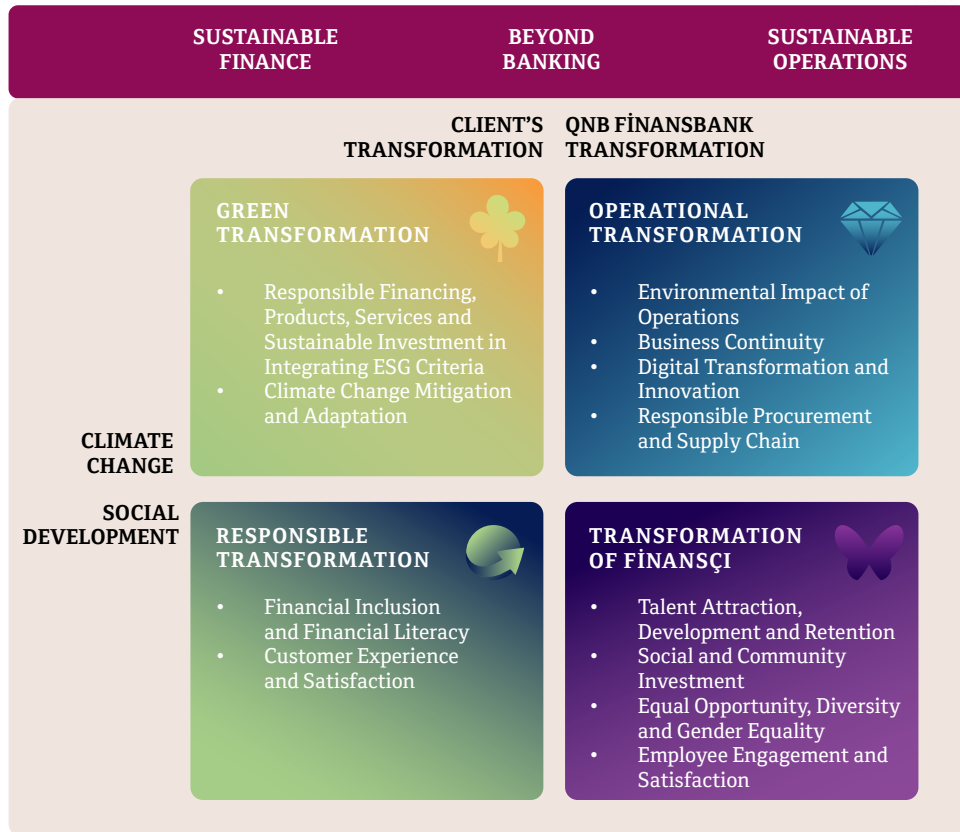
QNB Finansbank Sustainability Roadmap

Sustainability stands as one of the most important strategic focal points for us. We define sustainability as a transformation journey that begins within our own operations and extends to all stakeholders connected to QNB Finansbank through enduring partnerships. These partnerships are founded on satisfaction, understanding of needs, and the delivery of appropriate solutions. In line with our **"Becoming 1 with the World"** slogan, we desire to integrate ourselves humanely, environmentally, economically, and socially with the global community on our sustainability journey, embracing our responsibility within the interconnected unity of the world's ecosystem.

We have implemented various measures to address global warming, taken significant strides in promoting gender equality, initiated social responsibility projects facilitating unrestricted access to information to support children's rights, and fostered equal opportunities for continuous education. Moreover, we have pioneered advancements in digital banking. These four areas exemplify our influence in managing environmental impact and contributing to an equitable future, aligned with our overarching purpose.

We, as QNB Finansbank, have established our corporate, social, and environmental responsibility on a new integrated management framework that fully acknowledges climate risks and formulates appropriate strategies supported by measures and targets. We recognize QNB Group's pillars as fundamental to this approach. It seeks to pave the way for clean economic development, contributing to a more sustainable world through the collective efforts of its conscientious human resources. We believe that nurturing a knowledge-based economy and society through the education of future generations holds the key to a sustainable future. Consequently, we actively engage in social responsibility projects to reach a wider audience and make positive contributions to society.

In designing our sustainability roadmap, we focus on four core areas: **Green Transformation, Responsible Transformation, Operational Transformation and Transformation of Finansçı**. The former two areas; Green Transformation, and Responsible Transformation center on the sustainability transformation of our customers, while the latter two areas; Operational Transformation, and Transformation of Finansçı, emphasize the sustainability of our operations. Within each focus area, we categorize our prioritized material topics based on a comprehensive materiality analysis. This enables the development of specific targets, plans, and actions for each topic, aligned with QNB Group Sustainability Framework thereby facilitating progress towards sustainability goals.



Our targets for each material issue have been established in alignment with our strategy and after considering the perspectives of our stakeholders. For comprehensive details regarding these targets, we invite you to refer to the corresponding sections of the report, namely [Operational Transformation](#), [Responsible Transformation](#), [Green Transformation](#), and [Transformation of Finansçı](#). These sections delve deeper into our approach and outline the specific objectives we have set in pursuit of sustainability across our organization.

2.4 Stakeholder Engagement and Communication

At QNB Finansbank, we consider individuals or institutions/groups that have an impact on our activities or are affected by our activities as “stakeholders”. We use many different methods and communication channels to ensure open, honest, and transparent communication with all our stakeholders. This allows us to evaluate feedback and determine what we can do better. In order to share our sustainability journey with the public, we created a separate sustainability section covering our sustainability efforts on our corporate website. In our sustainability website, which we have redesigned by considering all dimensions of sustainability, we share our sustainability journey with all our stakeholders, in which we have chosen to be “Becoming 1 with the World”. At the same time, we actively use our social media accounts to communicate with our stakeholders and see our social media accounts as an important communication tool. As QNB Finansbank, we believe in the importance of cooperating with different stakeholders in the banking sector in line with common goals. For more detailed information on our various initiatives and memberships, please refer to [Corporate Memberships](#) section of the report.

Our stakeholders share their feedback and questions about our sustainability efforts with our Bank via the e-mail address sustainability@qnbfinansbank.com

Our Key Stakeholder Groups

Customers

Employees

Shareholders and Investors

Public Institutions



Non-Governmental Organizations

International Financial Institutions

Media

Suppliers



Stakeholder Group	Needs and Expectations	Frequency of Communication	Main Communication Channels	Why Our Key Stakeholders Matter to Us	How We Respond to the Expectations of Our Stakeholders as QNB Finansbank
 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 Bulut) Calls made by Sales Support Agents 	<p>As QNB Finansbank, we realize our sustainability strategy under our mission of maximum customer satisfaction and finance our sustainable growth strategy with our diverse and wide customer base.</p>	<p>As QNB Finansbank, our mission is to establish a lifelong partnership with stakeholders including our customers by understanding their needs, finding right solutions and aiming for maximum customer satisfaction. We know that in order to maximize customer satisfaction we need to offer comprehensive solutions to our customers' needs. We aim to offer best-in-class customer experience through all channels. Through online channels, mobile applications, face-to-face banking services and various meetings, we offer different products and services to our customers and come together with them.</p>
 Employees	<ul style="list-style-type: none"> Professional Development Fairness and Equal Opportunity Work-Life Balance 	Continuous	<ul style="list-style-type: none"> Financier 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 	<p>As QNB Finansbank, we see our human resources within the Bank as our most valuable capital, and we realize sustainable development with our qualified workforce.</p>	<p>We carefully select our employees, focus on their professional and personal development. We organize various trainings to increase employee development by increasing the technical and managerial knowledge and skills of employees. We care about employee satisfaction, communicate with our employees through various channels, and get their opinions. Within the scope of employee satisfaction, we try to understand the expectations of our employees with our feedback mechanisms and try to meet their expectations with various applications and benefits.</p>



Stakeholder Group	Needs and Expectations	Frequency of Communication	Main Communication Channels	Why Our Key Stakeholders Matter to Us	How We Respond to the Expectations of Our Stakeholders as QNB Finansbank
 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 (PDP) Notifications 	QNB Finansbank's shareholders and investors provide us with financial strength and create mutual value and a positive corporate reputation.	As QNB Finansbank, we consider it our responsibility to make transparent and reliable statements to our shareholders and investors. Our investors expect to be able to exercise their partnership rights and to access accurate and up-to-date information about QNB Finansbank first-hand and quickly. In order to meet this expectation of our investors, shareholder information requests are responded to by the Investor Relations Department as soon as possible; Many channels are actively used for necessary information, especially the Public Disclosure Platform and the corporate website, and Ordinary General Assembly Meetings are held regularly.
 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 	As QNB Finansbank, we follow the new regulations announced by public institutions and carry out our reporting by complying with laws and regulations. We attend conferences and exchange information.	As QNB Finansbank, we continue all our reporting and activities with an understanding of legal compliance.
 Non Government 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 Financier" Program Sustainability Reports Participation to Local and Global Initiatives 	Together with the non-governmental organizations we support, we are able to realize our social investments. We feel responsible for the society we live in. In this context, we believe that the non-governmental organizations we support help us fulfill our responsibilities towards the society we live in.	As QNB Finansbank, we carry out joint projects with many compatible non-governmental organizations for the purpose of creating social value.



Stakeholder Group	Needs and Expectations	Frequency of Communication	Main Communication Channels	Why Our Key Stakeholders Matter to Us	How We Respond to the Expectations of Our Stakeholders as QNB Finansbank
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 Integrated and Annual Reports Annual Environmental and Social Reports 	International Financial Institutions enable our Bank to grow sustainably and at the same time provide more comprehensive financing packages to us.	We try to understand IFIs' concerns regarding the implementation of their environmental and social performance criteria. We implement their requirements and we provide them with regular Environmental and Social Report in order to describe the related procedure.
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 	As QNB Finansbank, we are in contact with many media organizations in order to share our internal decisions and announcements with the public transparently, to follow current developments and to have information about other institutions and organizations in the sector.	As QNB Finansbank, we can make our corporate announcements quickly and reliably through various media channels.
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 	As QNB Finansbank, we work with many suppliers. Together with our long-term supplier relationships, we recognize that we have the power to effect sustainable change.	As QNB Finansbank, we aim to establish long-term relationships with suppliers that are equivalent to our corporate ethical values.

2.5 Materiality Assessment

This year, we reviewed and updated our materiality matrix by following these steps;

1st step

We updated the names of our materiality topics and fundamentals and reviewed their priority level. For the table we created on how our material topics have changed over the past year, please refer to [Material Topic Changes](#).

2nd step

In the operation of updating our material topics, by using our communication channels with our stakeholders, which we have stated as a table in the [Stakeholder Engagement and Communication](#) section of our report, we listened to our stakeholders' opinions and worked with a reporting consultant.

3rd step

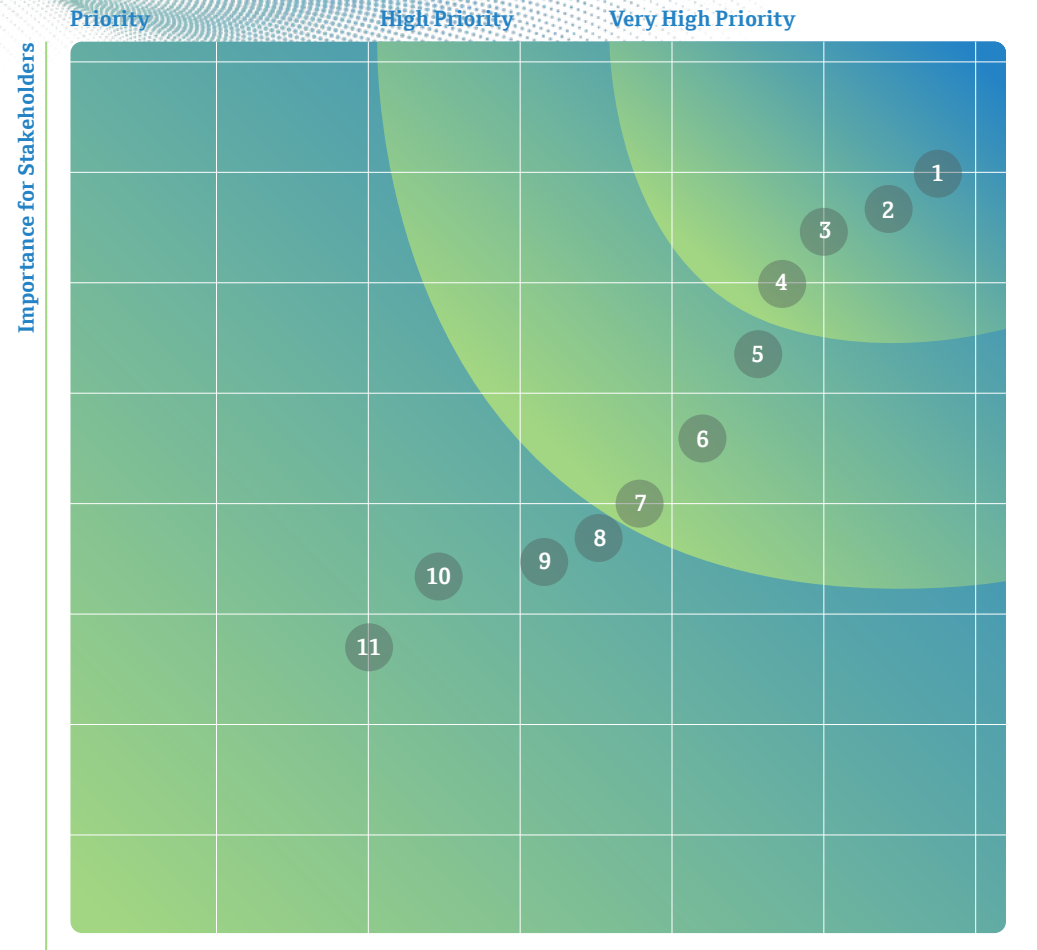
With the guidance of our reporting consultant, we created material topics universe for the finance sector by evaluating global and local guidelines and standards, such as, UNEP FI's The Principles for Responsible Banking, Banking Regulation and Supervision Agency's (BDDK) A Sustainable Banking Strategy Document, the Banks Association of Türkiye's (TBB) The Sustainability Guidelines for the Banking Sector, SASB Standards; various ranking agencies evaluations and peer analysis.

4th step

We narrowed down the sector-specific material topics based on QNB Finansbank's strategic sustainability approach and evaluations of our senior management.

5th step

We prioritized our material topics by reflecting the perspectives of our stakeholders and created a materiality matrix. We integrated our material topics into the Bank's transformation matrix and presented them in detail within the report. Our material topics and value creation model, which emerged as a result of all these, formed the basis for our strategies.



Very High Priority

- 1 - Customer Experience and Satisfaction
- 2 - Talent Attraction, Employee Development and Engagement
- 3 - Climate Change Mitigation and Adaption
- 4 - Business Continuity

High Priority

- 5 - Financial Inclusion and Financial Literacy
- 6 - Digital Transformation and Innovation
- 7 - Responsible Financing, Products, Services and Sustainable Investments on Integrating ESG Criteria

Priority

- 8 - Equal Opportunity, Diversity and Gender Equality
- 9 - Environmental Impact of Operations
- 10 - Social and Community Investment
- 11 - Responsible Procurement and Supply Chain

Material Topic Changes

2021	2022	Change
Fundamentals		
• Corporate Governance, Compliance and Risk Management	• Corporate Governance and Risk Management	• The subject of "Compliance" was combined with "Business Ethics" as a new topic.
• Sustainable Financial Performance	• Compliance and Business Ethics	• The topic is newly added.
• Customer Experience and Satisfaction	• Sustainable Financial Performance	• The topic's level of priority changed.
• Customer Privacy and Data Security	• Cybersecurity and Customer Privacy	• The name of the topic changed.
• Diversity and Inclusion		• The issue of "Diversity and Inclusion" was addressed as a Material Topic along with "Gender Equality".
Material Topics		
• Talent Attraction, Development and Retention	• Customer Experience and Satisfaction	• The topic is newly added.
• Responsible Customer Communication and Marketing	• Talent Attraction, Employee Development and Engagement	• The name and priority level of the topic changed.
• Supporting SME's and Entrepreneurship	• Climate Change Mitigation and Adaption	• The topic is newly added.
• Sustainable Investments, Lending, Products and Services	• Business Continuity	• The topic is newly added.
• Digital Transformation and Innovation	• Financial Inclusion and Financial Literacy	• The name and priority level of the topic changed.
• Social and Community Investment	• Digital Transformation and Innovation	• The topic's level of priority changed.
• Financial Inclusion	• Responsible Financing, Products, Services and Sustainable Investments on Integrating ESG Criteria	• The topic is newly added.
• Environmental Impact of Operations	• Equal Opportunity, Diversity and Gender Equality	• The topic is newly added.
• Responsible Procurement and Supply Chain	• Environmental Impact of Operations	• The topic's level of priority changed.
	• Social and Community Investment	• The topic's level of priority changed.
	• Responsible Procurement and Supply Chain	• The topic's level of priority changed.

QNB Finansbank Material Topics

Related Capital

Customer Experience and Satisfaction

Social

Talent Attraction, Employee Development and Engagement

Intellectual
Human

Climate Change Mitigation and Adaption

Natural

Business Continuity

Financial
Intellectual

Financial Inclusion and Financial Literacy

Financial

Digital Transformation and Innovation

Intellectual

Responsible Financing, Products, Services and Sustainable Investments on Integrating ESG Criteria

Financial
Natural
Intellectual

Equal Opportunity, Diversity and Gender Equality

Human
Social

Environmental Impact of Operations

Natural
Intellectual

Social and Community Investment

Social

Responsible Procurement and Supply Chain

Social
Natural



Pillars, Fundamentals and Priorities

Within the scope of our sustainability approach and based on our materiality analysis, four topics out of fifteen are deemed as “fundamentals of sustainability”. These topics cannot be prioritized since they are equally important to QNB Finansbank and should be achieved under any circumstances in terms of reaching sustainability goals.

Fundamentals

Our Understanding

Corporate Governance and Risk Management

Compliant with the Bank's corporate governance principles; ensuring the continuity of its transparent, fair, reliable and corporate structure. 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

Compliance and Business Ethics

To conduct our activities by regulations, ethical banking principles, internal policies, and procedures in a transparent and an accountable manner

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 the disposal of our stakeholders to support society and strengthen the economy

Cybersecurity and Customer Privacy

To employ the best measures to mitigate data security risks

2.6 Initiatives Supported in the Field of Sustainability

We, as QNB Finansbank, attach importance to developing collaborations with national and international initiatives that will carry our sustainability performance to higher levels.

United Nations Sustainable Development Goals

The Sustainable Development Goals (SDGs) are a call to action by the UN to develop solutions to global challenges, at the heart of which the 17 SDGs. We are aware of the responsibilities of our sector to offer both direct and indirect solutions to today's global and regional problems. Accordingly, in order to demonstrate our Bank's commitment to sustainability and draw attention to the issues set out in the United Nations (UN) 2030 Agenda for Sustainable Development, we have linked our sustainability priorities with the relevant UN SDGs.

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

United Nations Global Compact

The United Nations Global Compact is the world's largest corporate sustainability initiative, consisting of ten basic principles determined under the main headings of human rights, labor standards, environment and anti-corruption, with the vision of spreading the concept of responsible corporate citizenship and sustainable institutions. As QNB Finansbank, we have committed to make these ten principles a part of our strategy, culture and daily activities by joining the United Nations Global Compact in 2019. In 2020, we once again, demonstrated our support for the United Nations and inclusive multilateralism by signing the 'CEO Declaration for Renewed Global Cooperation' prepared to commemorate the 75th anniversary of the founding of the United Nations.

GRI (Global Reporting Initiative)

GRI is the independent, international organization that helps businesses and other organizations take responsibility for their impacts, by providing them with the global common language to communicate those impacts. GRI Standards are advancing the practice of sustainability reporting and enabling organizations and their stakeholders to take action that creates economic, environmental and social benefits for everyone. Since 2018, we have continued to prepare our report in accordance with the Sustainability Reporting Principles of the GRI.



In support of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

Women's Empowerment Principles

The Women's Empowerment Principles (WEPs) are a set of Principles offering guidance to business on how to advance gender equality and women's empowerment in the workplace, marketplace, and community. WEPs are a primary vehicle for corporate delivery on gender equality dimensions of the 2030 agenda and the United Nations Sustainable Development Goals. By signing the WEPs, a joint initiative of the UN Global Compact and UN Women, on February 24th, 2021, we committed to 7 principles for creating Bank policies that will advance gender equality.



Bloomberg GEI

The Bloomberg Gender Equality Index is considered one of the most comprehensive studies in the world to measure the performance of companies committed to gender equality. Companies included in the Bloomberg Gender Equality Index are evaluated by women's leadership and talent line, pay equality and gender parity, inclusion culture, policies to combat sexual harassment, and women-friendly brand identity criteria. QNB Finansbank was included in the 2023 Bloomberg Gender Equality Index (GEI), which is based on gender equality in the workplace.

CDP



A notable platform for environmental reporting, The Carbon Disclosure Project (CDP), encourages companies to update institutional investors on their progress toward decreasing greenhouse gas emissions. QNB Finansbank has been transparently sharing its environmental goals and performance with its stakeholders within the scope of the CDP Climate Change Program since 2021. With the actions we have made to reduce carbon emissions in the interest of sustainability, As QNB Finansbank, we have raised our CDP (Carbon Disclosure Project) rating from C to A- in 2022. In addition, we plan to start CDP Water Security Reporting by 2023.

BCSD Türkiye (Business Council for Sustainable Development Türkiye)



To increase the awareness and impact of the business world on sustainable development, BCSD Türkiye continues its activities together with Türkiye's leading companies in sustainability, within the framework of the UN Sustainable Development Goals.

Green Transformation

- 3.1 Climate Change Mitigation and Adaptation
- 3.2 Responsible Financing, Products, Services and Sustainable Investments on ESG Criteria
 - 3.2.1 Environmental and Social Risk Management System
 - 3.2.2 Our Contribution to Sustainable Economic Growth
 - 3.2.3 Responsible Products and Services Tailored to Customers' Needs

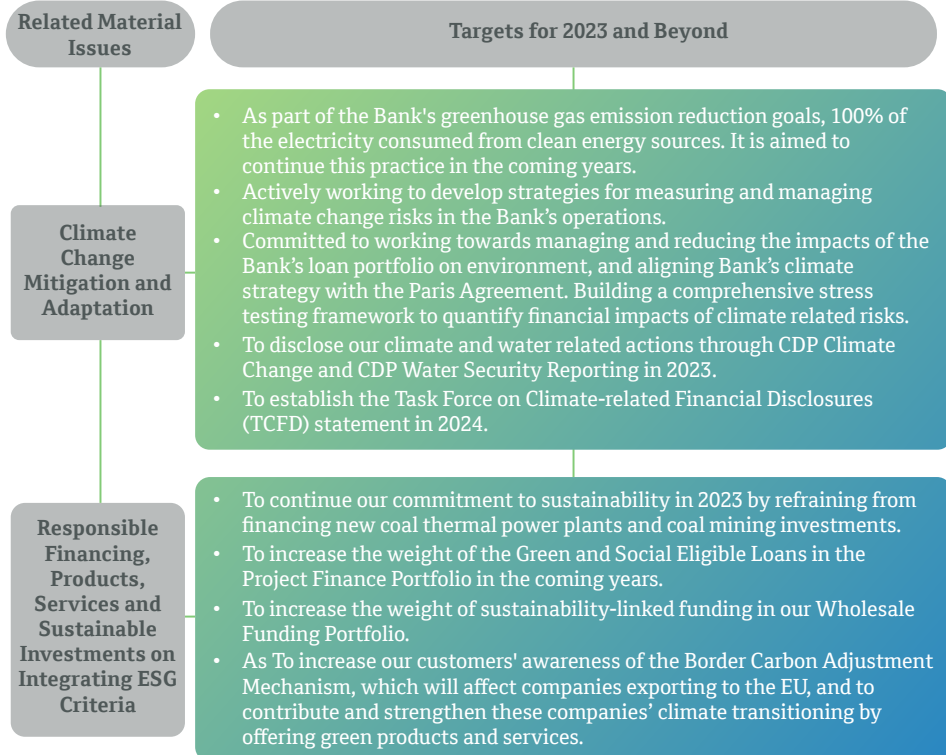
Contents



GREEN
TRANSFORMATION

3. Green Transformation

Material Issues	Related Capitals	Related Risks	Opportunities
<ul style="list-style-type: none"> Climate Change Mitigation and Adaptation 	<ul style="list-style-type: none"> Nature 	<ul style="list-style-type: none"> Climate Change Risks (Physical and Transitional) 	<ul style="list-style-type: none"> Financing transition to low carbon economy
<ul style="list-style-type: none"> Responsible Financing, Products, Services and Sustainable Investments on Integrating ESG Criteria 	<ul style="list-style-type: none"> Nature Financial 	<ul style="list-style-type: none"> Environmental Risks 	<ul style="list-style-type: none"> Consulting services supporting green transformation Formation of new resource opportunities



3.1 Climate Change Mitigation and Adaptation

Climate change is an imminent global challenge that requires concerted efforts to mitigate its impacts and adapt to the changing environment. We recognize the necessity of addressing the impact of climate change in our operations and are taking proactive actions to ensure planet's sustainability. Our climate transitioning plan for achieving a low-carbon economy finds its grounds in the two-way materiality approach where we focus on both our direct and indirect impact on the environment, as well as the impact of the environment on our operations.

At QNB Finansbank, climate-related issues are raised to the agenda of the Board by the Sustainability Committee and Board Risk Committee. Sustainability Committee holds meetings regularly in order to steer and oversight our ESG strategy and policies. Risk management activities of the Bank are conducted by the Risk Management Division reporting to the Board Risk Committee and the Board of Directors. Financial & non-financial risks are reported to the Board Risk Committee and, the Board of Directors at least on a monthly basis. Through the functioning of Sustainability and Risk Committees, climate related considerations are embedded in the most material decisions of the Board, such as reviewing and guiding strategy, major plans of action, risk management policies, business plans and financial planning.

We are dedicating to reduce our operational and financed carbon footprint, which aligns long-term targets with the goals of the Paris Agreement. As QNB Finansbank, we strongly believe that our actions demonstrate leadership and serve as an example for all stakeholders, encouraging climate change mitigation and adaptation. We invest in the development of climate risk assessment tools and governance to evaluate the vulnerability of our portfolio to climate related risks. These tools are significant to understand the potential financial implications of climate change and adapt our lending practices accordingly. By integrating climate risk into our decision-making processes, we aim to reduce our exposure to climate-related financial risks. With this perspective, we have determined all our risks and opportunities by paying attention to global developments and sector analyzes and by conducting a risk study including climate risks. Furthermore, we are making plans for this study to become more comprehensive in the coming period. Renewable energy investments are one of the important tools for the transition to a low-carbon economy. Therefore, it is important to support investments in this field in order to spread the energy obtained from renewable energy sources. Being aware of this and being one of the financial institutions supporting renewable energy investments in Türkiye, we invested a total of TL 4,386 million in renewable energy projects in 2022. We also demonstrated our climate change performance through Carbon Disclosure Project (CDP), Climate Change Program received an "A-" Leadership Level in 2022, one of the highest scores in the Turkish finance sector.

For detailed information on our climate risks & opportunities management approach, please refer to the [Environmental and Social Risk Management System](#) section of the report.

We take substantial actions to mitigate our impact and adapt to a rapidly changing environment. Through financing renewable energy projects, planning emission reduction roadmap, developing climate risk governance policies, and supporting sustainable investments, we actively contribute to the global transition to a low-carbon economy.

Furthermore, by providing climate-related financial products, supporting sustainable supply chains, and investing in climate-resilient infrastructures, we assist societies adapt to climate change and build resilience.

As an important factor in the Turkish financial sector, we act responsibly in shaping a sustainable and climate-resilient future.

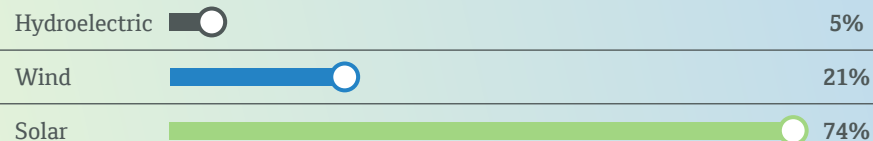
The project finance loans in our lending portfolio to finance renewable energy projects such as solar, wind, and hydroelectric power, play a pivotal role in enabling the expansion and development of clean energy infrastructure, reducing dependence on fossil fuels and curbing greenhouse gas emissions in the economy. Integration of environmental and social risk assessment system into our lending practices empowers the evaluation of environmental impact and sustainability performance of businesses seeking loans, and encourages responsible and environmentally conscious practices, thereby mitigating of climate-related risks.

For details on our responsible sustainable finance policies, please refer to the [Responsible Financing, Products, Services, and Sustainable Investments on Integrating ESG Criteria](#) [Sustainable Products and Services Tailored to Customers' Needs](#) section of the report.

KPIs: Sustainable Investments, Lending, Products and Services

	2020	2021	2022
Share of renewable energy projects in the total energy projects portfolio (%)	18.9	25.9	24.4
Field visits made as part of environmental and social risk evaluation	0	0	11
Number of projects subjected to environmental and social risk evaluation	0	17	16

Renewable Energy Portfolio in 2022



We promote sustainable supply chains by encouraging our suppliers to adopt environmentally friendly practices, promote circular economy principles, and ensure sustainability throughout our value chain. Aiming to make strategic progress on our operational impact on climate, we carry out our activities by ensuring the responsible use of resources and promoting environmentally friendly practices. In our branches and offices, we use resources, water, and efficient systems and promote recycling to minimize waste generation. We aim to increase our internal field auditor team headcount for water pollution inspection within the scope of ISO14001 and to update our equipment and switch to products that consume less water and generate wastewater. In our operations, we are aligning with Türkiye's 2053 net-zero target.

For detailed information on our climate friendly operational actions, please refer to the [Environmental Impact of Operations](#) section of the report.

3.2 Responsible Financing, Products, Services and Sustainable Investments on Integrating ESG Criteria

We believe that the financial industry and especially banks are able to reduce environmental and social risks by adopting responsible investment and lending practices. We act with this awareness through our operations, and support our customers in the assessment, determination, and management of their environmental and social risks. Within this scope, we continued to support social development projects, gender equality, health and education projects, clean and renewable energy investments to contribute to Türkiye's sustainable economic growth and development in 2022. Being aware of our impact in providing responsible financing, we require our corporate and commercial customers to fill in an environmental impact assessment form and submit for each loan request. The credit processes of customers who do not fill out the environmental impact assessment form do not progress.

The total installed power of renewable energy projects financed by our Bank was 1,598 MWe by the year-end of 2022.

Renewable Energy Portfolio (TL)

(According to the criteria defined in the ICMA Green Bond Principles and the QNB Green, Social and Sustainability Bond Framework)

	2020	2021	2022
Hydroelectric	141,197,221	140,352,266	102,152,210
Wind	293,472,903	413,453,753	438,710,204
Solar	455,909,886	1,289,555,447	1,526,022,014

QNB Group owns a Sustainable Finance and Product Framework (SFPF) to procedure Group's process of identifying climate related financing. SFPF has an intended application of serving to define the financing and loans eligible to be funded by the proceeds of any Green, Social or Sustainable Bond (GSSB) issued by QNB Group; and, setting out the Bank's classification approach and methodology for labelling any products, services or transactions as Sustainable or Transition finance aimed at delivering positive impact to society and the environment. This includes eligible qualifying themes, categories, activities, and criteria, in line with international standards and taxonomies. The framework aligns with the International Capital Market Association (ICMA), Green Bond Principles (GBP), Social Bond Principles (SBP) categories, Climate Bonds Initiative (CBI) taxonomy and/or EU taxonomy, where applicable. In line with this framework, the eligibility criteria for Green UoP (use of proceeds) include the disclosure of estimated annual scope 1-2-3 GHG emissions, reduced and/or avoided emissions, estimated annual energy consumption and energy-saving values of the project. As of 2022, 12.85% of QNB Finansbank corporate and commercial loans are classified according to sustainability criteria set out in QNB Group's Framework and for approximately 1% of these loans as sustainability KPIs.

3.2.1 Environmental and Social Risk Management System

We support the transition to a low-carbon economy in line with our sustainability approach. With our responsible portfolio management approach, which has been carried out for a long time, we comply with the ESG criteria in our lending activities and diversify the financing resources we create in this field as a result of the collaborations we have developed with international organizations. We carry out our lending activities in accordance with the risk management system established to consider the environmental and social risk assessments of the projects being financed.

In 2019, to align with the QNB Group's long-term strategies as well as local and international best practices, we launched a project and brought our sustainability framework, policies, and practices into full compliance. In 2020, we reviewed and updated the scope and practices of the Environmental and Social Risk Management System, which we created in accordance with international standards. Thus, at the end of 2020, as QNB Finansbank, we gained an automated tool to be used in environmental and social risk assessments and supportive procedures for lending processes.

In June 2020, the Board of Directors approved our Exclusion List in consideration of the QNB Group's and our future expectations and current practices, examples of international best practices, and analyses and recommendations of external consultants. When assessing the portfolio's exposure to climate related risks, all commercial loan applications received by our Bank are checked against the Bank Exclusion List regardless of loan amount.

Since 2021, we have also been applying the Environmental and Social Risk Assessment Models described in 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.

Exclusion List

All loans of QNB Finansbank are evaluated within the framework of the Exclusion List included in the Bank's Environmental and Social Risk Management Policy. Investments that violate human rights, involving forced and child labor, the production of non-conventional weapons or the production of important components necessary for the production of non-conventional weapons, the production/service of drugs, products whose trade is prohibited in international conventions, and the production and trade of substances that damage the ozone layer are among the unfunded activities. In 2022, the Bank further expanded the list of exclusion by adding "new coal power plants" and "new coal mine investment projects" to the list of unfinanced activities included in its Environmental and Social Risk Management Policy.

For QNB Finansbank's Exclusion List, please refer to the [Environmental and Social Risk Management Policy](#) on the website.

Regarding our climate related risk assessment, we take into account national and international current regulations as well as latest recommendations by reputable sources not only to ensure full compliance to existing regulations and policies but also to swiftly adapt to emerging regulations and policy changes and to manage our direct and indirect risks. We use our internal Environmental and Social Risk Assessment tool (ESRA) to assess a client's environmental, social and reputational risk performance including deforestation, potential human rights impacts. We evaluate project investments against different criteria such as use of natural resources, greenhouse gas emissions, biodiversity, waste management, air, soil and water quality, water stress, noise emission, dust, occupational health and safety, labor conditions, community health and safety, resettlement and stakeholder engagement. Assessments are performed considering national legislation and international best practices. The result of the assessment is used to classify investment projects into risk levels in 4 categories: high (Category A), medium-high (Category B+), medium (Category B-), and low (Category C). At QNB Finansbank, internal tools and methods are in use as of 2022 to determine the environmental, social and climate-related risks of our portfolio. As we broaden our sustainability-related applications, the use of different external sources, methodologies and tools will be taken into consideration for the assessment of the portfolio's climate-related risks and opportunities. 24.8% of the total business loan book of QNB Finansbank was loans that have to be subjected to the ESRA Model as of December 2022. All loan applications are checked to whether they are on the exclusion list.

Our Bank highlights specific issues of note that might require further analysis or consideration and guides conversations with clients on environmental and social risks associated with their operations or projects. In 2022, there are 16 projects subject to the ESRA Model, and a total loan amount of USD 212,401,293 was approved for these investment projects. The risk categorization table of the projects subject to the ESRA is as follows;

Risk Category	Number of Projects Subject to Environmental and Social Risk Assessment Model	% Distribution
Total A	1	6.25
Total B+	7	43.75
Total B-	8	50.00
Total C	0	0

In 2022, we started to carry out regular site visits to observe the work carried out to identify environmental and social risks at the project site, and we visited a total of 11 sites to mitigate their impacts.

None of the loan applications received by our Bank in 2022 were rejected due to noncompliance 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)
Energy	3	133,416,715
Production	6	84,284,089
Infrastructure	2	91,901,469

In environmental and social risk management, besides financial risks, QNB Finansbank considers operational risks, and their possible financial values are disclosed in QNB Finansbank's Operational Risk Management Policy. During risk assessments, the maximum impact score is given for financial impacts over TL 3 million, and action planning is activated for risks above medium severity as the final risk score. In addition, losses above TL 4,000,000 (significant losses) and TL 40,000,000 (severe losses) are reported to QNB Group Operational Risk and QNB Group Management Risk Committee and QNB Finansbank directs the business units to take action in operational risk events that occur and have a monetary impact of more than TL 100,000. Thus, risks with a financial impact of more than TL 3 million are a substantive financial impact on the Bank. Determination of the operational risks and control actions are determined according to the Policy's criteria.

3.2.2 Our Contribution to Sustainable Economic Growth

With the expansion of our product range, we focus on extending the maturity of our international borrowings and increasing our synergy with QNB Group. In sustainability field, we focus on financing the green projects and projects that support social inclusion and gender equality.

Under the Women in Business Program, a third loan agreement was signed with EBRD with a maturity of 2 years and up to a total of USD 50 million. This financing is being on-lend to small and medium-sized (SME) businesses owned or managed by women. With this new deal signed with EBRD, QNB Finansbank increased the total amount of commitment from IFI's to support sustainable growth to 150 million dollars. Since 2017, a total of TL 162 million in loans have been extended to Women Entrepreneurs within the scope of TURWIB.

QNB Finansbank became the first bank to receive CMB approval for Green and Sustainable Bond issuance eligibility under its MTN Program in 2022. Previously, we have also issued a 3-year, USD 50 million green bonds with European Bank for Reconstruction and Development (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 our first green-themed bond but also EBRD's first direct green bond investment to a financial institution in Türkiye. We are using this fund for sub-financing the internationally certified green building projects in our portfolio.

We also increased the number of banks and financial Institutions that we cooperate with in different mediums and continued to finance Small and Medium-Sized Enterprises and Agricultural Banking customers with our resources while also encouraging energy efficiency projects.

With the awareness of the banking and finance sector's responsibility in the transition to a green economy, we contributed to accelerating the transition to sustainable business models by providing sustainable external financing resources needed by the real sector. In parallel, the syndicated loans facilities due in May and November were renewed in 2022 with sustainability linked performance criteria. The total amount of two syndicated loans signed is USD 810 million and are used in the financing of foreign trade to support the real sector and sustainable development. Sustainability performance criteria used in these loans included our commitment to source electricity consumption from renewable resources in 2022, along with 2 new Sustainability targets which are increasing number of new Dijital Köprü (Digital Bridge) customers and being included in the Bloomberg Gender Equality Index.

3.2.3 Responsible Products and Services Tailored to Customers' Needs

As QNB Finansbank, we are dedicated to addressing social and environmental challenges through our diverse range of products and digital resources within the realm of sustainable finance, tailored to meet the specific needs of our esteemed customers. Alongside financing options, we provide comprehensive customer service by offering valuable information. Our customer base is highly diverse, encompassing SMEs, women entrepreneurs, and agriculturalists. We strive to extend extensive support and consultancy services to all our customers to ensure their sustainability. Specifically, we offer financing, savings, and other financial products designed for micro, small, and women-owned businesses. We also diligently monitor repayment rates based on gender.

To enhance our products, services, and processes, we prioritize staying abreast of new technological trends. Our goal is to provide our customers with user-friendly, accessible, and environmentally conscious offerings that boost customer satisfaction through digitalization. We have introduced products and services to encourage our customers to adopt climate-friendly and low-carbon technologies, thereby promoting resource efficiency and mitigating indirect climate-related risks.

In alignment with the shift toward a low-carbon economy, small and medium-sized enterprises require green financing to invest in low-carbon technologies. As QNB Finansbank, we prioritize offering responsible products and services to these companies, generating new revenue streams from emerging markets. Providing sustainable finance is the principal way in which QNB Group supports national and global sustainable development goals. It also allows us to minimize reputational risks within our portfolio and capitalize on climate-related opportunities arising from the transition to a greener, more inclusive economy.

In accordance with our commitment to sustainability, QNB Group has devised the QNB Group Sustainable Finance and Product Framework. This framework outlines our approach and methodology for categorizing products, services, and processes as sustainable or transition financing, with the aim of delivering positive societal and environmental impacts. It encompasses relevant themes, categories, activities, and criteria aligned with international standards and taxonomies such as the International Capital Markets Association (ICMA), the Credit Market Association (LMA), and the EU taxonomy for sustainable activities. By adhering to this framework, we can create opportunities to enhance our sustainable resources.

Through **Projects and Structured Finance**, we distributed the loans in accordance with the SDGs to finance green buildings, energy efficient transportation, renewable energy, and health care, and since 2015 we only supported renewable energy projects for the purpose of generating power. By the end of 2022, renewable energy projects made up 12.5% of the loans awarded under Projects and Structured Finance.

With the goal of leaving a sustainable environment to the next generations and helping to lower carbon emissions, we strive to support initiatives that use less energy, lean toward renewable resources, and do the least amount of environmental harm possible under Projects and Structured Finance. By the end of 2022, 35% of the loans that we give out under the Projects and Structured Finance category met the Sustainable Development Goals (SDGs) requirements.

Through the **Digital Bridge Platform**, we offer free services to SMEs with solutions in areas that are crucial for a company, 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.), and continue to assess the demands of our clients, to make a number of changes in line with their goals as it travels down this path to assisting SMEs in their digital transformation. With the digital solutions Digital Bridge provides for all needs, it leads clients toward digitalization and has a beneficial effect on sustainability.

For more detail information about Digital Bridge, please refer to [Digital Transformation and Innovation](#) section of the report.

As QNB Finansbank, we offer our customers the opportunity to carry out their transactions without the need to go to the branch with **SME Cloud**. In 2013, we implemented the SME Cloud project as a first in the sector with only 10 customer advisors and limited transaction authority. By the end of 2022, it has become an organization that can meet 95% of the transactions made in the branch with 80 customer consultants. Kobi Bulut serves an average of 120 thousand customers per month and helps customers meet their needs.

Enpara.com plays an important role in providing access to banking products and services with the feature of being Türkiye's first branchless digital banking application, which offers all its services only through digital channels and shares the cost advantage created by being branchless with its customers with an uncostly and advantageous banking approach.

Our customers can access our banking products and services from anywhere without the need to go to the branch. Our customers can fill out the application form after downloading **QNB Mobile** from the application market of their phones and experience the convenience of being a member of QNB Finansbank quickly and securely with video call. You can [click here](#) to examine the advantages in more detail.

Since 2014 we have been offering discounts and special advantages for market and pharmacy expenses of retirement pension customers with our **CardFinans Emekli** credit card.

With **CardFinans TarımKart**, we offer farmers to meet all of their input requirements all year long and make payments once a year on the bank statement date they choose in accordance with the crop harvest season, since 2018. Additionally, our consumers can use the CardFinans TarımKart to make purchases from approved merchants and defer paying until the harvest season to take advantage of the interest-free period of up to 6 months. Farmers who have a CardFinans TarımKart can use any QNB Finansbank ATM to access installment loans with periods up to two years round-the-clock. Anytime they need money, they can use the ATMs and use their Overdraft Account. Farmers can also use the card to set up automated payment orders for their SSI and BAĞ-KUR premium payments, and they can pay off their monthly premium debts once a year during harvest. Farmers can use their cards to make payments at any time of the year and to make POS purchases or pay off installment loans if necessary. Additionally, users can choose the Direct Borrowing System (DBS) limitations for the principal businesses they do business with on a regular basis and make payments using the unique TarımKart DBS limit for those businesses.



In 2023, we will keep offering our clients goods and services that will advance the growth and modernization of the agricultural industry.

Renewable Energy and Energy Efficiency Financing

One of the most important requirements for the transition to sustainability is to increase the energy obtained from renewable sources by ensuring energy transformation, to create environmentally friendly energy systems and to encourage the transition to energy efficient technologies. Investments in renewable energy not only mitigate the consequences of climate change, but also support social progress by opening up new employment opportunities.

As QNB Finansbank, we continue to play a role in the sustainable and green transformation of the banking sector in our financing for sustainable development, and we prioritize renewable energy projects in project financing for electricity generation investments.

Self-Consumption Based Unlicensed SPP Financing

With the importance of unlicensed Solar Power Plant investments based on self-consumption in today's conditions, we provide financing support to Solar Power Plant investments through the self-consumption model developed by our Bank.

Unlicensed Electricity Generation Financing

With Unlicensed Electricity Generation Financing for the financing of environmentally friendly investments that contribute to the green economy, we provide financing support by quickly evaluating the demands of our Bank's customers.

Eco-Friendly Mortgage

In addition to the interest advantage in housing purchases with A and B Energy Class Certificates, we offer a 50% discounted loan allocation fee. Please [click here](#) for detailed information.

Eco-Friendly Vehicle Loan

In addition to the interest advantage on electric or hybrid vehicle purchases, we offer a 50% discounted loan allocation fee. Please [click here](#) for detailed information.

QNB Finans Asset Management Clean Energy and Water

Fund of Funds with the QNB Finans Asset Management Clean Energy and Water Fund of Funds, we aim to enable you to participate in the earnings of companies operating for a sustainable future through domestic and foreign funds and to benefit from the opportunity of return in the medium and long term. You can perform your fund trading transactions in all our branches.

Within the scope of the QNB Finans Asset Management Clean Energy and Water Fund of Funds strategy, we invest in global funds consisting of companies working towards renewable energy, water treatment, sanitation and preservation. We offer prospective returns in the long run via investing in clean energy and water themes.

The size of our clean energy and water fund portfolio, which can be described as a sustainable fund, is TL 128,138,074 as of the end of 2022.

Please [click here](#) for detailed information.

Responsible *Transformation*

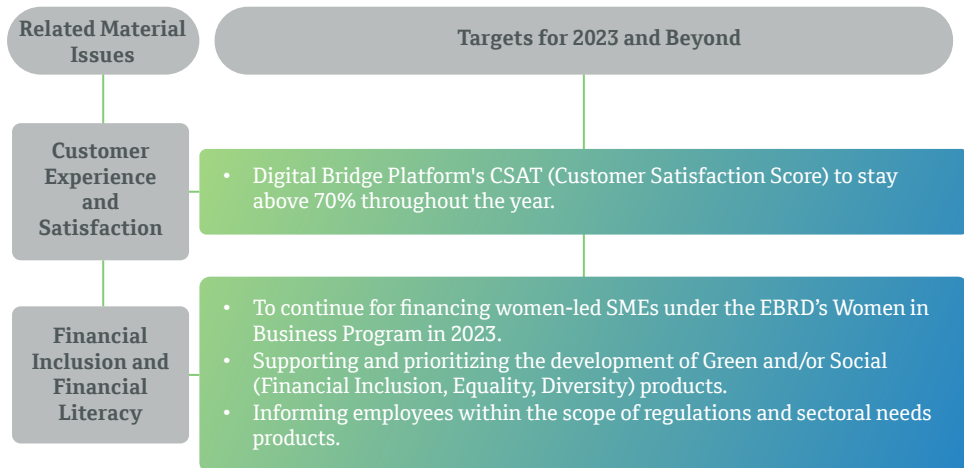
- 4.1 Customer Experience and Satisfaction
 - 4.1.1 Responsible Customer Communication and Marketing Activities
 - 4.1.2 Customer Privacy and Data Security
 - 4.1.3 Personal Data Protection and Management
- 4.2 Financial Inclusion and Financial Literacy

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4. Responsible Transformation

Material Issues	Related Capitals	Related Risks	Opportunities
<ul style="list-style-type: none"> Customer Experience and Satisfaction 	<ul style="list-style-type: none"> Human Social 	<ul style="list-style-type: none"> Operational Risk Environmental Risks 	<ul style="list-style-type: none"> More efficiency in operations Formation of new resource themes Increased value created by the Bank with Stakeholder Capitalism
<ul style="list-style-type: none"> Financial Inclusion and Financial Literacy 	<ul style="list-style-type: none"> Social 	<ul style="list-style-type: none"> Social Risks 	<ul style="list-style-type: none"> Sustainable development Transition risks financing Circular economy financing Inclusion and employment in vulnerable groups Increase in climate themed resources



4.1 Customer Experience and Satisfaction

At QNB Finansbank, we work with everyone who touches us within the framework of our mission, "To establish a lifelong partnership based on understanding the needs, creating the right solutions and satisfaction, while always aiming to succeed". As a reflection of this mission, we strive to ensure that we not only meet our customers' needs but also go beyond their expectations with our top-grade innovative services and products.

We attach importance to the satisfaction of our customers and try to fully understand their needs through all our communication channels. We improve ourselves in line with the feedback we receive from them. In order to follow our customers and customer satisfaction feedback in a multidimensional way, we follow categorizations such as gender base and act by measuring the retention of women customers in our businesses. Within this context, analysis of customer complaints to find the root causes and taking necessary actions are the main responsibilities of the Customer Solution Center (CRC). With our Customer Solution Center, we question and analyze the reasons for customer requests and complaints that reach our Bank and determine and follow-up action plans to proactively reduce the number of complaints. In addition, in order to resolve complaints and meet the demands of our customers at the first we contact and provide the necessary information immediately.

The **Customer Experience Office**, which we 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; continued to work in 2022 in accordance with the "Customer Experience Principles" approved by the senior management of our Bank. In our Customer Experience Office, we increased the number of customers who answered the NPS question through digital channels. In 2022, we started to make Net Promoter Score (NPS) measurements through digital channels as well, thus accelerating and facilitating our customers' feedback to our Bank.

Also, we launched **Customer Satisfaction Score (C-Sat)** measurements in addition to Net Promoter Score (NPS) measurements in 2022. Aforementioned measurements are made for different channels, products, and journeys, thus starting to report the satisfaction of our customers at the moment of truth. So now, we are able to respond to more specific problems of our customers immediately.

In 2021, we created a **Satisfaction Score Prediction Model** with the Bank's Customer Experience Office by integrating machine learning algorithms to our system together with analytical teams for predicting all individual customers' satisfaction scores. With this model, we measured the satisfaction levels of our customers who did not respond to satisfaction surveys and identified and reported 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".

As QNB Finansbank, our aim is to enhance 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 2022, 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.

Although the problems conveyed by our customers differ, "time and speed issues" were the most prominent issues in the customer messages. As QNB Finansbank, we focus on how we can support our customers to use their time more efficiently in their banking transactions and work on technology-oriented solutions; Q- Digital Intelligence is just one of them. In the upcoming period, we aim to maintain our customer focus by continuing to develop solutions that benefit from the power of technology, as with Q.

For more detail information about **Q-Digital Intelligence**, please refer to [Digital Transformation and Innovation](#) section of the report.

KPIs: Customer Experience

	2020	2021	2022
Net Promoter Score	48	51	55

4.1.1 Responsible Customer Communication and Marketing Activities

All information influencing our customers' decisions is provided to them at the outset of the business relationship in an open, transparent, and adequate manner, in line with our goal at QNB Finansbank to build strong and long-term business relationships with our customers based on mutual trust. Additionally, our marketing and communication activities are carried out in accordance with current regulations, our customer's expectations, and our Bank's policies and procedures.

As part of this strategy and our commitment to deliver consistent and high-quality service, we make sure that all our sales channels, including branches, internet banking, call centers, and direct sales, give customers accurate and comprehensive information about our goods and services. To prevent false information from being used in our marketing efforts, we also conduct control activities.

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

Responsible Customer Communication and Marketing Activities

	2020	2021	2022
Number of Incidents due to Non-compliance in Marketing Communications*	0	0	0

(*) Our Bank's framework policy on the subject is the information security policy. Compliance with this policy is audited by the Internal Audit Department, 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.

4.1.2 Customer Privacy and Data Security

In line with our commitment to ethical banking, sustainability strategy, and client-centered mindset, as QNB Finansbank, we place a high priority on protecting our customers' privacy and data security. For this reason, we implement comprehensive security measures in accordance with regulatory requirements, instances of national and international best practices, and the nature and scale of our activities. We regularly review and update our security policies, procedures, and systems in accordance with the highest industry standards to safeguard both our Bank and our customers from newly developing risks and security threats.

In order to provide a secure and uninterrupted service to our customers, to ensure cybersecurity and to prevent fraud, we conduct cybersecurity drills, conduct Social Engineering and Awareness Studies, and activate the SAS Fraud application. Apart from these, we have an ISO 27001 certificate, and we go through both internal and external audits every year in terms of compliance with the obligations of our certificate.

In addition to these precautions, studies are carried out to improve the knowledge and raise awareness of our customers and employees on cyber threats, fraudulent activities, and other data security risks through training, security bulletins, and warnings. Corporate and Personal Information Security training, which is held every year for our Headquarters and Branch employees, was assigned to 14,452 people this year.

4.1.3 Personal Data Protection and Management

Our 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 and fundamental right and freedoms of the individual protected in Article 17 and 20 of the Constitution, respectively. We give the security of personal information our utmost attention and continue our business, knowing that it's crucial to the success of all the goods and services we provide.

The basic principles of QNB Finansbank are the restriction of the use of personal data to banking transactions, the privacy of the individual whose data is processed, and the protection of fundamental rights and freedoms.

- The Bank processes personal data in accordance with the principles specified in the law, relevant legislation and the requirements of the rule of fairness and uses them within these limits.
- In consideration of the fundamental rights and legitimate interests of data subjects, QNB Finansbank makes sure the personal data it processes is accurate and current. The Bank carefully considers factors including the precise sources from which the data is collected, the correctness of which is validated, and the judgment of whether it has to be updated in this context.
- QNB Finansbank clearly and precisely determines the purpose of data processing and confirms that the purpose is legitimate. The processing of personal data is related to and essential for the financial services it currently provides, as well as the business or activity it engages in this context, according to the fact that the purpose is lawful.
- By avoiding the processing of personal data that is unrelated to the achievement of the purpose or that is unnecessary, the Bank makes sure that the personal data processed helps achieve the goals that have been set. The Law's requirements for processing personal data are often met when processing data to address potential future needs in the same way that processing would begin for the first time.
- In accordance with Banking Law no. 5411, Personal Data Protection Law No. 6698 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. QNB Finansbank uses technological resources and human resources integrated to ensure data security and takes the protection of customer privacy and data security as a mission in all data processing procedures.

4.2 Financial Inclusion and Financial Literacy

As a pioneering bank deeply committed to embracing the digital era, we prioritize creating an accessible environment for all stakeholders. We achieve this through our user-friendly interface and affordable services, empowering individuals to make well-informed decisions. To foster socioeconomic transformation, QNB Finansbank places particular emphasis on developing solutions, organizing workshops, and launching campaigns for customers who have limited access to our services.

Our primary objective is to reach a wider audience by consistently delivering fast and innovative banking solutions. We take responsibility for inclusivity, ensuring that customers with physical disabilities or those above a certain age are actively involved in social life as valued members of society. With this vision in mind, we currently operate 436 branches across multiple provinces and maintain 3,113 ATMs as of 2022. Through the Shared ATM project, initiated in collaboration with DenizBank and TEB in 2019, we strive to extend our services to a larger geographic area, providing free transactions to a broader population. In line with our commitment to the

community, all of our ATMs are equipped with Braille alphabet stickers for visually impaired customers, and they also feature headphone jacks for voice guidance. Furthermore, 121 ATMs are specifically designed for orthopedically handicapped customers. In addition to physical enhancements, we invest in training programs for our field employees throughout the year to improve both their and our customers' experience and knowledge, fostering positive change within our Bank.

Under our "Barrier-Free Banking" program, we have partnered with Blindlook, a social enterprise dedicated to developing equal and barrier-free services for the visually disabled. This collaboration enables us to provide vocal guidance to our customers through a text-to-audio converter and vocal description of ATM screens. Since its launch in early December, this service has already benefited 1,029 visually impaired customers in 2022. As a result of this integration, QNB Finansbank has proudly become an EyeBrand (barrier-free) brand.

As a leading institution in the banking sector's digital age, QNB Finansbank remains committed to facilitating access to financial services for corporate customers, entrepreneurs, and SMEs. We achieve this through a comprehensive range of products and services tailored to their specific needs, empowering them to make informed financial decisions. In 2022, our highlights revolved around the digital transformation of the Bank, including establishing new partnerships with women entrepreneurs and investing in digital banking channels. For detailed information regarding our extensive range of products and services, please refer to the ["Responsible Products and Services Tailored to Customers' Needs"](#) section of our report.

The Digital Bridge platform, which has been available on the web since 2019, extended its reach to QNB Mobile in the first quarter of 2022. Throughout the year, it continued to accelerate its efforts in digitally transforming SMEs and enterprises, becoming a pioneering platform for banking services in these institutions, which gained significant importance in the post-pandemic era. The platform provides digital solutions by creating an informative environment with its experts and offers fitting products and services to enhance business processes. In 2022, additional solutions we introduced such as customer relationship management, sales support, and ChatBot to further augment the platform's capabilities. Additionally, Digital Bridge has become the gateway to corporate digital banking for QNB Finansbank, establishing itself as a leader in "Platform Banking" in Türkiye.

By the end of 2022, over 270,000 companies were utilizing Digital Bridge for banking solutions, with more than 100,000 companies benefiting from digital solutions.

In 2020, Digital Bridge also launched the "Digital Bridge Academy," an educational platform enabling customers to learn how to use the platform's solutions and stay updated on digital transformation trends in the sector. Furthermore, to support our SME customers, we introduced NeoVade, an extension of the Digital Bridge platform that facilitates commercial communication between buyers and sellers, enabling them to create mutual offers, determine invoice payment maturity dates, and explore financing options. This initiative provides a streamlined and efficient alternative to conventional procedures, offering timely actions and simplified management.

	2020	2021	2022
Digital Bridge Customers (Digital Solutions Users)	49,404	70,855	113,572

We have introduced the Step-by-Step Export Program exclusively for our esteemed exporter customers, aiming to become a leading institution in global trade. This program offers a comprehensive range of high-quality services, solutions, and benefits to entrepreneurial businesses operating in the export and e-export industries, as well as those aspiring to enter international markets. It equips SMEs with special options and advantages, facilitating faster and more efficient international business operations. Within this program, customers can seek assistance and guidance from our qualified foreign trade advisors at QNB Finansbank, as well as from our solution partners in various domains such as market research, marketplace integration, training, customs, and logistics.

The Step-by-Step Export Program for our exporter customers comprises the following steps to support those venturing into product exportation for the first time:

- Free consultancy provided by our experts through the Digital Bridge Solution Center/ Step-by-Step Export Hotline (0 850 222 00 35)
- Foreign marketplace integrations and account management, encompassing market and country research, training, logistics and storage solutions, and customs and foreign trade services offered by our solution partners at advantageous prices
- Access to advantageous and customized banking products and services

In addition, we continue to extend exclusive privileges to our High-Income Segment and Private Banking customers through QNB First Digital. This specialized service caters to the unique needs of QNB First, QNB First Plus, and Private Banking customers, offering personalized offers aligned with their banking interests (such as deposits, investment products, credit cards, insurance) and non-banking services (including free or discounted books from QNB First Library, participation in the QNB First Loyalty Program, and special discounts on digital platforms like Netflix and App Store). As a testament to the success of this approach, mobile banking penetration among our High-Income Segment and Private Banking customers has increased by 83% in 2022.

We are proud to provide specific solutions and enhancements exclusively for our SME customers. The SME Banking Service Line (KOBİ Rahat Hat) is a dedicated service enabling SMEs to conduct all banking transactions via phone, except for cash deposits and withdrawals. This service ensures prompt support for our SME customers without the need to visit branches. Additionally, our “Financier 360” project, initiated in 2018, continues to provide online training to our SME Banking portfolio managers, enabling them to offer comprehensive financial counseling and services. We have ongoing initiatives to expand the scope of the SME Comfort Line, allowing for branch-exclusive transactions such as loan extensions.

Furthermore, we have collaborated with KOSGEB to support entrepreneurs through our “Entrepreneur, Young Entrepreneur & Women Entrepreneur Loans” program. As part of this initiative, we have provided assistance to 39 individual customers, offering specialized financial solutions tailored to their unique needs.

In summary, these programs and projects demonstrate our commitment to serving our customers with exceptional expertise, customized solutions, and a wide range of benefits, ensuring their success in international trade, supporting SMEs, and empowering entrepreneurs.

SME Finance Loan Portfolio by Segment (TL million) ^(*)	2020	2021	2022
Micro Enterprises	13,232	14,461	29,995
Small Enterprises	10,849	13,279	27,019
Medium-sized Enterprises	13,980	20,033	33,411
Total SME Loans	38,062	47,773	90,425

Number of SME Financing Customers	2020	2021	2022
Micro Enterprises	212,155	211,705	247,529
Small Enterprises	30,709	32,455	30,473
Medium-sized Enterprises	7,329	8,349	7,423
Total SME	250,193	252,509	285,425


Credit Guarantee Fund: SMEs and Entrepreneurship	2020	2021	2022
Amount of loans provided to micro enterprises (TL million)	1,144,169,743	100,582,515	209,174,289
Amount of loans provided to SMEs (TL million)	2,148,963,703	214,846,814	1,288,098,659
Loan portfolio provided to micro enterprises and SMEs (%)	53	47	16

^(*) **Micro:** number of employees are less than 10 and annual revenue between 0-10 mio as of 30 May 2023, 0 - 5 mio before 30 May 2023. **Small:** number of employees are less than 50 and annual revenue between 10 mio and < 100 mio as of 30 May 2023, between 5 mio and < 50 mio before 30 May 2023. **Medium:** number of employees are less than 250 and annual revenue between 100 mio and < 500 mio as of 30 May 2023, between 50mio and < 250 mio before 30 May 2023.



The Mass Banking newsletters are delivered to approximately 4.8 million customers every month to inform them about the saving tools and to enable these products to be used by the customers as they become known and needed.

In addition to all these features, the Bank also continued to contribute a comprehensive digital banking environment with additional transactions such as redirection to e-State, payment with a QR code, Istanbul Card top-up, and Money Transfer with Easy Address.

For all of our 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 technologies and changing customer expectations, please refer to  [Digital Transformation and Innovation](#) section of the report.

Operational *Transformation*

- 5.1 Business Continuity
- 5.2 Digital Transformation and Innovation
 - 5.2.1 Our Digital Channels Services with Enpara.com
 - 5.2.2 Our Contribution to the Entrepreneurship Ecosystem with QNBEYOND
 - 5.2.3 QNBEYOND Ventures
- 5.3 Environmental Impact of Operations
- 5.4 Responsible Procurement and Supply Chain

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OPERATIONAL
TRANSFORMATION



5. Operational Transformation

Material Issues	Related Capitals	Related Risks	Opportunities
<ul style="list-style-type: none"> Business Continuity 	<ul style="list-style-type: none"> Financial Intellectual Human 	<ul style="list-style-type: none"> Operational Risk 	<ul style="list-style-type: none"> Sustainable Development Operational Excellence Effectiveness
<ul style="list-style-type: none"> Environmental Impact of Operations 	<ul style="list-style-type: none"> Natural 	<ul style="list-style-type: none"> Environmental Risks 	<ul style="list-style-type: none"> Consulting services supporting green transformation Formation of new resource themes
<ul style="list-style-type: none"> Responsible Procurement and Supply Chain 	<ul style="list-style-type: none"> Nature Social 	<ul style="list-style-type: none"> Operational Risk Environmental Risks 	<ul style="list-style-type: none"> More efficiency in operations Formation of new resource themes
<ul style="list-style-type: none"> Digital Transformation and Innovation 	<ul style="list-style-type: none"> Intellectual 	<ul style="list-style-type: none"> Technology and Cybersecurity Risks 	<ul style="list-style-type: none"> Software Solutions Use of Robotic Automation Processes

Related Material Issues	Targets for 2023 and Beyond
Business Continuity	<ul style="list-style-type: none"> Continue efforts to keep IT infrastructure and systems up-to-date and optimized to support the existing risk measurement models, management methodologies, and analytical systems in all risk areas.
Digital Transformation and Innovation	<ul style="list-style-type: none"> In 2022, the rate of realization of financial transactions through digital channels have exceeded 93%. Our aim is to continue our efforts to increase this rate in the coming period. In 2023, we aim to continue the climate-friendly structure of our online platforms. To increase the rate of active customers of the digital platform, which was 78% in 2022, to 83% in 2023. In order to advance our activities under financial inclusion, it is planned to develop an offline chat infrastructure for SMEs and integrate this infrastructure into the Enpara.com mobile banking application, which is designed specifically for SMEs.

Related Material Issues

Targets for 2023 and Beyond

Environmental Impact of Operations

- To obtain ISO 50001 Energy Management System certificate for Kristal Tower and Ümraniye operation building in 2023.
- To increase the number of Hybrid Gasoline vehicles in the Bank's Vehicle Fleet in 2023.
- To develop cooperation with national and international initiatives for combating climate change.
- By the end of 2025, Solar Power Plant (SPP) installations are planned to be completed in order to meet the electricity consumption from the Bank's operations.
- Continue to measure Scope 1, 2, 3 GHG emissions of the Bank, and align the organization's operational carbon footprint with the Paris Agreement.
- Continue to source 100% of electricity consumption from renewable generation.
- Reducing total paper consumption by 20% in 2024.
- To form an internal auditor team for water pollution inspection within the scope of ISO14001.
- To update our equipment and switch to products that consume less water and generate wastewater.
- Transition to drinking water treatment devices in our headquarters buildings.
- Take all necessary steps to for managing energy consumption efficiently
- To continue using water-saving aerators on the faucets and switch to new-generation air conditioners in the branches to reduce the negative environmental impact.
- Continue to implement lighting sensors in various areas to enhance energy efficiency.
- In 2023, it is aimed to improve water hygiene, reduce glass waste, and reduce exhaust emissions in directly supplied water transportation by switching to water purification devices in QNB Finansbank Headquarters buildings, as in branches.

Responsible Procurement and Supply Chain

- In line with QNB Finansbank's responsible procurement approach, a new website will be designed, and an online platform will be launched to evaluate suppliers' environmental and social impacts in detail for all procurement processes. With the digitalization of processes, it is aimed to carry out the document follow-up of the sustainability criteria more transparently and systematically.
- Starting from 2023, we pledge to make our utmost efforts to increase the number of 'woman suppliers' in our procurement processes by up to 10% annually for the next 5 years.
- In 2022, ownership of legal environmental documents (EIA environmental permit, ISO 14001, waste declaration, zero waste certificate) began to be questioned in the supplier selection criteria in the procurement processes, and it is aimed to continue in the coming years.

5.1 Business Continuity

In the case of an unforeseen disruption, such as a cyberattack or natural disaster, business continuity is a process-driven strategy for keeping operations running. Business continuity planning considers processes, resources, personnel, and other components of the company; it is not only concerned with business systems and IT infrastructure. In accordance with the strategy and objectives outlined in its Business Continuity Policy and the significance that it placed on Customer Experience and Satisfaction, QNB Finansbank continues to provide service to customers even under the most challenging circumstances.

We have designed the Business Continuity Plan with the aim of protecting the Bank's assets, minimizing service interruption and data loss in the face of any event that may interrupt business continuity. Depending on the severity of the occurrence, either all or some of the Plan may be put into action. It covers emergencies at various levels, from minor incidents to large disasters. The table below is a summary of the phases in the business continuity plan.

Urgent Action	It includes urgent measures to be taken for the safety of employees, physical environment and infrastructure in the first minutes and hours following the events that prevent the Bank from continuing its normal operation.
Crisis Management	Disruption of the main activities of the Bank and/or events with corporate impact are considered as "crises". The crisis is managed from a strategic point of view with the participation of the top management.
Business Rescue	Due to the interruption of the Bank's regular operating operations during emergency actions and crisis management, the activity of recovering the goods, processes, and services would suffer severe harm in terms of finances, customer relations, legal duties, and image.

We have set targets in our Business Continuity Management Plan to protect and maintain our values and activities. The targets set are listed below.

Business Continuity Management Strategy and Objectives

- Protecting the life safety and health of employees
- Assess the extent of the event/threat
- Controlling the threat and assessing its consequences
- Activating alternative operations quickly
- Managing internal and external communications

You can find QNB Finansbank's Business Continuity Management Plan [here](#).

In order to ensure business continuity, we continued our activities in 2022 for the measures taken to manage operational risks. Operational risk is defined as the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems, or from external events.

All risks falling under the purview of operational risk, as well as business continuity management, must be defined, measured, monitored, and managed by the Operational Risk and Business Continuity Management Unit. According to Basel II recommendations, operational risks based on operational processes are identified by risk control self-assessment, categorized according to cause, event, and consequence categories, and major risks are addressed. Operational risk is the possibility of suffering a direct or indirect loss as a consequence of subpar or ineffective internal systems, people, or processes or as a result of uncontrollable externally factors. Furthermore, we conduct a thorough annual test of the Disaster Recovery Center with the involvement of the IT department and business units.

In this regard, we also provided a list of its Business Recovery Strategies and disclosed our strategy for ensuring business continuity in the case of any disaster.

Operational Risk Assessment	In case of interruption of all banking processes, products, services and other activities of QNB Finansbank; Business Impact Analyzes were carried out with all business units in order to determine the effects of financial, legal obligations, customer relations and reputation issues, and recovery priorities were determined for products/processes.
Information Technologies Backup Center	The systems, transaction data and other needs used by the Bank to carry out its activities are backed up at a different location in order to ensure business continuity in case of a disaster and for the Bank to continue its activities and are kept ready for activation in case of a disaster. The systems and hardware of the backup center are tested periodically.
Alternative Locations	Alternative locations have been developed for crises and unforeseen circumstances, and the hardware and information access systems required for various business units to go on with their operations have been implemented.
Archiving Documents	Financial statements and all kinds of records and negotiable documents that are required to be kept in accordance with the current legislation are kept in hard copy and/or electronic media for the period determined within the framework of the legal legislation.

5.2 Digital Transformation and Innovation

As QNB Finansbank, we are aware of the importance of pioneering and following the developments in digitalization and innovation, too. **“Becoming 1 with the World”**. We strive to develop our products, services and processes with an innovative and customer-oriented perspective in order to adapt to new developing technologies and changing customer expectations. We believe that the different services we will offer as a result of digital transformation will have a significant impact on customers’ choice of bank. On the way to digitalization, we aim to keep the experience at the best level by meeting the needs of our customers 24/7. We have made many technological investments in the past year with the aim of providing a personalized and comfortable banking experience. While 79% of our active customers at the Bank use QNB Mobile, the rate of financial transactions through digital channels has exceeded 93% as of this year. We will continue our efforts to increase this rate in the coming period. With all our efforts and investments, we made great progress to enable our customers to access many banking services from remotely.

We continued our preparations throughout the year in 2022 in order to be a part of Open Banking technology, which is a global banking tool. Thanks to this, our customers who have accounts in different banks do not have to switch between different bank applications. Instead, they can monitor all their bank accounts on a single screen on QNB Mobile and transfer money from their desired accounts.

For those who are not our customers, we offer the opportunity to become a member of QNB Finansbank easily and quickly through the remote customer acquisition process, without having to go to the branch. Our potential customers can complete their identity verification processes by making video calls via our banking application QNB Mobile and become our customers from anywhere. In 2022, more than 200 thousand people became our customers successfully, without the need to go to the branch and without the need for a wet signature via QNB Mobile.

We continued to develop many digital innovations such as withdrawing and depositing money with QR, payment function with NFC (contactless mobile payment) and opening an account with video call via QNB Mobile at ATMs. In addition to all these features, we continue to offer our customers a comprehensive digital banking experience with transactions such as easy transition to e-Government, loading TL to Istanbulkart, and Money Transfer with Easy Address.

As a digital payment solution, we implemented Mobile Contactless Payment functions as of the second quarter of 2021, and QR Code Payment functions as of the last quarter of 2021, with our Bank’s individual credit cards. The use of these new generation payment methods by our customers accelerated in 2022. In addition, with the digital card infrastructure that we launched in 2022, we enabled our customers to use their cards instantly on physical POS devices with QR Code Payment and Mobile Contactless Payment, immediately after their card applications are approved.

QNB Wallet, one of our digital payment options, has been a solid part of our digital transformation journey with an efficient and user-friendly solution for accessing our financial services, with a

card saving feature offered by Masterpass. Plus, our customers can track all Swift transactions step by step with the Swift Inbound Tracking with an additional option via the corporate website for our corporate customers to track their incoming and outgoing swift transfers.

As QNB Finansbank, in 2022, we allocated ample resources and time to innovation studies that will serve the finance sector, especially artificial intelligence, machine learning and big data analysis. We serve our mobile banking customers with our artificial intelligence-based Digital Assistant Q. Q is a smart digital assistant that enables QNB Finansbank to offer the “personalized customer representative” service to all their customers, which other banks only offer to a certain customer group.

Q is being developed in-house. With our dedicated teams (product management, data science experts, software development team) we are constantly developing and adding new functions, scenarios and features to Q. One of the most important developments made in this sense in 2022 was the integration of the National Language Processing (NLP) model we developed in-house into Q. In this way, we brought the rate of Q’s correct understanding of what was said closer to one hundred percent. We also revised our model that detects anomalies in bill payments. Our new model is in the process of being integrated into the system, and we are continually adding many other functions, features and scenarios like this to Q.

Since 2019, when we launched the Digital Bridge, we have been periodically analyzing the needs of companies and offering them digital solutions on our platform to help them on their digital transformation process. Doing this, we became the pioneer of Platform Banking in Türkiye, known as “banking as a platform”, where companies can meet both their banking and all other digital transformation needs.

As of 2022, Dijital Bridge Platform became a single gateway for both internet and mobile banking applications of the Bank. This strategy helps companies to accelerate their businesses by observing both their banking transactions and digital solutions in a single platform. At the end of 2022, 270 thousand customers reached our corporate digital banking channels through the Digital Bridge Platform, while more than 100 thousand customers used various digital solutions served by Digital Bridge. According to the customer satisfaction survey on the platform that answered by 57,857 people, Digital Bridge is in the 4th place out of 5. This clearly shows us how satisfied our customers are with Digital Bridge solutions, services and the platform.

As another pioneering innovation, in 2022 we started to implement electronic letter of guarantee for the first time in Türkiye. Companies started to use letter of guarantee quickly and easily via QNB Finansbank Internet Branch and Mobile Application on the Digital Bridge Platform, without any need to go to a branch. In 2022, we further enhanced the customer experience with Digital Bridge, which currently offers many solutions from 14 different fintechs in the fields of e-transformation, e-commerce, finance and management, as well as banking, by adding new solutions such as customer relationship management, sales support and chatbot to the platform. Also, price advantages of digital solutions offered on the platform support companies to allocate their budget and time more efficiently for their businesses.

Digital Bridge, is an award-winning platform for SME clients. This platform serves sustainability through supporting digital transformation and providing customized solutions to underserved SME segment clients. In line with our understanding of inclusive sustainability, Digital Bridge creates value for sustainability both as a provider of unprecedented support to SME segment clients and as an environmentally-friendly digitalization tool.

The Digital Bridge Platform was once again awarded in the category of “Europe’s Best Innovative Bank” at World Finance 2021, which is one of Europe’s most prestigious awards, while ranking first in the “Best Digital Strategy” Category at the “European Customer Centricity Awards”, a major customer experience competition in Europe. Digital Bridge platform also ranked among the top 10 banks under the “Top Innovations in Corporate Finance” Category within the scope of Global Finance “The Innovators 2021”.


With our Digital Bridge Platform, we won 6 international awards in 2021 and 3 international awards in 2022 as the pioneer of ‘Platform Banking’ in Türkiye.

Please  [click here](#) to access our Bank’s awards on our website.

Due to the disruptive offers of digital solutions, 20% of customers those apply to Digital Bridge are new customers to the QNB Finansbank.

As QNB Finansbank, we have enriched our QNB Mobile application with new functions to make our customers’ lives easier and meet their financial needs easily from wherever they are. We regularly communicate both new and existing functions to customers via email, PN (notification) and SMS. In addition, as a result of the video call to be made after the application form to be filled through our QNB Mobile application, our customers can open an account at our Bank and then start using our digital channels.

Digitalization journey of the Bank that started in previous years continued with systemic improvements and automation of processes.

- With the efforts to increase its usage, digital approval rate of digitally approvable documents in retail and corporate customers has reached 91%.
- Deep learning algorithms started to be used in the check entry process, Automation of processes were achieved by using robotic process automation (RPA) to make services faster, efficient and higher quality for internal and external customers, and completed studies regarding 46 processes.
- Internal Chatbot development was completed in order to enable Bank employees to access any necessary information, documents, guidance, and instructions via a single platform which are currently distributed over several platforms.
- Digital Approval Platform was established to increase the product range and services of digital approval. A website,  onay.qnbfinansbank.com, was built and customers can access

the platform either through their personal electronic devices or Tablet Computers called ‘Smart Screens’ located in branches. As of today, the Platform includes 40 processes and 5 channels (Smart Screens, Internet Banking, Mobile Banking, ATM and onay.qnbfinansbank.com) promising a fast, easy-to-use, effective multichannel experience.

Studies will further continue to improve existing processes in 2023.

5.2.1 Our Digital Channels Services with Enpara.com

Enpara.com, which we launched in 2012, is Türkiye’s first branchless digital banking service that offers all its services only through digital channels and shares the cost advantage of being branchless with its customers with an inexpensive and advantageous banking approach. With Enpara.com, we reached a total of 4.2 million individual customers with a growth of 40% in 2022. Since 2016, we have been providing services to SMEs under the brand of Enpara.com My Company. While our customer growth in this segment has been 48%, our total number of customers has reached 147.5 thousand. After the remote customer acquisition arrangement with live video call that was implemented in 2021, Enpara.com became the bank that gained the most customers through this channel. In 2022, the share of remote customer acquisition in Enpara.com’s total retail customer acquisition reached 64%. The Net Promoter Score of Enpara.com in 2022, which received numerous customer thanks throughout the year for its customer-friendly approach, simple designs and easy use, our field team visiting our customers all over Türkiye, our Solution Center where customer advisors can be reached in 30 seconds, is as always.

Net promoter score of Enpara.com was 79%, well above the industry average.

5.2.2 Our Contribution to the Entrepreneurship Ecosystem with QNBeyond

As QNB Finansbank, we established QNBeyond as an innovation center in 2018. QNBeyond consists of 4 fundamental units; innovation laboratory, in-house entrepreneurship program, acceleration program and QNBeyond Ventures. The innovation laboratory is the unit where the experimental projects of our Bank are carried out and implemented. Its most important and widely known project, which is also the reason for its emergence, is Q. Q is a digital assistant that knows its customers very well and keeps track of their financial transactions and reminds them, saving them the trouble of tracking their banking transactions.

With our in-house entrepreneurship program, we aim to spread and support the culture of innovation within the institution and to strengthen the competitive position of our Bank with cutting-edge products and services. This program, under the name of Idea Camp, has been providing an incubation environment that allows employees to bring their creative ideas to life since 2018.



Projects we have implemented in 2022 within the scope of Idea Camp;

Kiralarsın, a platform where technological devices can be rented, spin-offs from our Bank with different investments and has become an independent company of which the idea owner is the founding partner. Kiralarsın.com is one of the ideas that went through QNB YÖNÜD Idea Camp and was actualized by a QNB Finansbank employee with the support of the Bank. It was established in 2021 as an in-house entrepreneurship project and signed an official agreement with the Bank in October 2021, offering its users a rental business and a sharing economy model, where they rent electronic devices for a limited period of time without purchasing them. With this service, QNB Finansbank not only supports in-house entrepreneurship but also provides resource support to a service that provides the first carbon-neutral delivery in Türkiye.

İsrafvar project, which is one of the finalists of the Idea Camp and aims to create a platform where employees can report the inefficient usage they see within the organization, started to be projected.

Beyond Thinkers Community was created to both nurture the program and create a graduate spirit among the employees participating in the program. The community is supported by weekly newsletters compiled from news about the startup ecosystem, periodic workshops, and conversations with guests from startups. Apart from these, it is aimed to create synergy with universities by organizing workshops and trainings with the students of universities that have entrepreneurship clubs from time to time.

Mono App is also one of the winners of the QNB YÖNÜD Idea Camp Program. The purpose is to regulate communication between valuable brands and customers. Mono App users receive mobile notifications from brands they would like to see and earn mono points for each notification they receive. Mono points can also be transferred to QNB Finansbank accounts as TL. Therefore, as QNB Finansbank, we do not only raise awareness but also provide services that contribute to GHG reductions.

With the acceleration program, startup collaborations are made within the scope of our open innovation activities where they can grow and learn together in this collaborative environment. A total of 35 startups graduated from the program, which left 4 terms between 2019-2022, and 28 collaborations were realized.

5.2.3 QNB YÖNÜD Ventures

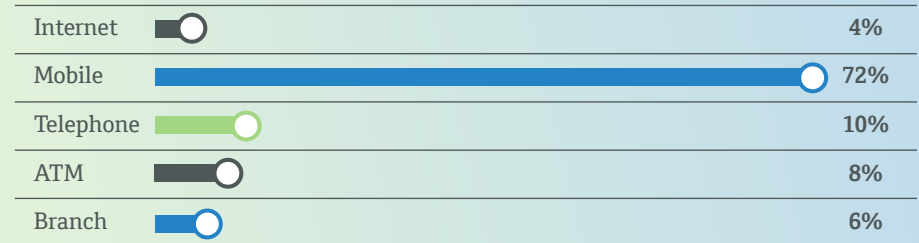
QNB YÖNÜD Ventures is a USD 15 million Institutional Venture Capital Investment Fund investing in early-stage technology startups and Venture Capital (VC) funds in Türkiye and globally founded in 2020. While aiming to have an advantageous position where we can adapt to the future structure of banking, we also aim to enrich our R&D activities, reduce risk against competition and understand innovation trends, emerging technologies and business models. So far, a total of 10 startups have been invested in, 7 of which came out of the accelerator program.

Invested startups included;

- Kassa, a P2P e-wallet,
- KolayBi, a cloud-based accounting software for SMEs,
- ikas, an e-commerce platform for SMEs
- Pisano, an omnichannel customer experience management platform
- Ango, a data tagging platform for AI teams
- Magnetiq, a digital ad management platform for SMEs
- Debite, an alternative credit and finance management platform for early-stage companies
- FirstBatch, a privacy-preserving personalization platform
- Kiralarsın, an e-commerce store for renting consumer electronics
- HockeyStack, a unified analytics and attribution for B2B companies

In 2022, Kassa, KolayBi and ikas marked up their valuations with following rounds joined by local and global investors.

Number of Transactions by Channels in 2022



Number of Active Digital Customers



Digitalization	2020	2021	2022
Number of Active Digital Customers	3,434,471	3,971,558	4,748,639

Number of Transactions by Channels	2020	2021	2022
Internet	80,747,925	71,879,237	70,711,581
Mobile	326,854,022	698,993,068	1,367,821,094
Telephone	174,678,380	187,425,067	190,810,388
ATM	151,445,467	124,490,808	154,748,251
Branch	107,745,775	102,704,239	110,679,473

5.3 Environmental Impact of Operations

As QNB Finansbank, we continue our efforts to integrate our environmental awareness into our entire operational process efficiently. We take notable steps on the Environmental Impact of Operations, which is among our top material issues, and contribute to natural capital. Being aware of the increasing importance of the climate crisis, we take actions to responsibly manage our environmental footprint resulting from our direct and indirect environmental impacts. Apart from these, during the reporting year, there was no penalty for violation of environmental laws.

In 2022, our three headquarters buildings obtained TÜVSÜD-approved ISO 14001 Environmental Management System certificates. The number of our employees in these buildings corresponds to 20% of all our employees. We closely monitor our environmental and social risks through our [Environmental and Social Risk Management Policy](#), which was established in 2021, is available on our website.

As of the end of 2022, environmental protection investments made by QNB Finansbank are TL 6,301,610.

Our climate transitioning plan, which in line with the Paris Agreement and 1.5 degrees scenario, to transition to a low-carbon economy is based on a double-materiality approach, in which we focus on the direct and indirect impacts of our operations on the environment; we are cognizant of the significant impacts that can arise from our operations, and we are committed to monitoring and mitigating these effects. As part of our efforts to enhance operational efficiency and reduce the environmental footprint of our activities, we continually strive to develop innovative methods

and implement best practices. Recognizing the severe threat posed by plastic pollution to both the environment and future generations, we acknowledge that plastics exert adverse impacts on people and ecosystems throughout their entire life cycle, from extraction and production to use, recycling, and disposal. These impacts encompass diverse realms such as biodiversity, climate change, human health, and human rights. Consequently, we have conducted a comprehensive assessment of our direct operations and supply chain to evaluate plastic usage, while also reviewing the potential environmental risks and human impacts associated with it.

Waste Management

In 2022, we initiated the Zero Waste Project, aimed at assessing and managing operational waste. Following the Zero Waste System Installation methodology prescribed by the Ministry of Environment, Urbanization, and Climate Change, we meticulously mapped all waste generated within our main buildings. We are implementing a zero waste management project in 3 headquarters buildings and in 2022 we built a temporary waste warehouse in those buildings. Subsequently, we applied for the “Zero Waste Certificate” in 2021, and as a result of our endeavors in 2022, we successfully reduced plastic consumption. This included the prevention of 62.5 tons of plastic in branches, 2.6 tons of plastic glasses, 1.0 ton of PET bottles, and 35.0 tons of plastic carboys at the head office. Additionally, by eliminating individual trash cans, we prevented the consumption of 1.3 tons of plastic.

An environmental engineer with an environmental officer certificate certified by the Ministry of Environment, Urbanization and Climate Change is responsible for waste management at the head office of our Bank. There is a separate environmental and waste officer at each head office location reporting to the environmental engineer. As of the end of 2022, 2 hours of training were given to 3 waste officers at their own locations.

Beyond our environmental initiatives within branches and offices, we took the step of discontinuing the printing of 50,000 calendars, a long-standing annual practice, which prevented the felling of 595 trees and the emission of 30 tons of greenhouse gases. Moreover, we voluntarily offset approximately 1,290 tons of carbon emissions associated with the Executives Meeting held in Cyprus in 2022.

Furthermore, our commitment to energy conservation is evident through our ongoing efforts to upgrade heating systems in our branches, ultimately resulting in energy savings. Additionally, we have made significant progress towards paperless banking which has enabled us to conduct 95% of transactions without the need for paper through our Digital Confirmation Platform. Embracing digital transformation, we strive to minimize paper usage and promote a more sustainable banking experience.

Water Efficiency

Water related issues are integrated into our long-term business objectives. One of the direct water use objectives in our strategic business plan is reducing water withdrawal and consumption in branches. Another business objective in the Bank's strategic business plan is the indirect use of water in relation to the projects to which credit is given. Recognizing water as a vital resource, we have implemented various projects within our branches and offices to promote water

efficiency. As with all environmental and sustainability activities of our Bank, all activities on water efficiency are audited by the Sustainability Committee and followed within the scope of our [Sustainability Policy](#). Through our dedicated efforts throughout the year, we successfully reduced water consumption by 1,750 tons, and with the environmental drainage system of Crystal Tower, an average of 4,000 m³ of water is recovered annually. The recovered water is used for car washing and gardening.

Moreover, we are fully aware of the potential environmental risks associated with our operations, particularly concerning water-related challenges. To mitigate these risks, we closely monitor and identify water-stressed areas using tools and standards such as WRI Aqueduct, Environmental Impact Assessment, regional government databases, materiality assessment, and nation-specific databases. The outputs of these assessments are integrated into our internal decision-making processes. Materiality assessment, conducted in collaboration with internal and external stakeholders, enables us to plan water management strategies at the facility level and effectively manage our portfolio. In this direction and also within the scope of the QNB Finans Asset Management Clean Energy and Water Funds strategies, we analyze the water-related risks and opportunities of the projects we provide loans to reduce our negative environmental impacts. It is very important to evaluate the risks related to water, especially in Türkiye, where operations are carried out and facing water scarcity and drought.

Energy Efficiency and Renewable Energy

We have also undertaken several initiatives to enhance energy efficiency within our Bank. As of 2022, there is no renewable energy production within the Bank's operations; but we pay attention to the effective use of current resources by selecting environmentally friendly devices for electrical and mechanical projects, increasing our utilization of renewable energy sources, and implementing automation systems to monitor and control our buildings. Also, in our relocated or newly opened branches, efforts are being made to transition to Roll-out split and VRF air conditioners (new generation air conditioners with high efficiency) and LED lighting systems. In 2022, the total conversion of Roll-out split and VRF air conditioners in all branches was 64% and the transition to Led lighting systems was 40%. Through our dedicated efforts and investments in energy management, we are working towards obtaining the ISO 50001 Energy Management System certification. By implementing Productivity Increasing Projects, we have substantially reduced our environmental impact by decreasing Datacenter cooling energy consumption is 2,061,622 KWh. We have also proactively replaced outdated air conditioner models in our branches with high-efficiency alternatives and continue to utilize LED lighting fixtures.

In 2022, we provided 100% of our total electricity consumption, amounting to 56,000 MWh, from renewable sources.

Our Carbon Footprint

As QNB Finansbank, we remain dedicated to implementing environmentally conscious practices throughout our organization. By continuously evaluating and improving our operations, we aim to reduce our environmental impact, conserve resources, and contribute to a sustainable future. Carbon footprint measurement is one of the most important issues to demonstrate our Bank's ambition for climate change performance and contribution to a sustainable future. We are taking

pioneering steps in this regard with our perspective of **"Becoming 1 with the World"** vision and within the scope of the conscious work we carry out. We have been measuring our carbon footprint since 2019 and have it verified since 2021. As a part of our low-carbon transition plan, we're planning to transform our Bank vehicle fleet with more environmentally-friendly options (hybrid, plug-in hybrid, fully electric). This transformation will proceed incrementally, and it will result in us with reduced direct costs of our fuel consumption and reduced Scope 1 emissions. In 2022, we have a fleet of 1,466 rental vehicles in total and hybrid vehicles account for 18% of the total number of vehicles.

We act with the awareness that managing our carbon footprint for a livable world and future is an important step in combating climate change, and we support renewable energy transformation with our products and services.

For detailed information about our products and services, please refer to [Responsible Financing, Products, Services and Sustainable Investments on Integrating ESG Criteria](#) section of our report.

We are proud to announce that since 2021, we have achieved certification through the International Renewable Energy Certificate (IREC), ensuring that all the electrical energy consumed at our headquarters and operations is sourced exclusively from renewable sources. This commitment allows us to effectively neutralize our greenhouse gas emissions (Scope 2) resulting from our activities. Building on this accomplishment, in 2022, we furthered our carbon-neutral approach by investing in offsetting our carbon footprint associated with the transmission of electricity to our data centers (Scope 3). This was accomplished through voluntary carbon credits directed towards a Wind Energy project.

As part of our ongoing efforts, we have taken steps to ensure our digital platforms align with our climate-friendly goals. This includes optimizing the environmental impact of our corporate and retail online banking platforms such as QNB Finansbank's website, Enpara.com, Digital Bridge, Neovade, QNB eFinans, Finans Yıldızı and QNBeyond. By integrating environmentally friendly practices and supporting wind power plant projects, we actively contribute to the reduction of greenhouse gas emissions.



Please see the below table for the details of our [Environmental Impact of Operations](#).

KPIs: Environmental Impact of Operations	2020	2021	2022
Scope 1	9,128	14,950	14,786
Scope 2 ¹	33,326	0	0
Scope 3 ² (from business travel and waste) (tCO ₂ e)		24,870	20,921
Total (Scope 1 + Scope 2) (tCO₂e)	42,454	14,950	14,660
Emission Intensities			
Emission per employee (tCO ₂ e/number of employees)	3.67	1.37	1.28
Emissions according to consolidated asset size (tCO ₂ e/TL million)	0.18	0.04	0.02
Emissions according to consolidated asset size (tCO ₂ e/USD million)	1.33	0.51	0.45

Scope 2: Includes indirect emission calculations related to the generation of imported/purchased electricity, heat or steam.

Scope 3 emissions: Includes emissions that result indirectly from a company's operations (excluding those specified in Scope 2). This includes all process emissions "upstream" and "downstream".

KPIs: Environmental Impact of Operations	2020	2021	2022
Consolidated emissions by net profit (tCO ₂ e/TL million)	15.41	3.83	0.86
Consolidated emissions by net profit (tCO ₂ e/USD million)	108.03	34.21	14.20
USD/TL (eop)	7.34	12.98	18.70
USD/TL (average)	7.01	8.94	16.56
Total Electricity Consumption (GJ)²		182,943	185,944
Total Electricity Consumption (kWh)²		50,817,463	51,651,164
Total Natural Gas Consumption (m3)²		1,742,025	1,458,742
Coal Consumption (kg) ²		17,980	8,500
Diesel Consumption (generator)(lt) ²		59,810	49,017
Diesel Consumption (heating) (lt) ²		19,504	18,613
City Water (m3)		101,245	113,036
Drainage Water ^{3, 4}	R12	R12	R12

KPIs: Environmental Impact of Operations	2020	2021	2022
Waste Water ⁴		101,245	113,036
Fuel Consumption of Company Vehicles (Diesel)	1,791,922	1,150,688	449,780
Fuel Consumption of Company Vehicles (Gasoline)	520,905	1,610,009	2,824,421
Paper Consumption (Number of A4 balls)		37,616	35,910
Total Amount of Waste (ton)	9.10	26.15	35.71
Amount of Domestic Waste (ton)		10.80	11.00
Amount of Hazardous Waste (kg)	4.500	7.500	12.500
Fluorescent Lamp (ton)	0.10	0.00	0.30
Amount of Medical Waste (ton)	0.10	0.40	0.50
Reject and Equipment Containing Dangerous Substance			2,600
Grease Filter (ton)			0.15
Motor Fluid (lt)		2.70	3.50
Antifreeze Liquid (lt)			2.00
Total Amount of Recycled Waste (tons)		60	92
Amount of Recycled Paper (ton)			61.50
Plastic (kg)		5	7
Metal (kg)		3	4
Glass		10	15

¹ Since the electricity consumption is IREC certified, Scope 2 emissions are calculated as "0".

² It is the sum of three Headquarters Buildings, Regional Offices and all branches.

³ Headquarters building Kristal Kule irrigation tanks rain water is collected and used for vehicle washing and gardening. The tank volume is 10 tons and the number of filling and emptying cannot be calculated since there is no separate water clock (R12=Recovery).

⁴ Water withdrawn = water discharged (domestic quality, does not contain industrial waste water)

Biodiversity

At QNB Finansbank, we prioritize the management of risks and issues associated with biodiversity at both the board and executive levels. Our Bank is implementing QNB Group's Sustainable Finance and Product Framework, which has approved by the board. This framework enables us to evaluate project finance loans with regard to their impact on biodiversity.

The Sustainable Finance and Product Framework encompasses key performance indicators (KPIs) for the financing sectors covered by the framework. For instance, within our Sustainable Finance and Product Framework, renewable energy derived from biomass is included only if the biomass source is certified, while feedstocks originating from high biodiversity areas, those that deplete terrestrial carbon pools, or those that compete with food production are excluded. Similarly, forest, forestry, and fishery financing are classified as green bonds if they adhere to certifications such as Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC), Marine Stewardship Council (MSC), or Aquaculture Stewardship Council (ASC).

In addition to the Sustainable Finance and Product Framework, we have established an Environmental and Social Risk Management Policy, as well as an Environmental and Social Risk Management Tool. These frameworks have undergone review by our Risk Committee and Corporate Governance Committee, receiving approval from the board. To assess environmental risks, including those related to biodiversity, we have incorporated additional questions into our risk management processes. These questions address various aspects, such as whether the company has identified and assessed the impacts on biodiversity resulting from its operations, whether the company operates in legally protected areas, and whether the company has identified any potential introduction of alien species through its activities. Moreover, we inquire about independent verification or certification of the company's practices.

By integrating these frameworks and assessments, we ensure a comprehensive approach to managing risks and promoting the conservation of biodiversity in our operations.

5.4 Responsible Procurement and Supply Chain

QNB Finansbank remains steadfast in its commitment to Responsible Procurement and Supply Chain, which we consider a pivotal aspect of our material topics. With a deep understanding of the environmental, social, ethical, and reputational risks associated with procurement, we prioritize these considerations in our purchasing decisions. By doing so, we proactively mitigate supply chain risks and ensure that our procurement practices do not have adverse effects on the environment, society, or our Bank's reputation. Recognizing the importance of fostering long-term, value-driven collaborations with our suppliers, we approach our relationships with caution and sensitivity, placing great emphasis on mutual trust as the foundation of our interactions. Through these efforts, we aim to forge sustainable and mutually beneficial partnerships that contribute to the overall success and responsible growth of our organization. As an indicator of the importance we attach to diversity and equality within the Bank, we also run a supplier diversity program that includes our women suppliers. In addition, we ensure that our suppliers

receive training on a common platform by directing them to the conferences held by TEDAR (Supply Chain Management Association) on combating climate issues.

Within this scope, in 2020 our purchasing practices were reviewed as part of our Sustainability Policy, and a Special Sustainability Clause was formed to be added to our supplier contracts to ensure that suppliers embrace the same environmental and social responsibilities as we do, undertake to develop practices accordingly, and in compliance with our sustainability goals. We expect our suppliers to prioritize the sustainability approach and carry out their activities in line with the principles of combating the climate crisis while taking our [Sustainability Policy](#) as a reference and acting according to this commitment with the awareness of social responsibility of protecting the environment. Other than that, regarding our commitments to [Precious Metals Responsible Supply Chain Compliance Policy](#), we will immediately suspend or discontinue engagement with our manufacturing suppliers when a serious risk is identified that manufacturing suppliers are sourcing from or linked to any party committing serious fraud and abuses.

As part of the agreements, our suppliers are obliged to comply with the legislation in force (anti-bribery and anti-corruption, competition, environment, occupational health and safety, personal data processing and protection, intellectual and ownership rights, etc.) and contractual obligations. With these agreements, we expect our suppliers not to employ children contrary to labor legislation in force under any circumstances, and 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. We reserve the right to terminate our business relationships with our suppliers that do not accept compliance with the policies stated above and/or fail to make improvements within the specified period, and as a result of this year's supplier audits, we did not terminate our relationship with any of our suppliers.

We added mandatory sustainability criteria to the contracts of 45% of our suppliers in the service sector.

KPIs: Responsible Procurement and Supply Chain

	2020	2021	2022
Local procurement spend (%)	95	95.5	96


	2020	2021	2022
Total Numbers of Suppliers Engaged	1,570	1,599	1,905

Our third-party risk management demands all our suppliers to respect human rights and establish a clean and safe working environment for their employees. This includes prohibiting forced labor, child labor or discrimination and paying appropriate wages. We also engage and collaborate with suppliers to ensure sound practices to minimize adverse external impacts. In our procurement processes, we give priority to the selection of suppliers, which are competitive, offer high-quality services, have a high reputation in the market and have the ability to assess and manage their own risks. We show utmost effort to minimize the environmental and social effects of the products and services, we purchase, and allocate extra budget for this purpose.

We measure the success of the engagement with our suppliers by the percentage of suppliers with sustainability principles added to contracts. This engagement activity led us to choose more climate-aware suppliers and raise awareness for climate-related sustainability issues. We work with multiple suppliers therefore sustainable engagement is crucial and has the power to impact a good change. Our process of increasing supplier coverage expands gradually, and, we aim to cover all of our suppliers in the coming years. As of 2022, the percentage of suppliers with **sustainability principles in the contracts was 45%.**

Compliance with our sustainability clauses also encourages sustainable operations that would reduce GHG emissions. Additionally, in line with the **14001 certification process, educational training focused on environment and sustainability is given to 9,411 employees with the accomplishment rate of 83% in 2022.** Also, the paper used in our operations has been reduced by 81% since 2015 due to digitalization in banking processes; we have investigated the FSC certificate for our suppliers for the printed materials and paper used. Around 80% of our printed materials suppliers has acquired the FSC certificate. We have supplied ATM and POS rolls which have been manufactured with BPA-Free paper since 2021 (maintained from industrial forests).

In addition to engagement with customers and suppliers, public and employee engagement on climate change is also of great importance for QNB Finansbank.

For detailed information about public and employee engagement, please refer to  [Transformation of Finansçı](#) section of our report.

Transformation of Finansçı

- 6.1 Talent Attraction, Employee Development and Engagement
 - 6.1.1 Human Resources, Planning and Recruitment
 - 6.1.2 Performance Management
 - 6.1.3 Talent Improvement and Management
 - 6.1.4 Engagement and Reward
 - 6.1.5 Operational Health and Safety
- 6.2 Equal Opportunity, Diversity and Gender Equality
- 6.3 Investments in Society and Community
 - 6.3.1 Volunteer Financiers
 - 6.3.2 Sponsorships

Contents



TRANSFORMATION
OF FİNANSÇI

6. Transformation of Finansçı

Material Issues	Related Capitals	Related Risks	Opportunities
<ul style="list-style-type: none"> Talent Attraction, Employee Development and Engagement 	<ul style="list-style-type: none"> Human Social 	<ul style="list-style-type: none"> Social Risk Reputational and Human Resources Risk 	<ul style="list-style-type: none"> Inclusion and employment in vulnerable groups
<ul style="list-style-type: none"> Equal Opportunity, Diversity, and Gender Equality 	<ul style="list-style-type: none"> Human Social 	<ul style="list-style-type: none"> Social Risk 	<ul style="list-style-type: none"> Inclusion and employment in vulnerable groups
<ul style="list-style-type: none"> Investments in Society and Community 	<ul style="list-style-type: none"> Human Social 	<ul style="list-style-type: none"> Social Risk 	<ul style="list-style-type: none"> Stakeholder Capitalism Supporting Developing Regions Awareness Studies

Related Material Issues

Targets for 2023 and Beyond

Talent Attraction, Employee Development and Engagement

- In 2023, QNB Finansbank aims to support its recruitment process by implementing employer brand management, workforce management, analytics, and business development projects. These initiatives are intended to attract talented individuals to the Bank
- To promote gender equality, QNB Finansbank aims to ensure the continuation of equal distribution of women and men candidates in the recruitment process.
- In 2023, it is planned to provide e-learning programs on sustainability and gender equality to all employees.
- It is aimed to increase the satisfaction rate of e-learning provided to employees for 2023 and beyond.

Related Material Issues

Targets for 2023 and Beyond

Equal Opportunity, Diversity, and Gender Equality

- Continue to be listed in the Bloomberg Gender Equality Index (GEI) in 2024.
- We aim to reduce our pay gap ratio by 3.57% at the end of 2023 and by 7.40% in the following year by increasing the representation of women in management positions, and we will continue to decrease this ratio every year.
- We target to increase Women in Engineering & IT roles in our total workforce.
- To promote awareness and the use of inclusive language in the workplace, we aim to increase knowledge and awareness of gender equality, including preventing Unconscious Bias, Sexual Violence, and Harassment, by providing training on these topics from 2022 to 2023 for all our financial employees.
- We target to make discount agreements to support the education of employees who have children between the ages of 2.5 and 5.5 years from 2023 for three years.

Social and Community Investment

- With the participation of nearly 4,000 Volunteer Bankers in our Tiny Hands Big Dreams project, which we started in 2015, we have reached nearly 600,000 children throughout Türkiye with the proud of touching their lives. In 2023, focusing on our strategies, we aim to increase the number of regions and children reached, as well as focus on increasing the volunteer bankers.
- In 2023, it is planned to organize awareness-raising events in the field of sustainability.
- More than 500 children from 13 cities in Türkiye took trainings about climate awareness and created projects for climate crisis solutions with TEGV Climate Protectors Project, which lasted more than 12 weeks in 2022. 70 volunteer trainers had an active role in total and 10 of them were Volunteer Financier. This project is also announced in-house, so more than 20 Financiers' children participated in the Project as well. With TEGV Climate Protectors Project, it is aimed to reach 1,100 more children by 2024.
- In 2023, within the framework of our Bank's sustainability approach, we aim to renew the sustainability page of our corporate website to increase the sustainability awareness of all stakeholders.

6.1 Talent Attraction, Employee Development and Engagement

We are aware of the importance of human resources for our Bank to sustain its success and create value for all its stakeholders. We carefully select our employees, focus on their professional and personal development, and try to understand and meet their expectations.

We make investments that center the development, happiness, and health of our employees and work to establish the best and most connected team. We adopt a contemporary, inclusive working culture that fully respects people and their rights, and we spread this culture in our branches and offices. With our Human Resources Policy to support our performance improvement and sustainable advancement, we attract, develop, and retain new talent with the awareness of the importance and value of human capital.

Human resources policy is defined in the guidelines at QNB Finansbank, and the contents of the instructions are updated in accordance with current legislation and processes. The instructions are clearly written in the Bank systems for all Bank personnel to comply with. Employees are informed and signed under the name of the commitment to comply with the instructions and code of conduct during recruiting, with reference to our instructions. The human resources instruction will encompass all teams' internal processes and will be carried out under the authority of each team. Internal and external audits perform management reporting and audit all Bank units at specific periods. In case of a violation of Human Resources regulations, HR conducts appropriate steps based on reports and notices from the Internal Audit Department. In the case that HR receives a notice, the relevant examinations and actions are carried out with the cooperation of the Internal Audit Department. Internal audits, external audits, employee notices/complaints, and formal institution audits all provide feedback. Every new employee is instructed on how to use the reporting system. Furthermore, employees receive frequent reminder e-mails regarding the process and operation of the reporting line. The "Ombudsman" position has been established in order to increase the quality of business life throughout the Bank and to remove obstacles to productivity by ensuring that problems that may arise between the institution and employees, managers and employees are resolved instantly, effectively and fairly. In addition, QNB Finansbank employees have the right to communicate directly to the Audit Committee or the Chairperson of the Inspection Board and also employees can use the Information Hotline ihbarhatti@qnbfinansbank.com to share their concerns and advices.

This includes grouping **Human Resources Policy** into 4 main categories below.

Human Resources, Planning and Recruitment

Creating a multi-faceted human resources and recruitment process with employer brand management, labor force management, analyses, and business development initiatives in accordance with the Bank's aim to be a preferred employer and attract skilled individuals to the Bank.

Performance Management

Assessing the success through quantifiable criteria and generating a transparent and equitable employee engagement atmosphere with an aim for overall performance growth of the Bank with the help of individual employee performance.

Talent Improvement and Management

Enhancing the employee growth by increasing employees' technical and managerial knowledge and abilities; ensuring the retention of high-performing personnel.

Engagement and Reward

Engaging all employees by effectively-developed and continuously-improved policies in line with the Bank's goals.

KPIs: Talent Retention

2020

2021

2022

Turnover

	2020	2021	2022
Total employee turnover (number)	11,111	10,944	11,426
Total employee turnover (%)	18.4	20.7	25.0
Voluntary employee turnover (number)	955	1,575	2,009
Voluntary employee turnover (%)	8.2	14.3	18.0
Involuntary employee turnover (%)	10.2	6.4	7.0
Turnover broken down by age (voluntary)			
Employees age 18-30 (number)	3,765	4,091	4,529
Employees age 31-50 (number)	7,119	6,651	6,541
Employees age 51+ (number)	227	202	356
Turnover broken down by gender (voluntary and involuntary)			
Men employees (number)	383	617	844
Women employees (number)	572	958	1,165

KPIs: Talent Retention

2020

2021

2022

New Hires
Total new employee hires **1,164** **2,120** **3,283**
New hires broken down by age

 Employees age 18-30 (number) **1,042** **1,973** **3,030**

 Employees age 31-50 (number) **119** **147** **251**

 Employees age 51+ (number) **3** **0** **2**
New hires broken down by gender

 New men employee hires **441** **842** **1333**

 New women employee hires **723** **1,278** **1,950**
Parental leave

 Number of men employees that took parental leave **268** **187** **191**

 Number of women employees that took parental leave **414** **420** **305**
KPIs: Talent Retention

2020

2021

2022

Employee engagement

 Employee engagement score (%) **64** **59** **64**

 Absenteeism rate (%) **4.9** **5.6** **4.6**
Performance Assessments

 The ratio of Employees with Regular Performance and Career Development Assessments Made (%) **88** **91** **91**
6.1.1 Human Resources, Planning, and Recruitment

As QNB Finansbank, we approach the new recruitment process with a conscious perspective, and we carry out our processes that contribute to human capital. We care about the presence and participation of talents that will add value to our Bank, and we work to attract the best talents. We believe that young people have incredible potential in this regard, which is why, in addition to hiring experts and experienced talents, 85% of our new hires are new graduates. Given the significance placed on the employment and development of new graduates and students, we have developed several initiatives that have employed thousands of young people. Also, we give priority to our segregated women employees in the recruitment processes. In addition, by

allocating specific resources for both retaining and increasing the percentage of women clients or customers, we support the projects of non-governmental organizations for women to return to work.

We attach importance to the opinions of our Bank's employees. With our Suggestion System Application, our employees can forward their suggestions to the Human Resources Department in all matters, especially business processes, and then their opinions and evaluations are carried out by directing them to the relevant business units. We implement the appropriate recommendations and improve our working environment.

6.1.1.1 Career Opportunities for University Students at QNB Finansbank

We ensure that young people take a step to achieve their dreams thanks to the brands such as Finans 101, Finans Up, Finans Pro, and Audit Pro.

Finans 101

In the Finans 101 program, we aimed to create an internship environment where university students can spend their time by getting to know the banking sector, business life and QNB Finansbank. Finans 101 was redesigned as a 2-week online internship program, aiming to reach all students in Türkiye by moving to the online environment after the pandemic. The program was selected as the Most Known Career Event by university students in the Most Admired Companies Survey in 2022. The number of students provided with the internship opportunity as part of Finans 101 has been 2.093 for the last 3 years.

Finans Up

With Finans Up, which is also a career club, we give students and Finans Up participants the chance to start working professionally as a result of the Up Society process, which was implemented with a sense of alumni. We give students opportunities to get to know themselves and invest in their development under a shared culture that we built for them before they work.

In 2013, we brought the Global Business Excellence award to Türkiye for the first time with our Finans Up practice.

Finans Pro

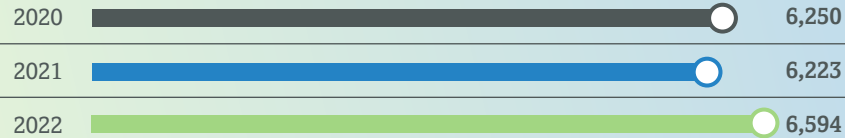
We offer internship opportunities for students who want to gain experience at the Bank headquarters with Finans Pro. With our project that we started in 2014, we have provided internship opportunities to 1.092 students with Finans Pro so far.

Audit Pro

With the Audit Pro program, students who desire to start a career in the field of auditing can find employment. In 2022, we provided job opportunities for 22 students who want to start a career in auditing with Audit Pro.



Women Employees



Men Employees



KPIs: Employment

	2020	2021	2022
Full time employees (number)	11,111	10,944	11,416
Full time men employees (number)	4,861	4,714	4,829
Full time women employees (number)	6,250	6,220	6,587
Part-time men employees (number)	0	7	3
Part-time women employees (number)	0	3	7

Broken down by contract type

Indefinite or permanent contracts (number)	11,111	10,944	11,426
Men employees on an indefinite or permanent contract (number)	4,861	4,721	4,832
Women employees on an indefinite or permanent contract (number)	6,250	6,223	6,594
Fixed term or temporary contracts (number)	0	0	0
Men employees on a fixed term or temporary contract (number)	0	0	0
Women employees on a fixed term or temporary contract (number)	0	0	0

KPIs: Employment

Broken down by career level

	2020	2021	2022
Senior management employees (number)	49	59	58
Middle management employees (number)	843	853	902
Non-management employees (number)	10,219	10,032	10,466
Men employees (number)	4,861	4,721	4,832
Women employees (number)	6,250	6,223	6,594

6.1.2 Performance Management

As QNB Finansbank, we are aware that increasing the performance of our employees depends on evaluation of individual performances with concrete, measurable and transparent criteria. We evaluate our employees' strengths and areas of improvement with the semi-annual performance measurement based on these criteria, which include clear diversity and inclusion goals for our senior managers and create personalized roadmaps. We prioritize internal promotions. In this context, we maintain a career management system in which our employees are clearly informed about their career path. We aim to maintain a continuous feedback culture, to guide the employees in their development, and thus to deliver high and sustainable corporate performance through individual performance development.

The performance target determined at the beginning of the year is cascaded from the executive vice presidents to the managers and employees. In this context, business line targets are individually evaluated as technical performance and included in the performance management.

In 2022, 91% of our employees included in the regular performance and career development assessments.

6.1.3 Talent Improvement and Management

As QNB Finansbank, we are involved in a development program that continues throughout an employee's career from the day they enter the banking business. Our Volunteer Financiers who recently started working in the banking sector have the opportunity to participate in certificate programs relevant to their field of work. In line with the Bank's strategy, project training courses for existing employees are designed for specific segments and aim to improve employee performance through these trainings.

We focused on adapting new learning and development management that includes new learning environments, methods and learning motivations which are brought with pandemic, resulting with the development of the development of Volunteer Financiers to build on personalized digital learning tools. While the focus is on financial sector-oriented topics such as sales, customer relationships and risk, information training on rapidly changing economic challenges; soft skills such as teamwork, resilience, change management, crisis management and leadership are also a

part of the development program as they are in separable parts of a successful journey. In 2022, 3,137 different learning programs were planned in various subjects such as personal development and leadership development, banking, economy-finance, sales/ marketing, product, audit, design-oriented thinking, stress/anxiety management and risk management. Furthermore, in order to raise awareness of the topics of equal opportunity, diversity, and gender equality, we also plan to offer sexual harassment trainings to our employees in 2023. As a result of our work, QNB Finansbank Human Resources Training and Development Management applications received the gold award in the “Learning/Training Team of the Year” category within the framework of the Stevie Awards for Great Employers award program, and Achievement in Corporate Learning and Development we won the bronze award in the “Learning” category.

3,137 different training courses are planned for 2022 on a variety of topics including Talent Development, Leadership Development, Banking, Finance, Sales and Marketing, Products, Auditing, Design Thinking, Stress/Anxiety Management and Risk Management.

In 2022, personalized development program continued to be provided under Financier 360 Development Program, and “Branch 360” workshops were new to add in this program, as they were designed with the theme of “Being ‘We’” in order to achieve internal communication, engagement, synergy, motivation, and team spirit between the teams for every branch, including relevant Branch Manager. Report Z in Economy seminars were among the highlights of the year as they were designed to update our Volunteer Financiers about the hot topics of the economic developments. In addition, Follow-up Module sessions continued to fortify technical learning with first-hand practices as a sample of personalized development structure. To enhance efficiency for Volunteer Financiers in online learning programs of 2022, personalized learning centers were designed by following the health measures. The learning centers which our Volunteer Financiers can exploit in person are designed as isolated structures, which are located close to the working environment with all technical equipment and needs to be addressed.

Headquarters MT Development Program

In addition to the technical trainings that will enable individuals to adapt to the sector and the institution within the scope of the MT Development Program for the employees in the MT role definition who have newly recruited in our Bank’s strategic teams, and the trainings that will contribute to the competence development prepared based on the important competencies that McKinsey foresees after the pandemic; Contents that will contribute to the mental, physical, emotional and intellectual development of our MTs are included in the program. In addition, digital transformation and technological developments are provided to enable our MTs to experience new generation banking processes.

During the program, experience sharing programs are also planned with our Bank’s managers in order to strengthen the adaptation of MTs to the Bank and to contribute to their own development by listening closely to the experiences of our managers.

Examinations specific to the technical trainings taken in the program, final presentations that will contribute to their effective interpretation of banking cases, project development processes that will improve project management and enable the emergence of project studies that can

contribute to the Bank, together with the Master’s courses taken from Koç University provide MTs with sectoral, technical, competence.

In 2022, a total of 35 MT benefited from this program.

Development Summit

The Development Summit, which was prepared with the motto #updateyourself in order to keep our Volunteer Financiers up-to-date on trending issues in the world and the agenda of the business world, and to support their intellectual development while providing a professional summit experience under the roof of QNB Finansbank, and was brought to life for the first time in 2022 under the theme of “transformation”; It is held every year under a different theme and motto with the optional participation of the Volunteer Financiers.

The process is progressed with the participation of speakers who are experts in their fields, in a professional server and platform environment, within the framework of the themes and topics determined every year.

Leadership Programs

The Servant Leadership approach, which we put at the center of the leadership culture, adopting the compassionate management principle, focusing on continuous development, adaptation to change, resilience, and employee, maintained its importance in 2022 as well. “Servant Leadership Development Talks”, which we set out to reinforce the common point of view in our understanding of leadership, to refresh information and to get inspiration from different disciplines, were held widely throughout the year, open to the participation of all managers, and will continue in 2023. At the same time, coaching-like Leadership Skills trainings are planned for all managers within the Bank.

Leadership development programs were carried out with the modules of Manage Yourself and Relationships, Manage Your Team and Manage Your Business, taking into account the new generation leadership skills. Both technical and competency developments were supported with personalized one-on-one training programs and in-class/online trainings for managers appointed in both the general directorate and field teams, depending on their needs.

In order to spread the Coaching and Mentoring culture at QNB Finansbank, and to use development tools such as internal coaching, external coaching and mentoring for the potential development of Volunteer Financiers, a coaching and mentoring center was established in 2021 and continued its activities in 2022. Within the “Internal coach onboarding” program for internal coaches within the institution; internal coach orientation, internal coach executive coaching and supervision.

For the measurement of coaching and mentoring satisfaction, an inventory was shared with the participants in order to measure their satisfaction with the coaching process and the coaches. As a result, the respondents stated that they live a more meaningful and fulfilling life, that they are responsible for the decisions they make in their choices, that they realize that they have all the

resources and that they are whole, that they review their personal values and visions, that they embark on a journey of transformation and that their self-esteem increases.

Development Catalog

Our aim in the 2022 Development Catalog, which was prepared based on the philosophy of “Know the Volunteer Financier, listen to the Volunteer Financier”; not only to contribute to the business performance of our Volunteer Financiers, but also to contribute to their social lives by increasing their awareness of themselves. In order to make the development continuous, the Development Catalog was created in line with the demands of the Volunteer Financiers in 2022, as it is every year. Our trainings were carried out entirely on digital platforms in 2022 with blended learning methods, including pre-, inter- and post-training studies, contributing to the sustainability of education.

Accordingly, in the 2022 Development Catalog, the competency trainings that will contribute to both individual and leadership development of Volunteer Financiers have been adapted to new competencies. Included in the 2022 agenda in order to adapt to the changing market conditions; sectoral economic developments, new generation banking, blockchain technologies and leadership trainings have been increased.

Volunteer Financiers are supported with trainings on the economy, while the content of our competency trainings is designed for personal development and general culture. In 2022, 18,317 applications were received by our Volunteer Financiers for the Development Catalog.

Digilearn Development Journey

The DigiLearn Development Journey, which aims to increase the digital literacy of both our volunteer financiers and selected commercial and corporate customers, was designed in 2021, based on the fact that many technological terms and returns that have entered our lives with the pandemic period are frequently included in both our business and daily lives.

The Digital Terms Package was first published in the “DigiLearn Development Journey” launched in February 2021. In the following months, a journey consisting of articles brought together on a selected digital trend for each month, trending videos addressed by experts in the field, podcasts (digital audio files), webinars and training series prepared by QNB Finansbank’s internal teams was designed. In addition to these, live broadcasts were organized depending on the agenda of the month with speakers who are experts in their fields.

DigiLearn Development Journey During the year 2022, a total of; 12 digital menus consisting of videos, articles, podcasts and live broadcasts were published, 520 content was shared, and an average of 500 Volunteer Financiers and selected customers participated in the live broadcasts. Our Digilearn area within Finarmoni has reached 25,116 clicks.

Within the scope of the program, where the training and development of employees is primarily targeted, it is aimed to share the “Digilearn Development Journey” with the Bank’s corporate and commercial customers, who were also selected as a pilot, to convey technological developments.

In this context, specially prepared resources were sent to 6 corporate and 26 commercial companies every month, and selected customers were invited to live broadcasts for monthly renewed topics.

Flexible Innovation Program

In order to create an in-house learning opportunity for our employees, to enable them to discover their interests and observe their skills, the in-house part-time learning program, which we call the Flexible Innovation Program, was implemented in 2021.

Within the scope of this program, we support our employees to spend a certain amount of time they set aside from their weekly working time by taking part in different start-up or in-house projects temporarily (such as 3-6 months) in addition to their current duties. In 2022, 20 applications were received for 17 projects. In order to support the managerial roles, a rotation process is carried out in strategic departments for the development of each employee by including them in a systematic development program and to train senior managers. In 2022, 10 of our employees in our strategic departments were included in the rotation process.

Environmental Programs

As QNB Finansbank, we provide trainings on ESG topics to ensure sure that all of our employees have information about topics related to sustainability, the trainings we provide are listed below:

- Banks Association of Türkiye Basic and Advanced Sustainability Trainings
- ISO 14001 Environmental Management System Training
- Zero Waste and Environmental Information Trainings
- ISO 50001 Energy Management System Training
- Occupational Health and Safety Trainings
- Head Office Business Continuity Training
- Corporate and Personal and Information Security Training
- Personal Data Protection Law Training

Overview of Learning and Development Outputs

	2020	2021	2022
Total number of training hours provided	428,238	579,866	775,917
Senior management employees	373	558	3,625
Middle management employees	47,861	29,630	46,310
Non-management employees	380,005	549,677	725,982
Men employees	172,763	218,130	293,002
Women employees	255,475	361,736	482,914

Average Number of Training Hours Provided per Employee



Overview of Learning and Development Outputs

	2020	2021	2022
Average number of training hours provided per employee	39.4	53.3	67.9
Senior management employees	16	23	63
Middle management employees	55	33	51
Non-management employees	37	55	69
Men employees	36	46	60
Women employees	41	58	73
Total number of e-learning hours provided	44,866	30,395	71,273

KPIs: Training and Development

	2020	2021	2022
Performance Reviews			
Employees who received a performance and career development review (%)	88	91	91
Performance Reviews broken down by gender			
Men employees who received a performance and career development review (%)	87	93	93
Women employees who received a performance and career development review (%)	83	89	89

6.1.4 Engagement and Reward

Our purpose is to provide our Volunteer Financiers to live with happiness, satisfaction, and motivation; supporting the search for meaning; to provide social, cultural and sportive activities that will support their mental health by focusing on mental and physical health, and to increase their corporate loyalty by contributing to their satisfaction.

We care about the satisfaction of our employees, and we are working to increase it. Based on this, we conduct an employee engagement survey which also addresses diversity and inclusion for all of our employees during the fiscal year and evaluate the results according to various subdivisions such as gender distribution. This year, industry results and year-on-year comparisons were examined in detail. As a result, an increase in measures was observed and compared to the previous year in general, and a sustained increase in commitment and satisfaction was achieved. Our satisfaction survey resulted in 77% in 2022, and we will continue our efforts to increase this percentage in the coming years. In the table below, you can find our activities for increasing employee satisfaction.

Well – Being	<ul style="list-style-type: none"> Yoga Classes Seminars on Spirit - Body - Mental Health Awareness Mailings Online Diet Services Happiness and Health Newsletters
Ticketed / Non-Ticketed Events	<p>Club Activities:</p> <ul style="list-style-type: none"> Cinema Club Book Club Dance Club Music Club Musical Club Photography Club Bridge Club Chess Club Sports Clubs (Such as Football, Basketball, Running, Volleyball, Bridge) <p>Activities for Little Volunteer Financiers:</p> <ul style="list-style-type: none"> Theater Activities Educational Seminars, Workshops Study-oriented group coaching for YKS (University Entrance Exam) and LGS (High School Entrance Exam), preference counseling <p>Outdoor Activities</p> <p>Social Activities</p>

Appreciation and Recognition Activities	<ul style="list-style-type: none"> • Seniority Award Ceremony • +1 Award Ceremony • Promotion Gift • 5th and 10th Anniversary Plaques
Instagram	<ul style="list-style-type: none"> • Well-being posts and stories • HR Chats • Suggestion posts for the weekend • Stories of companies with discount deals • Special Days (National or Religious Holiday) Celebration Posts
Personalized Events	<ul style="list-style-type: none"> • Talent Sharing Platform • Personal mailings for the area of interest and expertise within the scope of the Know Your Financier Questionnaire
Special Day Celebrations	<ul style="list-style-type: none"> • Mailings • Activities for Holidays • Holiday Presents
Discount Deals	<ul style="list-style-type: none"> • Special discounts from various companies for financiers
Applications	<ul style="list-style-type: none"> • Studio Live App • Piri App • Salus App • Kunduz App

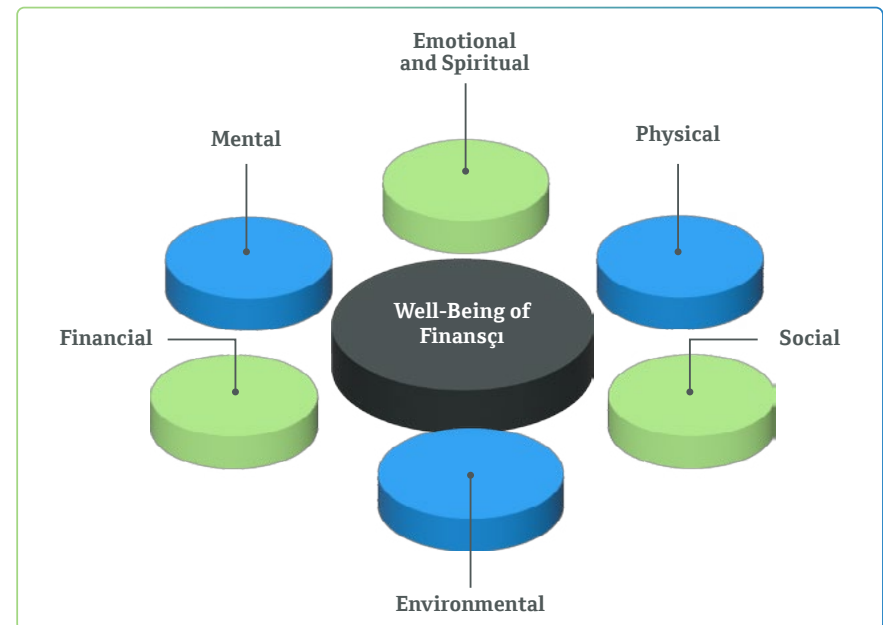
Out of the 154 physical events and 114 online events organized by the HR Employee Engagement Unit across different online platforms, 15,504 employees participated in 268 of them in 2022. In addition to these activities, during the year, discount agreements were signed with 100 companies in order to enable our Volunteer Financiers to make their shopping more profitable for providing an advantage in their shopping. In 2022, 1,182 acknowledgments and a total of 18,510 applications reached the “Thank you” platform, another employee recognition mechanism whereby our employees appreciate and encourage each other and create synergy. As a result of our efforts, the Customer Satisfaction Awards in the “Development” category given under the Appreciation and Recognition Program were given to 21 of our volunteer financiers. We are working more and more each day to provide applications that our volunteer financiers can easily access and benefit by putting digitalization among our priorities. The Kunduz Application to support the education of our children, the Piri Application to raise the cultural and artistic

level of the volunteer financiers, and the Studio Application for their holistic health were made available to the volunteer financiers free of charge.

We know that competitive compensation management is very important for employee satisfaction beyond engagement and reward mechanism. At this point, QNB Finansbank's compensation management objective is to attract new talent and improve employee engagement, satisfaction, motivation, and synergy within the Bank. To this end, the Bank applies fair and transparent remuneration methods and maintains a level of competition, in line with ethical values and internal balance. Compensation models were introduced in parallel with value creation to avoid undue risk and emphasize individual and collective performance. This has achieved the Bank's strategic objectives and improved productivity. As part of the Bank's premium and bonus model, in 2022 each employee received a performance bonus of approximately double their salary.

We believe that providing hybrid and flexible working environments will increase employee satisfaction and productivity. We offer an option to control and vary the location where our employees and the start or end times of the workday and workweek.

As QNB Finansbank, we support our employees in difficult times. We provide fully paid time off for bereavement; death of first-degree relatives (spouse, children, mother, father, and sibling) is 5 days, death of spouse's first degree relative (mother, father, and sibling) is 3 days, death of employee's 2nd and 3rd degree relatives (aunt, uncle, grandmother, and grandfather) is 1 day.



6.1.5 Operational Health and Safety

As QNB Finansbank, we care about providing a healthy and safe work environment for our employees. To provide a healthy and safe working environment for all our employees, including our managers, our occupational health and safety practices are carried out in accordance with the issues outlined in QNB Finansbank's occupational health and safety directives, applicable regulations and examples of best practice. In line with the provisions of the Occupational Health and Safety Law, we have established OHS Boards in which employees are represented in the Bank's buildings where we have more than 50 employees. Accordingly, as of the end of 2022, the 3 OHS Board operate in our Bank building. OHS Boards convened 4 times during the year and 53 board members, 38 of whom were employee representatives, participated in these meetings. We also believe that it is of great importance for employees to have OHS awareness in order to maintain a safe and healthy working environment. In this context, as QNB Finansbank, we organize trainings to increase the OHS awareness of our employees. Occupational safety training (basic training and, if necessary, specialized training) is carried out for all employees, risk assessments are carried out in the building and emergency plans are drawn up. In 2022, we provided 0.57 hour/person remote training to 11,348 employees and 2.45 of physical hour/person OHS training to 6,961 employees.

In QNB Finansbank Occupational Health and Safety Guidelines, the risks of being exposed due to working and physical conditions are evaluated, and practices are made accordingly. In addition, as an initiative to ensure occupational health and safety, we appoint employee representatives in the building and hold regular occupational health and safety committee meetings to review activities related to occupational health and safety. The most authoritative person responsible for OHS at the Bank is the Human Resources Department Manager.

Operational Health and Safety (OHS) Committees

OHS Committee Numbers	4
Total Number of Members in OHS Committees	60
Number of Employee Representatives in OHS Committees	39

Operational Health and Safety (OHS) Trainings

	Total hours provided	Total employees participated
OHS Trainings	6,295	2,623
Online OHS Trainings	2,643	4,881

	2020	2021	2022
Injury Rate			
Direct Employment	0.170	0.148	0.131
Women	0.134	0.101	0.078
Men	0.036	0.046	0.052
Occupational Disease Rate (ODR)			
Direct Employment	0	0	0
Women	0	0	0
Men	0	0	0
Number of Occupational Disease			
Direct Employment	0	0	0
Women	0	0	0
Men	0	0	0
Lost Day Rate (LDR)			
Direct Employment	0.250	0.618	0.933
Women	0.170	0.434	0.706
Men	0.080	0.185	0.227
Days of Absence Due to Accident			
Direct Employment	28	67	107
Women	19	47	81
Men	9	20	26
Number of Work Related Fatalities			
Direct Employment	0	0	0
Women	0	0	0
Men	0	0	0
Number of Fatal Incidents			
Direct Employment	0	0	0
Women	0	0	0
Men	0	0	0



	2020	2021	2022
Number of Incidents			
Direct Employment	58	63	89
Women	45	33	50
Men	13	30	39
Total Injury Frequency Rate			
Direct Employment	0.520	0.581	0.776
Women	0.403	0.305	0.436
Men	0.116	0.277	0.340
Number of Employees Carrying Out Tasks with a High Risk of Occupational Diseases			
Direct Employment	0	0	0
Contract Employees	0	0	0

6.2 Equal Opportunity, Diversity and Gender Equality

QNB Finansbank is a supporter of a courteous, inclusive workplace where there is with a comprehension of transparency. In this regard, our operations are carried out in accordance with corporate policies and procedures, ethical banking standards, and the principles of universal human rights. These principles are implemented into regularly business operations by the Ombudsman and Audit Committee activities, the Code of Conduct and Instructions for QNB Finansbank Employees issued for this purpose, additional pertinent policies and procedures, as well as other activities, and they serve as a guide for employees on how to reflect. In accordance with our fundamental values and human resources policy, we promote diversity and inclusion through both internal and external activities. As QNB Finansbank, we prioritize supporting underprivileged groups, promoting generational diversity, and ensuring gender equality. The remuneration policies of the Bank are regularly reviewed by the remuneration management committee, and gender is not included in the instruments used to determine wage policies. At QNB Finansbank, our Executive Vice President responsible for the HR function and Chairperson of the Sustainability Committee are our senior executives responsible for diversity and inclusion. Our goals for 2023 include continuing to focus on topics related to diversity, gender equality, and equal opportunity and also providing audit services for this information. For that, we closely follow machine learning algorithms that assess gender balance and use them in our analyses to avoid gender biases. Also, we evaluate all our advertising and marketing content in terms of gender biases before they are published.

We attach great importance to ensuring gender equality within the Bank, making all our employees feel safe and not being discriminated against. As we have stated in our [Employees Code of Conduct Procedure](#), we strive to create a workplace where no one is discriminated against due to language, race, gender, or similar reasons and where gender equality is ensured. We touch on the issue of sexual harassment, and we plan trainings to raise awareness of our employees on this issue. We do not require our employees to take sexual harassment claims to private arbitration and do not prohibit nondisclosure agreements (e.g. confidentiality provisions or silencing agreements) pertaining to claims of sexual harassment in settlement agreements unless requested by the victim.

As QNB Finansbank, we are interested in and support the work of the Turkish Women on Board Association. In 2020, our four women executives participated in the fourth term of Turkish Women on Board Association's program. Also, we were qualified for the Bloomberg Gender Equality Index in 2022, as a result of our work on gender equality. We have signed the WEPs Principles, a joint initiative of the United Nations Global Compact and UN Women, affirming its commitment to seven principles in developing corporate policies to promote gender equality on February 24th, 2021. This signature commits to strengthen the current equity work in our Bank and our subsidiaries and to raise awareness of this topic.

Women executives are encouraged to participate in development programs organized by the Turkish Women's Board of Directors to support women's capacity development with training on topics by experienced business and academic employees. Sales and marketing executives are guaranteed to be involved in the Women in Sales project to support women's empowerment. This project was developed through the "Sales Network Community" to raise awareness among businesses and women to walk the fine line between women and men in the world of sales.

Such international platforms are being analyzed and followed up, and we will soon set up various programs to support our policies in this area.

We provide equal opportunities to employees of different generations, as well as we support gender equality. In this regard, 39.6% of our employees are in the age range of 18-30, 57.2% of them are 31-50, and 3.1% of them are in the age range of 51+. At the same time, 48%¹ of our new hires consist of young new graduates. For detailed information about our employees, please refer to in Talent Attraction, Employee Development and Engagement section of our report.

As of 2022, our total number of disabled employees is 356 out of 11,427. With an aim to encourage all companies, our percentage of employees with disabilities is 3.11%, which is above the legal practice. As of December 31st, 2022, the number of our ATMs is 3,113 and all of them are suitable for the use of our hearing-impaired customers. The number of ATMs suitable for the use of our customers with orthopedic disabilities is 121 (41 branches and 80 offsite) and the rate is 3.9%.

On the 10th anniversary of the EBRD's support to women's businesses in Türkiye, a plaque for appreciation was presented to our Bank at the event of the Financing and Advisory Support to Women's Businesses program.

¹ Total experience is calculated by taking into account the new entries with a total experience of 365 days or less.

Diversity and Equal Opportunity

	2020	2021	2022
Women employees	6,250	6,223	6,594
Women employees on the Board of Directors	2	2	3
Women employees in C-Suite / executive management (CEO and EVPs, Head of Internal Systems)	4	4	4
Women employees in senior management (CEO, EVPs, Directors, BoD Members, Heads of Internal Control Functions)	12	16	16
Parental Leave			
Return to work rate (%)	98.6	99.18	98.59
Retention Rate (%)	92.3	94.89	96.17

Gender Equality Ratios at QNB Finansbank (%)

Women employees in Senior Management Position (%)	27.59
Women employees in Middle / Other Management Position (%)	46.2
Women employees in Entry Level Positions (%)	66.2
Women employees in revenue-producing roles (%)	62.6
Women employees in information technology (IT) workforce (%)	25.2
Women employees in engineering workforce (%)	35.9
Women employees promoted during the fiscal year (%)	62.2
Women employees that left the company during the fiscal year (%)	56.5
Women employees hired during the fiscal year (%)	59.4
Percentage of the company's top 10% compensated women employees (%)	43.5

In order to ensure gender equality in the banking sector, we continue to work within the scope of our internal operations. As QNB Finansbank, we aim to reduce our pay gap ratio by 3.57% at the end of 2023 and by 7.40% in the following year by increasing the representation of women in management positions, and we will continue to decrease this ratio every year. Also, we are happy to announce that we will publish our Gender Equality Guideline in 2023. Our Gender Equality Guideline includes a time-bound action plan to close our gender pay gap. We are working for Gender Equality because we are **“Becoming 1 with the World”**.

Percentage of the company's workforce providing consolidated pay data (%)	100
Percentage of women in the top pay quartile in the Bank (%)	48.98
Percentage of women in the upper middle pay quartile in the Bank (%)	45.79
Percentage of women in the lower middle pay quartile in the Bank (%)	63.02
Percentage of women in the lower pay quartile in the Bank (%)	65.58
The Bank's mean (average) raw gender pay gap* (%)	28.48

* First, the average employee wage is measured for all women and all men. Women's average compensation is subtracted from men's average compensation, and the result is divided by the average compensation of the higher winning gender (female or male) compensation.

In our ever-changing social world, institutional structures also adapt to changes in social norms. Today, the term known as “maternity leave” is now evolved into “parental leave” as fathers are also participating actively in parenting process, as well as the mother. As QNB Finansbank, we aim to raise awareness of this issue, and we sincerely support our employees who are on their way to parenthood. According to the Labor Law, the employees are entitled to a paid maternity leave for sixteen weeks (eight weeks before birth and eight weeks after birth). The minimum number of days of fully paid secondary parental leave for men employees if the spouse gives birth (as of the child's date of birth) is ten days. Additionally, as per the Law of Labor, employees can take maternity leave if the employee adopts an underage child younger than three years and adopted children are covered by private health insurance provided by the Bank. In the case of multiple pregnancy, two more weeks are added to the eight weeks of paid maternity leave which will be taken before birth and for men employees, if their spouse gives birth they as of the child's date of birth. The Bank's private health insurance policy covers the health expenses made during the pregnancy period. Besides, in the case of egg freezing, employees are also supported in return of invoice, following the evaluation of the health committee. The birth invoices are covered only for two children, and maternity allowance is provided in return of invoice in compliance with the limits set. Employees are also supported in case of IVF treatment in return of invoice, following the evaluation of the health committee. We also provide a lactation area in our office and special discounts with kindergartens for our employees' kids to support them in continuing their parenting adventures.

KPIs: Women Employment

	2020	2021	2022
Women's employment rate (%)	56	57	58
By career level			
Women in middle management (%)*	45	45	46
Women employees in Senior Management Position (%)	24.49	27.19	27.59

* Middle management defined as grade 4-7



6.3 Investments in Society and Community

As QNB Group, we recognize the significant contribution the Group can make to society by adopting business practices to address ESG topics directly (through business operations), indirectly (through financing and community activities), as well as by embedding a culture of sustainability in the Group's DNA. The Group is committed to creating long-term value for its stakeholders while remaining committed at the same time to the protection of the environment, and its contribution to the societies in which it operates.

As QNB Finansbank, we see our social and community investments as an important factor in our value creation process. Within the scope of our Beyond Banking perspective, which is one of the three building blocks of our sustainability approach, we aim to create long-term social value. In every project we implement, we focus on the areas where we can contribute the most with our social responsibility awareness. With this contributive mindset that demonstrates our strength and values, we have put forth many projects in many different fields, from sports to music, from culture and art to education.

Through these projects, we contributed to social investments amounting to TL 5.73 million in 2022. We cooperate with international financial institutions on supporting women entrepreneurship, energy efficiency, agriculture, and SMEs. Apart from this, in the upcoming period, we aim to utilize earthquake funds received from international financial institutions by focusing on our customers who were damaged by the earthquake.

We believe that the key to a sustainable future is to develop a knowledge-based economy and society by educating the new generation. As a bank, we act with the awareness that one of our goals is to educate children about financial values such as saving, spending, and sharing. In particular, by encouraging our young people to pursue science and mathematics, we aim to emphasize to them the importance of investing in money management and financial concepts.

We established our corporate social responsibility platform Tiny Hands Big Dreams in 2015 by saying children first in line with our aim to contribute positively to society. Thanks to our social responsibility platform, we aim to ensure that children have innovative, creative, analytical, reliable, technological, solution-oriented, different-thinking and positive personality characteristics. Under our roof, we carry out projects in many fields, from mathematics to coding, from culture and art to education, in order to prepare our children and young people for the future. As of 2022, we are happy to reach nearly 600,000 children from all over Türkiye with the support of more than 3,500 volunteer financiers within the scope of our social responsibility platform. Within the scope of this platform, we supported the following projects in 2022 aiming to prepare our children for the future:

- **Tiny Hands are Coding**
Started in 2015 with project partnership of Habitat Association.
- **QNB Finansbank Tales Virtual Math Museum**
Started in 2018 with project partnership of Tales Math Museum in Aydın.

- **TED – Success is Everywhere and Full Education Scholarship**
Started in 2016 with project partnership of Turkish Education Association.
- **CEV Art – Young Talents**
Started in 2017 in project partnership with Contemporary Education Foundation.
- **QNB Finansbank Entertaining Experiments (2022)**
New project for 2022 term with project partnership of Bahcesehir College.
- **Climate Protectors are Growing Up (2022)**
New project for 2022 term with project partnership of Education Volunteers Foundation of Türkiye.
- **QNB Finansbank Children Musical Academy (2022)**
New project for 2022 term with project partnership of Perfore Concept and Art.
- **Nature Pioneers Youth Program (2022)**
New project for 2022 term with project partnership of WWF Türkiye.

Tiny Hands are Coding

With our Tiny Hands Are Coding project, which we carried out together with Habitat Foundation, we offered Scratch coding training to children between the ages of 8-14 to improve children's creativity, and computer skills and to increase their awareness of code literacy. We have transferred coding training to the online platform via Zoom in March 2020 due to the pandemic, and launched an official website named www.minikellerkodyaziyor.com in August 2020, to create a valuable resource in the field of coding for children, young people, and educators. Our website to be available to Turkish-speaking children and volunteer instructors living all over Türkiye and abroad. Through the online and offline training on the site, we reached more than 6,500 children with 198 volunteer trainers in more than 70 cities in Türkiye and abroad, such as Isparta, Malatya, Manisa, Yozgat, Amsterdam, Catania, and Toronto. In 2021, a total of 53 coding training videos were always accessible on the platform, along with 27 newly added training videos. 2,793 people watched these training videos. As a final, in March 2021, we organized the Scratch Cup, where children can present their learned coding skills to the jury. More than 1,800 children applied for the competitions. The 10 finalist teams, consisting of 2 or 3 children, presented their coded games to the jury and received various awards in their respective categories. 836 teams from all over Türkiye participated in the Scratch Cup 2022, which we organized with the theme of 'Save the Nature', with their fun and creative games. As a result of long evaluations, 10 teams consisting of 28 children who are the owners of the grand finalist projects explained their games and answered the questions of the jury during the competition in Scratch Cup 2021, which we held online.



In 2022, we trained 5,123 children between the ages of 8-12 in total, including 3,017 people from 69 different cities and 2,106 people on the website, in face-to-face and online coding trainings. To date, with the Tiny Hands Write Code project, we have reached more than 45 thousand children in some of Türkiye and abroad cities and carried out nearly 400 thousand hours of coding training.

ÇEV Art Young Talents

As the sponsor of ÇEV (Contemporary Education Foundation), we have supported the training of talented musician students between the ages of 15-25 to enable ÇEV's talented musician students to participate in specialized educational institutions abroad.

We offer our 29 talented young musicians the opportunity to give concerts that provide financial support to meet their musical fields and promote them on the international platform. Our young talents are evaluated according to their talent fields with the scholarship selections organized by ÇEV Sanat every year, and we continue our project by increasing the number of young talents in each new period. In 2023, we continue to support our 29 talented young people.

Tales Virtual Math Museum

We continue our Tales Math Museum in Aydın program, which has been started in 2018 as a mobile Math Museum which has visited 36 cities in a truck, introducing more than 100,000 children to the fun world of mathematics, by changing it as "QNB Finansbank Tales Virtual Mathematics Museum after pandemic. We presented the official website www.qnfbftalesmatematikmuzesi.com to children on April 23rd, 2021. The total number of children we reached within the scope of the project approached 140 thousand. While our sponsorship of Tales Mathematics Museum continues, we can reach children all over Türkiye thanks to free access to our online platform. With 42 modules and 5 workshops in our mobile truck and 85 different modules in our museum, our children learn that mathematics is not just about numbers; They had a fun time by learning practically that it involved in all areas of life, art, architecture, and nature. Our training within the site consists of three sections;

- In the Virtual Mathematics Museum section, we enabled children to access visual and audio information from 40 stations and 360-degree shooting,
- In the Mathematics, Nature and Life section, we taught children how mathematics can be used in nature and our daily lives with 25 educational videos,
- In the Home Workshops section, we offered the opportunity to participate in 14 PDF and 15 digital workshops about 40 stations.

TED Success Across the Board and Full Scholarship

In 2015, in cooperation with the Turkish Education Association (TED) and the relevant Directorates of National Education, our Success is Everywhere project, which we started to create equal opportunities in education by enabling our children to increase their academic, social, cultural and sports success in public schools with lower academic achievement levels in Ankara and Adana, continued. In 2019, we included 8 more schools in the project, which was carried out in 8 schools in Adana and Ankara. To date, we have reached more than 25 thousand children and witnessed the countless achievements of hundreds of them in the fields of academic, social, cultural, and sports from academic exams and competitions to basketball tournaments, chess tournaments to poetry competitions, and we continue to do so every day.

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

By supporting the "Full Education Scholarship" program of the Turkish Education Association, we cover all expenses that will contribute to the development of our successful but financially inadequate children studying in TED schools with scholarships from the 6th grade to the end of their university education.

Since 2008, we are proud to have supported 150 children across Türkiye.

Özgür Atölye- Climate events

"Özgür Atölye- Climate events" are held under the sponsorship of the Turkish Education Volunteers Foundation and QNB Finansbank. In this program, which is based on a project-based learning approach, children have the opportunity to find scientific solutions to the problems they observe and share their solution suggestions. With the project, which is carried out under the sponsorship of our Bank, children experience the basic concepts of climate change, its effects and what actions can be taken about it. As of 2022, we are also providing our employees with an informative movie about sustainability, including climate change-related issues. The training video is available as of 2022.

QNB Finansbank is committed to mitigating the detrimental effects of natural disasters and implementing post-disaster social support initiatives. At present, our institution is dedicated to aiding customers residing in the disaster-stricken area following the significant earthquake that occurred on February 6th, 2023. To facilitate the return to normalcy for affected individuals, we have implemented loan deferments and restructurings. Furthermore, we actively endorse projects aimed at addressing societal issues encountered in the aftermath of such catastrophes. In line with this commitment, we provided assistance to the Turkish Education Foundation subsequent to the earthquake. For our Bank, supporting health services and environmental activities is another area of corporate social responsibility that we attach importance to.

In 2022, we continued our efforts to combat sustainability and climate change with our ‘Training Climate Savers’ Project, which we carried out with children under the roof of Tiny Hands Big Dreams platform in cooperation with the Educational Volunteers Foundation of Türkiye (TEGV). 10 of the 70 volunteer trainers who took part in the project were our volunteer financiers. These trainers then went through a training process of 12 meetings with the children, 2 hours one day a week. In the project, we aimed to enable children to gain the ability to develop solutions to the problems around them by taking into account regional differences where they live and to gain learning experience about the project cycle.

We have trained more than 500 children in 13 provinces on climate awareness and creating solution projects. With our project, children learned to describe the problems and produce solutions to these problems by developing climate awareness. Within the scope of the project, we carried out 500 trainings in 13 provinces. By 2023, we aim to reach more than 1100 children by expanding our city coverage.

In 2022, we became a supporter of the Pioneers Youth Program carried out by WWF Türkiye and the Ministry of National Education. With this project, 11 secondary school teachers selected from 10 provinces across Türkiye were given 30 hours of face-to-face training in Istanbul and these teachers were trained as formative trainers. The trainers reached out to 30–160 teachers in the surrounding provinces and 10 thousand children were given climate education through a total of 1000 teachers. Middle and high school students reached within the scope of the program developed solutions to the problems brought by the climate crisis using innovative approaches and technologies of the age and produced innovative and transformative projects in the communities of Wildlife Protectors, Aquatics, Plastic Hunters, Food Warriors and Carbon Scavengers. A Youth Conference will be held to promote the projects created during the year and our children will be rewarded.

In partnership with Bahçeşehir College, as QNB Finansbank, we have implemented our Fun Experiments project. We shot a total of 42 experiment videos of 3–5 minutes, 21 at the elementary school and 21 middle school levels, which can be applied at home. We aimed for children to have a fun time while experiencing science with examples from everyday life.

Investments in Society and Community	2020	2021	2022
Total Hours Allocated to Volunteering Work	1,449	1,881	1,586
Total Community Investments	2,606,000	940,000	5,730,000

As QNB Finansbank, we support awareness-raising projects and attach importance to supporting our headquarters building by lighting the Crystal Tower. On April 2nd, World Autism Awareness Day, which was declared by the United Nations (UN) in 2008, we support autistic individuals to become a part of life. On this special day, we illuminated the exterior of our headquarters building, the Crystal Tower, with red light.

As a bank that is socially responsible, manages its banking activities in integrity, and is aware of its responsibility to all its stakeholders on issues such as sustainability, environmental performance and other ethical concerns, we make the Crystal Tower a symbol in the awareness agendas that have a place in social life as every year, and this year we aim to draw attention to the importance of early diagnosis and support in autism by taking part in this global project of the United Nations.

We participated in the Earth Hour event, which was launched by the World Wildlife Fund (WWF) in 2007, turned into a mass campaign and became one of the world’s largest environmental movements, by saying ‘give a voice from the heart’. On March 26th, 2022, between 20.30-21.30, we turned off all the lights of our Headquarters building except for the security lights. This year, we are taking our place among the brands participating in the Earth Hour event by saying “Earth Hour, Change Hour” within the scope of drawing attention to global climate change with the event attended by millions of people and thousands of institutions around the world every year and implementing practices sensitive to natural life.

6.3.1 Volunteer Financiers

We encourage our employees to take part in corporate social responsibility projects by creating new projects or participating in ongoing projects within the scope of our sustainability strategy, which supports our goal of leaving a livable world to future generations. In this context, we organize a competition every year in which QNB Finansbank employees participate in the social responsibility projects they have developed for children between the ages of 4-14 and provide financial support to the selected projects. With the initiatives of our volunteer financiers, we have implemented 39 volunteer financier projects so far, and we have touched the lives of more than 5 thousand children through these projects. In 2022; We realized the projects of Dreams Workshop, Earthquake Relief Project, Hospital Transaction Card, Chess is Everywhere, Don’t Shoot the Kite, Development Steps Library, We Are Where You Are, Babakale Children’s Home.

Charity Fair: It is an organization that we have traditionalized within the institution, based entirely on volunteerism, where our employees open a booth at Crystal Tower and offer them for sale to our other employees, where all the revenues of the products are donated to a Non-Governmental Organization.

World Animal Day: Every year on October 4th, World Animal Day, donations are collected to an institution or shelter, with the support of our Volunteer Financiers, in order to help our dear friends a bit of their nutritional and medical supplies problems and improve their quality of life.

Disaster/Earthquake Volunteer: In case of an earthquake disaster, our employees throughout Türkiye organize support activities for the supply, preparation, and distribution of the most needed products in the region on a purely voluntary basis.

6.3.2 Sponsorships

In addition to our CSR projects, as QNB Finansbank, we support social and economic development with various sponsorship activities. We have been supporting sports activities that have a positive impact on personal and physical development for more than 10 years to reach a wider audience.

Our main shareholder QNB, one of the world's 50 largest banks, became the main sponsor of Trabzonspor Football Team, one of Türkiye's four biggest sports clubs. In the past seasons, as QNB Finansbank, we organized social media activities and signature days and brought the people of Trabzonspor together with their teams. In addition to match tickets and, signed jersey competitions from football players, we developed special banking products and campaigns that will contribute to the economy of Trabzon and bring them together with football fans. We continue our sponsorship adventure, which started in the 50th year of Trabzonspor, one of the important sports clubs representing our country in Europe, as a branch sponsor to cover 2022/2023, 2023/2024, and 2024/2025 football seasons.

Istanbul Seniors Cup, which we carry out with Tennis Fencing Mountaineering Club (TED), has been continuing for ten years under the main sponsorship of QNB Finansbank Private Banking. The "QNB Finansbank Private Banking Istanbul Seniors Cup", which has a distinguished place among the national senior tournaments, is hosted by our Bank every year with the participation of well-known businessperson, famous names of the art community, and TED club members.

With the solutions we produce specifically for professional groups, we continue to be the bank preferred by doctors by offering special financial and sports services to doctors for the first time in Türkiye. TED Doktorlar Tennis Tournament has been organized under the sponsorship of "QNB Finansbank Xclusive Doctors" since 2012. The winners of the TED Doctors Tennis Tournament, sponsored by QNB Finansbank Xclusive Doctors, which provides special services to doctors in the field of banking for the first time in Türkiye, have the opportunity to be selected for the national team and participate in the Balkan Tournament.

Corporate Governance

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- 7.1 Corporate Governance and Risk Management
- 7.2 Transparency, Compliance and Business Ethics
- 7.3 Sustainability Principles Compliance Framework



COMPLIANCE WITH
INTERNATIONAL
STANDARDS



7. Corporate Governance

7.1 Corporate Governance and Risk Management

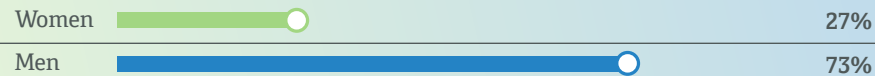
With the strong corporate governance history of 35 years at QNB Finansbank, we integrated relevant policies, processes and procedures, ethical banking principles and legal regulations to our activities in a just, transparent and accountable manner. Within this scope:

The Board of Directors, as the highest-level management body, leads the Bank's sustainable development in line with its long-term interests while making strategic assessments to ensure the optimum balance between the Bank's risks, growth, and revenues. General Assembly determines the term of office of the members of the Board of Directors. In accordance with the Turkish Commercial Code, a new member meeting the legal conditions is elected to serve until the first general assembly meeting to replace the memberships opened before the end of the term of office.¹ Members of the Board of Directors can be elected for a maximum of three years, and members can be re-elected. As a bank that strives to maintain a well-balanced board, 3 out of 11 members of the Board are women and 5 out of 11 members are independent.²

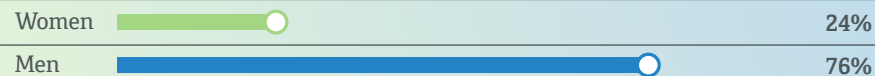
¹ For details please find QNB Finansbank's Article of Association [here](#).

² Audit Committee members are deemed independent within the scope of the II-17.1 Corporate Governance Communiqué issued by the Capital Markets Board of Türkiye.

Bank's Board



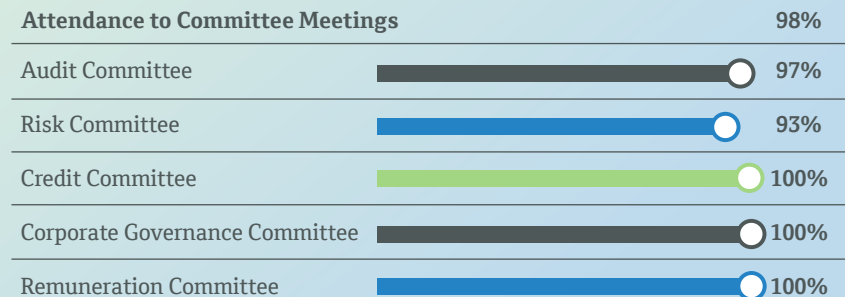
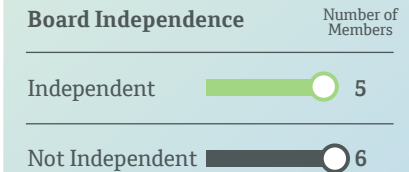
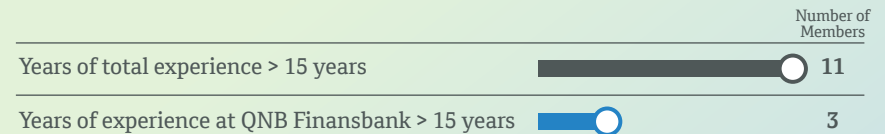
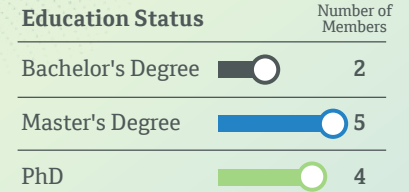
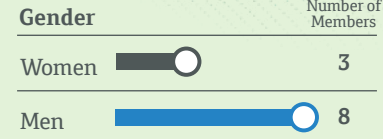
Bank's Executive Officers



The Board of Directors has several governance committees in place to support the activities of the Board in various areas. Audit Committee, Risk Committee, Credit Committee, Corporate Governance Committee, and Remuneration Committee also contributes to supporting the Board of Directors.³ In addition, responsible for implementing the strategies established by the Board of Directors and led by the CEO, the Executive Committee has 17⁴ members other than the CEO, including 4 women.

³ You can find detailed information on QNB Finansbank committees in the Annual Report 2022.










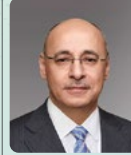

⁴ C-Suite / executive management team (CEO and EVPs, Head of Internal Systems)



Board Diversity Matrix

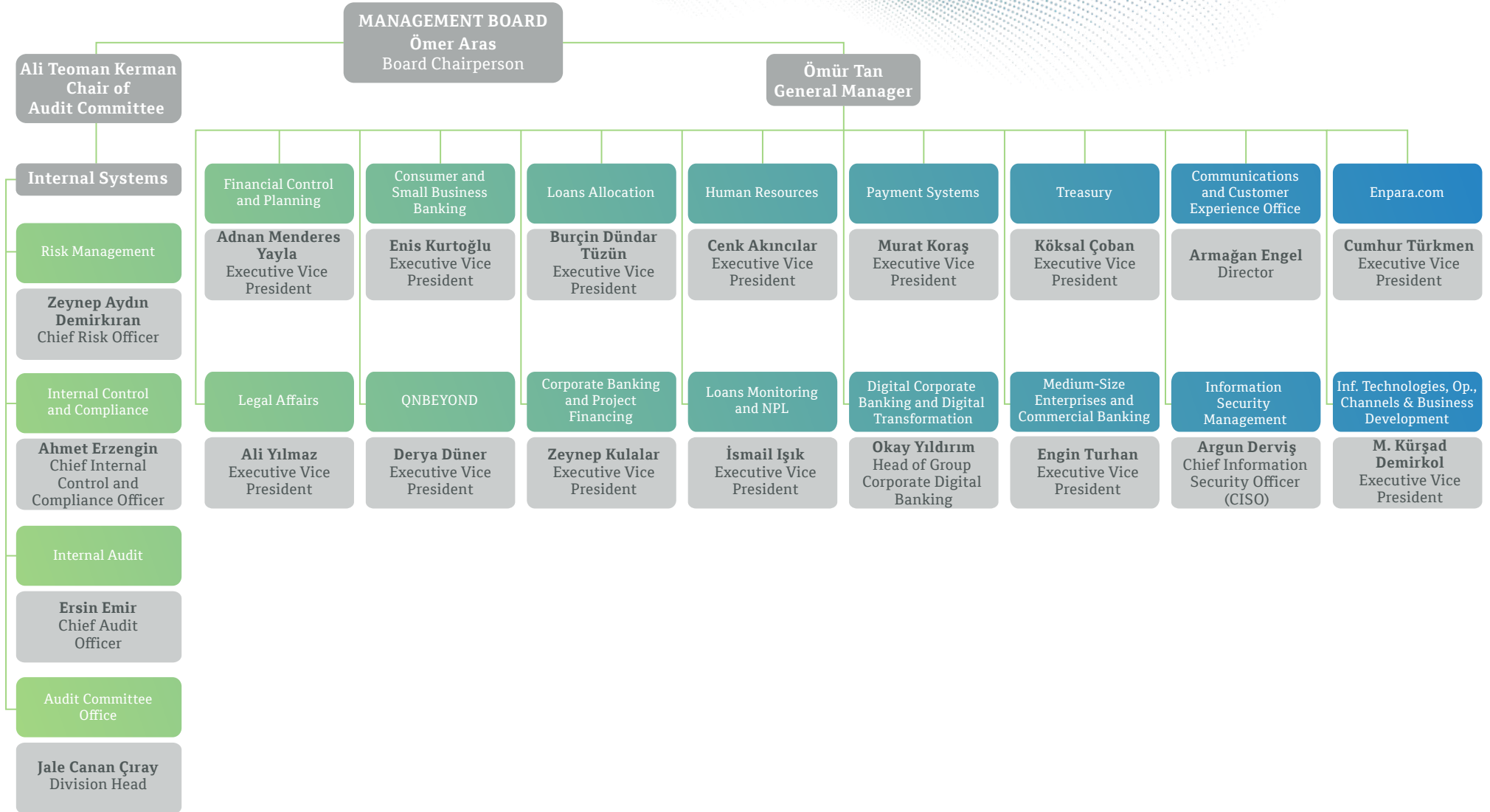


Board Diversity Matrix

											
Name	M. Ömer A. Aras	Yousef Mahmoud H. N. Al-Neama	Adel Ali M. A. Al-Malki	Ali Teoman Kerman	Durmuş Ali Kuzu	Esel Yıldız Çekin	Fatma Abdulla S. S. Al-Suwaidi	Noor Mohd J. A. I-Naimi	Osman Ömür Tan	Ramzi Talat A. Mari	Temel Güzeloglu
Title	Chairperson	Vice Chairperson of the Board of Directors	Member of the Board of Directors	Member of the Board of Directors and Chairperson of the Audit Committee	Member of the Board of Directors	Member of the Board of Directors	Member of the Board of Directors	Member of the Board of Directors	General Manager (CEO) and Member of the Board of Directors	Member of the Board of Directors	Member of the Board of Directors
Experience											
Financial/Audit & Risk	✱	✱	✱	✱	✱	✱	✱	✱	✱	✱	✱
Legal/ Public Policy		✱		✱	✱						
Management Experience	✱	✱	✱	✱	✱	✱	✱	✱	✱	✱	✱
Cybersecurity/ IT	✱	✱	✱		✱		✱				✱
M&A/Capital Markets		✱		✱	✱					✱	
Communications/Marketing/ Customer Service		✱				✱			✱		✱
Environmental/Social		✱				✱					
International Experience	✱	✱	✱	✱	✱	✱	✱	✱		✱	✱
Committee Memberships under the Board of Directors											
Audit Committee				✱	✱			✱		✱	
Risk Committee	✱		✱	✱			✱				
Credit Committee	✱	✱					✱	✱	✱		✱
Corporate Governance Committee				✱						✱	
Remuneration Committee		✱									✱
Attendance to Committee Meetings											
Audit Committee				17/17	17/17			15/17		17/17	
Risk Committee	11/12		11/12	11/12			11/12				12/12
Credit Committee	38/38	38/38					38/38		38/38		38/38
Corporate Governance Committee				5/5						5/5	
Remuneration Committee		7/7									7/7
Independence	Not independent	Not independent	Not independent	Independent	Independent	Independent	Not independent	Independent	Not independent	Independent	Not independent



Organizational Structure*



* As of 31.12.2022

The **Internal Audit Department** as well as **Risk Management, Internal Control, and 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”. It 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 Department is responsible for identifying, assessing, monitoring, controlling, and managing the risks with its four unit (market risk, credit risk, operational risk, and model validation) in line with its values. Risk Management Department’s main responsibilities include monitoring and controlling risk factors, creating new management policies for identified risks, developing risk measurement and assessment strategies, establishing and implementing risk management policies and procedures, and carrying out the reporting process.

Internal Control is responsible for protecting the Bank’s assets and creating an efficient control environment for the Bank’s day-to-day activities in accordance with the laws and regulations, in-house policies and procedures, and general banking practices.

Compliance ensures that the Bank adheres to the laws, regulations, and standards in force, expresses opinions and recommendations, and monitors and reports such risks that may arise in case of non-compliance to the Banks’s reputation and reliability. Regulatory Compliance, Capital Markets and Investment Products Compliance, Banking Regulations, Financial Crimes Compliance (Fraud Control, Anti-Money Laundering, Suspicious Transaction Monitoring and Analytics, Sanctions, and Customer Evaluation), and Personal Data Protection and Management units operate under the roof of Compliance. **Risk Management** is a core aspect of our digital era journey, and it is critically important for the continuity of our business activities. For that purpose, our Bank has allocated substantial resources for the improvement of the Bank’s infrastructure and governance to meet legal regulations, international best practices, and directives of the Basel Committee on Banking Supervision (“Basel Committee”). The committees have invited anyone that they considered were required to attend the meetings and gathered their opinions.

Our Bank’s risk management starts with the Board of Directors, which determines the fundamental risk strategies and relevant risk policies. Risk Committee, Audit Committee, Asset-Liability Management Committee, Operational Risk Management Committee, Reputational Risk Management Committee, and Risk Management Department are the essential parts of QNB Finansbank’s risk management structure. The Bank’s Internal Audit Department and Internal Control Units regularly carry out the audit processes and control activities for the compliance of Risk Management activities with international standards, best practice examples and regulations. Risk Committee and Board of Directors yearly evaluate reports about the results of the Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP) – covering risk appetite, stress tests, and budget studies.

As QNB Finansbank, we started working on improving our sustainability framework, policies, and practices in 2019 in order to be in line with the QNB Group’s strategic timeline and international best practices. In the following year, we reviewed and revised our Environmental and Social Risk Management system and accomplished an automated assessment tool for ESG procedures for lending at the end of 2020.



Moving forward, we have evaluated sustainability-related risks affecting core banking activities beyond lending in 2022 which are explained below:

Capital	Current Risks	Description of the Risk	Measures taken for Risk
Financial Capital	Credit Risk	Credit risk is defined as the current or prospective risk to earnings and capital arising from an obligor's failure to meet the terms of any contract with the institution or otherwise fail to perform as agreed.	Indicators of critically important capital and asset quality and other risk metrics related to the loan portfolio are monitored through regular reports. Proactive action is taken when the threshold values are approached in indicators determined as warning signals within the scope of the bank's risk appetite statement and precautionary plan. In addition, the sensitivity of these indicators within the context of stress scenarios is regularly tested.
	Market Risk	Market Risk arises due to positions in the trading book, including trading securities, open currency position and all derivatives excluding transactions done for hedging purposes, taken by the Bank with the intention of benefiting in the short term from actual and/or expected differences between their buying and selling prices or interest rate variations.	A structure has been established in order to effectively identify, monitor and manage the risk arising from changes in market prices, including interest rates, stock and bond prices, and exchange rates. With this structure, principles, measurement methods, processes, and limits have been determined to cover all transactions of QNB Finansbank originating from market risk.
	Structural Interest Rate Risk	Structural interest rate risk resulting from differences in timing of rate changes and timing of cash flows that occur in the pricing and maturity of a bank's assets and liabilities.	In order to manage this risk, QNB Finansbank has determined the Management of Interest Rate Risk of Banking Book Policy (IRRBB). Duration gap, economic value, economic capital, interest rate sensitivity, net interest income, stress tests approaches are used for the determination and management of Structural Interest Rate Risk.
	Liquidity Risk	Liquidity risk is defined as the current or prospective risk to earnings and capital arising from the Bank's inability to meet its liabilities -because of its balance sheet structure or market movements – when they are due.	In accordance with the "Liquidity Contingency Plan", early warning signals, stress levels depending on the severity of the liquidity risk and actions that can be taken at each stress level are defined. In parallel with these stress levels, the bank life span is calculated and monitored with stress tests.
Financial Capital Intellectual Capital Human Capital	Operational Risk	Operational risk is defined as the risk of direct or indirect loss resulting from inadequate or failed internal processes, people, and systems or from external events.	The Operational Risk and Business Continuity Management Unit is responsible for defining, measuring and monitoring operational risks, coordinating management activities and business continuity management. Key Risk Indicators that can create an early warning signal for significant risks have been identified and monitored regularly. Strong operational risk management processes and methodology have been established. The Business Continuity Management Plan, which was prepared in order to minimize the losses arising from business interruptions, was put into practice.
Social and Human Capital	Reputational and Human Resources Risk	Protecting its reputation and reliability in the eyes of all stakeholders, especially the legal authority, customers, investors, and employees.	In order to manage the risk, the Reputation Risk Management Policy was prepared in 2017 and entered into force with the approval of the Board of Directors. In addition, an early warning system is implemented against risks that may pose a direct threat to the Bank's reputation.



Capital	Suggested Risks	Description of the Risk	Measures taken for Risk
Nature Capital	Environmental Risks	Environmental risks refer to potential hazards or dangers that can have negative impacts on the natural environment and ecosystems, as well as on human health and well-being. These risks can arise from a variety of sources, such as pollution, climate change, air emissions, energy consumption, habitat destruction, and resource depletion. This risk includes extreme weather conditions (flood, erosion etc.), biodiversity loss, land use change and deforestation, waste and water related risks.	QNB Finansbank has reduced its environmental impacts by decreasing the datacenter cooling energy consumption by 25%. It is ensured that branches continue to use LED lighting fixtures. Renewable energy projects constitute 12.5% of the loans extended within the scope of Project and Structured Finance. QNB Finansbank's activities on water treatment devices were completed in 375 branches in 2022, and it is planned to complete the water treatment device application at the headquarters, administrative buildings, regional offices and direct sales offices by the end of 2023.
	Climate Change Risks	Climate change risks refer to the potential hazards and negative impacts that arise from changes in the Earth's climate caused by human activity, primarily the emission of greenhouse gases. Banks have a critical role to play in managing these risks, as they are key providers of financing to businesses and individuals, many of whom contribute to greenhouse gas emissions and other environmental impacts. As QNB Finansbank, we recognize that climate change related to greenhouse gas emissions presents risks and opportunities for our business and our customers.	QNB Finansbank continues to work in line with its Net Zero Carbon Emission targets for 2050. In 2022, in accordance with the sustainability strategy of the QNB Group, actions were also taken to provide long-term value. Continuing its proactive approach, the Bank invests in the improvement of measurement methodologies for climate related risks. In 2023 the Bank aims to calculate its scope 3 emissions and develop a fully fledged stress testing framework to precisely quantify financial impacts of climate risks. In order to raise awareness among the customers and support green transformation, various loan programs were offered within the framework of supporting SME's and entrepreneurship, providing sustainable investment & lending products and services, digital transformation and innovation.
Intellectual Capital	Technology and Cybersecurity Risks	Technology and cybersecurity risks refer to potential hazards and negative impacts that arise from the use of technology, including both physical devices and digital systems. Technology and cybersecurity risks can arise from a variety of sources, including human error, software bugs or vulnerabilities, hardware malfunctions, and cyberattacks. Technological risks can arise from a variety of sources, including human error, software bugs or vulnerabilities, hardware malfunctions, and cyberattacks which may affect the operations of the banking sector and data security.	For Technology and Cybersecurity Risks, an Information Asset based Risk Management Methodology is implemented by identifying threats and vulnerabilities on the information assets. (Identifying risks by detecting threats and security vulnerabilities regarding information assets in the asset inventory, determining the risk exposure possibilities of information assets according to the threats and security vulnerabilities detected, calculating the risk impact on the relevant information asset by considering the confidentiality, integrity, and availability criteria of the relevant information asset) Implementation and Certification of Information Security Management System (ISMS) was completed in 2022. ISO 27001 Certification within the scope of "Banking Services and Related IT Infrastructure Services" has been obtained.
Social and Human Capital	Social Risks	Social risks refer to potential negative consequences or impacts on individuals, communities, or society as a whole that can arise from various social and cultural factors. These risks can arise from a wide range of social issues, such as inequality, discrimination, poverty, crime, social unrest, and environmental degradation. Banks face risks associated, in particular, with financing activities that could result in adverse impacts on the society. Failure to timely and duly address these risks may result in reputational damage and consequently, a loss of investor support and customer loyalty, among other challenges.	By signing the Women's Empowerment Principles (WEPs), a joint venture of UN Global Compact and UN Women, 7 principles have been committed to create bank policies that will advance gender equality. Participated in the Target Gender Equality Program within the scope of the United Nations Global Compact (UNGC). Occupational health and safety trainings are provided to all employees, risk assessment studies are carried out within the scope of buildings and emergency plans are prepared.

In addition, for the coming year, we are planning to establish a stress-testing framework for quantifying financial impacts of climate related risks on a loan portfolio.

For evaluations of the Audit Committee on the Activities of Internal Control, Internal Audit and Risk Management Systems, please refer to [QNB Finansbank's Annual Report](#).

KPIs: Corporate Governance	2020	2021	2022
Confirmed incidents of bribery or corruption (number)	0	0	0
Board seats occupied by independent directors (%)	45.45	45.45	45.45
Board seats occupied by women (ratio)	2/11	2/9	3/10
Board seats occupied by women (%)	18.18	22.22	30

KPIs: Risk Management	2020		2021		2022	
Capital adequacy ratio (CAR) (%)	16.44		15.91		15.11	
Liquidity coverage ratio (LCR) (%)	TL* + FC**	FC**	TL* + FC**	FC**	TL* + FC**	FC**
	114.17	196.69	145.47	426.06	166.83	388.15

* TL: Turkish Lira, ** FC: Foreign Currency

7.2 Transparency, Compliance and Business Ethics

Transparency and Disclosure

As a pioneering bank for a sustainable future with a deep-rooted history and innovative approach, QNB Finansbank emphasizes the core aspect of its strong reputation in the banking sector, the value it creates transparently with ethical manners. As stated in the [Disclosure Policy](#), we make necessary information disclosures and other notifications both required to be made pursuant to relevant local and global reporting standards aiming to disclose any information other than trade secrets and make notifications to shareholders, investors, employees, customers, creditors, and other relevant parties on a timely basis and in an accurate, complete, comprehensive, easily and cost-efficiently accessible and equally-shared manner. In order to support transparency within the Bank and the banking sector, we ensure the establishment of standards that will reveal the highest data quality in reporting and use this as a driving force for continuous improvement.

Since the publishing of our first sustainability report in 2018, we have progressed by improving and increasing our sustainability outputs. To reflect our multidimensional approach to sustainability, CDP Climate Change Report and UNGC Communication on Progress Reports are presented on our official website along with related environmental certifications. We aim for a more holistic approach by taking our work one step further with our first integrated report by presenting our sustainability efforts to our stakeholders in a clear and transparent manner in line with the guidance of the relevant regulatory institutions.¹

¹ For more information about sustainability related reports, please see <https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports>

As QNB Finansbank, we aim to publish our first Integrated Annual report in 2023 as a further step in our sustainability journey.

Compliance and Business Ethics

As compliance is one of the cornerstones of a strong corporate governance perspective, our Financial Crime Compliance Committee ensures the Bank's compliance with all relevant laws, regulations, standards, and agreements by following national and international developments, reviewing if there is any new relevant process; investigating and reporting breaches and abuses of laws and regulations to prevent the Bank from being an intermediary in the laundering of criminal proceeds and financing of terrorism and to carry out control activities within this scope in order to mitigate the risk of the Bank being used to facilitate financial crimes by conducting fraud-based scenario analysis to prevent/detect fraud, assessing fraud risks and advising the senior management and/or Audit Committee for the appropriate action plans and precautions.²

² For detailed information, please see [Financial Crime Compliance Department \(FCC\) under Evaluations of the Audit Committee on the Activities of Internal Control, Internal Audit and Risk Management Systems and Information About Their Activities in the Accounting Period section of Annual Report 2022](#).

All QNB Finansbank members are expected to abide by the relevant laws, regulations, and ethical standards followed and stated by the Bank; for this reason, compliance trainings are being developed for employees based on relevant regulatory requirements.

We adopt universal human rights principles and national/international ethical banking practices and expect our employees to act in compliance with them. Apart from these, we follow and manage the risks that our Bank, employees and customers may encounter with the policies and principles we follow;

- 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
- Human Resources

The following procedures are communicated to our employees through various means such as regular trainings or notifications and orientation trainings for newly recruited employees*;

- 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)
- Policy on Intra-group Information Sharing Program Among Subsidiaries forming the Financial Group with the Bank within the scope of Regulation on Program of Compliance with Obligations of Anti-Money Laundering/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
- Fraud Risk Management Policy
- Precious Metals Responsible Supply Chain Compliance Policy
- Policy on Conflicts of Interest

In addition to these practices, our Bank has various notification channels to convey notices, tip-offs or complaints to report unethical or inappropriate behavior to the relevant authorities (Audit Committee, Chairperson of the Internal Audit Department, Compliance Officer, Ombudsman, Senior Management, etc.) in a safe and confidential way. Notifications submitted through these channels are reviewed by the relevant authorities, and necessary actions are taken within the scope of relevant procedures.**

* Regular training on Laundering of Proceeds of Crime, Operational Risks, and Personal Data Protection Law continued in 2022. 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](#).



7.3 Sustainability Principles Compliance Framework

A. General Principles		Compliance Status				Explanation	Link to the Public Disclosure Document
A1. Strategy, Policies and Goals		Yes	No	Partial	Not Applicable		
A1.1	Priority Environmental, Social and Corporate Governance (ESG) issues, risks and opportunities have been determined by the partnership's Board of Directors.	●				Board of Directors; identifies the Environmental, Social, Governance (ESG) material issues, risks and opportunities, and discloses its sustainability performance to the public in annual sustainability report, according to the GRI guideline.	Sustainability Reports https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports
	ESG policies (e.g. Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been created and disclosed to the public by the partnership's Board of Directors.	●				The Board of Directors creates ESG policies, the Sustainability Policy and supporting ESG policies are approved by the Board of Directors and published in the sustainability section of the Bank's corporate website.	Sustainability Related Policies: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-related-policies
A1.2	Short- and long-term targets set within the scope of ESG policies have been disclosed to the public.	●				The Bank's sustainability strategy, framework, short and long-term goals and materiality matrix created according to the United Nations Sustainable Development Goals (UN SDGs) are announced to the public in the sustainability reports and in the sustainability section of the corporate website.	Sustainability Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports
A2. Implementation Monitoring							
A2.1	The committees and/or units responsible for the implementation of ESG policies and the highest-level officials in the partnership related to ESG issues and their duties have been identified and disclosed to the public.	●				The Sustainability Committee is responsible for the overall management and oversight of the sustainability strategy and performance. The Sustainability Team is responsible for the execution of all the Bank's sustainability efforts, their compliance with the QNB Group's strategies and policies, and all sustainability reporting issues. Moreover, Sustainability Working Group are composed of representatives of relevant business lines and units within the Bank as well as create and execute projects and action plans related to sustainability.	Sustainability Governance & Management: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-governance-and-management
	Activities carried out within the scope of policies by the responsible committee and/or unit have been reported to the Board of Directors at least once a year.	●				The Sustainability Committee, which is responsible for the general management as well as oversight of the sustainability strategy and performance, is in charge on informing the Corporate Governance Committee and the Board of Directors on relevant issues at least twice a year and with the required frequency and reporting on sustainability activities.	Sustainability Governance & Management: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-governance-and-management



		Compliance Status				Explanation	Link to the Public Disclosure Document
		Yes	No	Partial	Not Applicable		
A2.2	According to the ESG targets, implementation and action plans have been created and disclosed to the public.	●				Project and action plans have been created within the scope of short- and long-term targets and reported to the Board of Directors and relevant committees. Although the relevant project/action plans are not disclosed to the public. Performance outputs and key performance indicators are presented to the public periodically and comparatively with sustainability reports.	Sustainability Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports
A2.3	The ESG Key Performance Indicators (KPIs) and the level of reaching these indicators have been disclosed to the public on a yearly basis.	●				The identified Key Performance Indicators (KPIs) of the Bank are disclosed in sustainability reports as a comparison over the years.	Sustainability Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports
A2.4	Activities to improve the sustainability performance of business processes or products and services have been disclosed to the public.	●				Activities to improve the sustainability performance of business processes, products and services are disclosed in the relevant sections of the sustainability reports and annual reports.	Sustainability Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports
A3. Reporting							
A3.1	In the annual reports, information regarding the sustainability performance, targets and actions of the partnership is given in a comprehensible, accurate and sufficient manner.	●				Although the Bank's Compliance with the Capital Markets Board of Türkiye, Sustainability Principles is explained in the annual report; The Bank's sustainability performance, targets and sustainability activities are announced to the public on an annual basis with the sustainability report.	Sustainability Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports Annual Reports https://www.qnbfinansbank.com/en/investor-relations/financial-information
A3.2	Information on which of Bank's activities are related to the UN SDGs has been disclosed to the public by the partnership.	●				The Bank's sustainability reports provide information on its sustainability priorities and activities related to the relevant UN SDGs.	Sustainability Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports
A3.3	Lawsuits filed and/or concluded against ESG issues, which are important in terms of ESG policies and/or would be significantly affect activities, have been disclosed to the public.	●				Disclosures regarding lawsuits filed and/or concluded against ESG issues explained in the relevant sections of the Bank's sustainability and/or annual reports.	Sustainability Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports Annual Reports https://www.qnbfinansbank.com/en/investor-relations/financial-information



		Compliance Status				Explanation	Link to the Public Disclosure Document
		Yes	No	Partial	Not Applicable		
A4. Verification							
A4.1	The Partnership's ESG Key Performance Metrics have been verified and publicly disclosed by an independent third party.			●		Sustainability performance measurements are prepared according to the Global Reporting Initiative (GRI) Sustainability Reporting Guide Core Implementation Level and Financial Services Sector Supplement. They are not verified by an independent third party. In the upcoming period, it is considered to obtain assurance from an independent party for sustainability reporting. In addition, in order to demonstrate our environmental performance, ISO 14001: Environmental Management System Certificate has been obtained in 2022 and shared with the public on the website. Moreover, carbon footprint for 2021 data has been calculated for scope 1,2 and scope 3 (excluding category 15) regarding ISO 14064-1:2006, and scope 1 and 2 carbon footprint calculations were verified by third parties and shared on the website.	Sustainability Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports ISO 14001: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports ISO 14064-1: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports
B. Environmental Principles							
B1	The partnership has made public its policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs in the field of environmental management.	●				QNB Finansbank strives to develop different methods and implement different practices to increase operational efficiency and reduce the environmental impact of its operations. Acting with the awareness that the biggest environmental impacts arise "indirectly" due to the lending processes. The Bank also takes action to responsibly manage the "direct" impact and environmental footprint resulting from its own activities. Therefore, it aims to reduce its environmental impacts by choosing environmentally friendly devices for electrical and mechanical projects, controlling buildings through automation systems, and taking actions to reduce energy and paper consumption. Carrying out the necessary work for the operation of an environmental management system at international standards, the Bank received the ISO 14001 Environmental Management System Certificate, covering the Kristal Tower (Headquarters Building), Erzurum Operations Building, and Umraniye E Block Building.	Sustainability Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports ISO 14001: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports ISO 14064-1: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports
B2	The scope of the report, the reporting period, the reporting date, and the limitations regarding the reporting conditions have been disclosed to the public about the environmental reports prepared in providing information on environmental management.	●				In the "About the Report" sections of the sustainability reports, the boundary of the report, the reporting period and reporting principles are detailed.	Sustainability Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports



		Compliance Status				Explanation	Link to the Public Disclosure Document
		Yes	No	Partial	Not Applicable		
B3	It is given in A2.1	●				The Bank; within the scope of “Management of Environmental Impacts of Operations”, one of the sustainability priorities that aims to determine the climate change strategy, to identify and manage the direct and indirect effects of its operations. The management and oversight of studies on environment and climate change is the responsibility of the Sustainability Committee. In addition to contributing to the fight against climate change by reducing its environmental footprint, the Bank also aims to manage its indirect environmental and social risks by assessing the environmental and social impacts of the projects it finances and creating a roadmap for limiting and/or eliminating the environmental and social impacts of the projects in question. Moreover, 2022 Carbon Disclosure Project (CDP) Climate Change Governance topic, the Bank's approach to the environment and climate change is presented in detail.	Sustainability & CDP Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports
B4	Environmental targets included in the rewarding criteria within the scope of performance incentive systems on the basis of stakeholders (such as members of the Board of Directors, managers and employees) have been disclosed to the public.			●		The Bank provides incentives related to climate change to all its employees, beginning from the top management level. In addition, a systematic incentive mechanism has been established for the Bank's senior management, but it has not been disclosed to the public.	CDP Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports
B5	How the priority environmental issues are integrated into business objectives and strategies has been disclosed to the public.	●				The targets and strategies regarding the management of environmental risks arising from the Bank's own activities are detailed in the relevant sections of the Sustainability Report. In order to ensure that indirect environmental impacts are included in business goals and strategies, the installation of the Environmental and Social Risk Management Policy has been completed in 2020 and shared on the web site.	Sustainability Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports Sustainability Related Policies: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-related-policies
B6	It is given in A2.4	●				KPIs and remedial actions are detailed in the relevant sections of the sustainability and annual reports.	Sustainability Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports



		Compliance Status				Explanation	Link to the Public Disclosure Document
		Yes	No	Partial	Not Applicable		
B7	It has been publicly disclosed how environmental issues are managed and integrated into business objectives and strategies throughout the partnership value chain, including the operational process, suppliers and customers.			●		The Bank takes the utmost care to conduct direct operations along the value chain and actions taken in this regard. The relevant provisions of the sustainability report are detailed. However, there is currently no Responsible Sourcing/Supply Chain Management Policy approved by the Board of Directors. In the upcoming period, the publication is planned for the relevant policy.	Sustainability Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports
B8	Whether relevant organizations and non-governmental organizations on the environment are involved in the policy-making processes and the collaborations with these institutions and organizations have been disclosed to the public.	●				The Bank's environmental memberships and collaborations are reported in detail in the Memberships section of the sustainability reports. In addition, it contributes to the meetings and working groups of the organizations.	Sustainability Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports
B9	Environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts) Information about the impacts of the company is disclosed to the public on a comparable basis periodically.			●		Environmental indicators, that are directly related to the Bank's activities, are calculated periodically and comparatively as well as shared with the public through sustainability & CDP reports and ISO certificates.	Sustainability & CDP Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports ISO 14001: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports ISO 14064-1: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports



		Compliance Status				Explanation	Link to the Public Disclosure Document
		Yes	No	Partial	Not Applicable		
B10	Details of the standard, protocol, methodology, and base year used to collect and calculate data have been made public.	●				International standards and methodologies have been used in data collection and calculation. The protocol methodology and base year details for the carbon footprint calculation and ISO 14001 Environmental Management Certificate are presented in the ISO certificates and sustainability reports on the website.	Sustainability & CDP Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports ISO 14001: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports ISO 14064-1: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports
B11	Compared to previous years, the increase or decrease of environmental indicators for the report year has been disclosed to the public.	●				In sustainability reports, environmental indicators are presented as a comparison with previous years.	Sustainability Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports
B12	Short and long-term targets have been determined to reduce their environmental impacts, and the progress of these targets. These targets decided in previous years has been disclosed to the public.			●		In the sustainability reports, science-based short and long-term targets are not disclosed, and the Bank is working to determine its science-based targets and to announce these targets to the public in the upcoming periods.	Sustainability Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports
B13	A strategy to combat the climate crisis has been created and the planned actions have been publicly announced.	●				The strategy and actions to combat the climate crisis are explained in the 2022 CDP Climate Change Report.	CDP Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports



		Compliance Status				Explanation	Link to the Public Disclosure Document
		Yes	No	Partial	Not Applicable		
B14	Programs or procedures have been established and disclosed to the public in order to prevent or minimize the potential negative impact of products and/or services on the environment.	●				<p>The Bank's Environmental and Social Risk Management Policy, approved by the Board of Directors, has been created to prevent the potential negative impact of services on the environment and has been published on the corporate website.</p> <p>As of 2021, through the evaluation of environmental and social risks in lending processes, actions for the limitation of potential negative effects by third parties have been carried out. The Bank's Environmental and Social Risk Management Policy, approved by the Board of Directors, has been published on the corporate website.</p>	<p>Sustainability Related Policies: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-related-policies</p> <p>Sustainability Related Policies: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-related-policies</p>
	Actions have been taken to reduce greenhouse gas emissions of third parties (eg suppliers, subcontractors, dealers, etc.) and these actions have been disclosed to the public.	●					
B15	The environmental benefits and cost savings of initiatives and projects aimed at reducing environmental impacts have been disclosed to the public.	●				The results of the actions taken to reduce environmental impacts are shared in the relevant sections of the sustainability reports on a project basis. In addition, studies and actions to reduce environmental impacts are explained in the 2022 CDP Climate Change Report.	<p>CDP Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports</p>
B16	Energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) data are publicly disclosed as Scope-1 and Scope-2.	●				Energy consumption data is calculated periodically and comparatively. Scope 1 and Scope 2 data are disclosed in the 2022 CDP Climate Change Report.	<p>CDP Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports</p>
B17	Public disclosure has been made about the electricity, heat, steam and cooling produced in the reporting year.	●				The main consumption data within the scope of the Bank's operations are shared in detail in the relevant sections of the sustainability reports.	<p>Sustainability Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports</p>
B18	Studies on increasing the use of renewable energy and the transition to zero or low carbon electricity have been made and publicly announced.	●				Utmost care is taken to increase the use of renewable energy sources. Studies on the transition to zero or low carbon electricity are described in the 2022 CDP Climate Change Report. In 2022, 100% of electricity consumption has been compensated by renewable energy sources.	<p>Sustainability Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports</p>



		Compliance Status				Explanation	Link to the Public Disclosure Document
		Yes	No	Partial	Not Applicable		
B19	Renewable energy production and usage data is publicly disclosed.	●				In 2021, 100% of electricity consumption was compensated by renewable energy sources. Energy consumption data is disclosed in sustainability reports.	Sustainability Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports
B20	Energy efficiency projects have been carried out and the amount of energy consumption and emission reduction achieved through energy efficiency projects has been disclosed to the public.	●				The results of the actions to increase energy efficiency on a project basis are shared in the relevant parts of the sustainability reports. In addition, energy consumption and emission reduction amounts are included in the 2022 CDP Climate Change Report.	Sustainability & CDP Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports
B21	Water consumption, if any, amounts of water drawn, recycled and discharged from underground or above ground, its sources and procedures have been disclosed to the public.			●		While the Bank presents the total water consumption data comparatively in its sustainability reports, the recycled water consumption, etc. It is planned to give detailed information in the next years.	Sustainability Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports
B22	It has been publicly disclosed whether its operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).				●	There is no Emissions Trading System (ETS) in Türkiye.	
B23	Information on carbon credits accumulated or purchased during the reporting period has been disclosed to the public.	●				The Bank obtained a carbon credit (I-REC Certificate) in 2022 to zero its emissions from electricity.	CDP Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports
B24	If carbon pricing is applied within the partnership, the details are disclosed to the public.		●			Studies continue on this subject.	Sustainability & CDP Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports
B25	The platforms where the partnership discloses its environmental information are publicly disclosed.	●				The Bank discloses its environmental information within the scope of sustainability and CDP Climate Change reports and publishes it on its website.	Sustainability & CDP Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports



C. Social Principles		Compliance Status				Explanation	Link to the Public Disclosure Document
C1. Human Rights and Employee Rights		Yes	No	Partial	Not Applicable		
C1.1	The Corporate Human Rights and Employee Rights Policy has been established to cover the Universal Declaration of Human Rights, ILO Conventions ratified by Türkiye and other relevant legislation, those responsible for the implementation of the policy have been determined and the policy and those responsible have been disclosed to the public.			●		Human Rights and Employee Rights are mentioned in the Sustainability Policy.	Sustainability Related Policies: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-related-policies
C1.2	Considering the effects of supply and value chain, fair workforce, improvement of labor standards, women's employment and inclusion issues (gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc., such as non-discrimination) are included in its policy on employee rights.	●				QNB Finansbank respects the human rights of everyone who affected by its activities; it ensures that everyone is treated with dignity and equally, regardless of race, religion, gender, age or language. The Bank offers its employees a working environment where they are treated with justice, equality and respect. The issues of providing equal remuneration and development opportunities, establishing complaint mechanisms, preventing discrimination, ensuring job security and safety of employees are assessed within this framework. QNB Finansbank expects its customers and suppliers to respect human rights, prevents child labor and forced labor within its workforce and supply chain.	Sustainability Related Policies: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-related-policies
C1.3	Measures taken along the value chain regarding the observance of certain economic, environmental, social factors (low-income groups, women, etc.) or minority rights/equality of opportunity have been publicly disclosed.		●			Studies are continued to report the actions taken along the value chain and to establish relevant ESG policies.	



		Compliance Status				Explanation	Link to the Public Disclosure Document
		Yes	No	Partial	Not Applicable		
C1.4	Developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced and child labor have been disclosed to the public.	●				Actions taken and related regulations are disclosed to the public in the Bank's related ESG policies, sustainability reports and the sustainability section of the corporate website.	Sustainability Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports Sustainability Related Policies: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-related-policies
	Investments in employees (training, development policies), compensation, fringe benefits, right to unionize, work/life balance solutions and talent management are included in the employee rights policy.	●					
C1.5	Dispute resolution processes have been determined by establishing mechanisms for employee complaints and resolution of disputes.	●				Relevant information is disclosed in annual and sustainability reports as well as in the Sustainability Policies.	Sustainability Related Policies: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-related-policies Sustainability Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports Annual Reports https://www.qnbfinansbank.com/en/investor-relations/financial-information
	Activities carried out within the reported period to ensure employee satisfaction have been disclosed to the public.	●					
C1.6	Occupational health and safety policies have been established and disclosed to the public.					Statistics on occupational accidents are published in sustainability reports over the years. The relevant policies and procedures of the Bank have not been disclosed to the public.	Sustainability Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports
	Measures taken to prevent occupational accidents and protect health and accident statistics have been disclosed to the public.			●			



		Compliance Status				Explanation	Link to the Public Disclosure Document
		Yes	No	Partial	Not Applicable		
C1.7	Personal data protection and data security policies have been established and disclosed to the public.			●		The Bank has relevant policies, but they have not been disclosed to the public.	
C1.8	Ethics policy is established and disclosed to the public			●		Different regulations/instructions/procedures have been established for the listed activities, and there is no Ethics Policy that covers all of them and has been disclosed to the public. Additionally, there is an Employee Code of Conduct Procedure.	Employee Code of Conduct Procedure: https://www.qnbfinansbank.com/medium/document-file-1802.vsf
C1.9	Explains its work on social investment, social responsibility, financial inclusion and access to finance.	●				Many studies are carried out within the specified scopes. It is disclosed to the public in the relevant sections of the sustainability report.	Sustainability Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports
C1.10	Information meetings and training programs have been organized for employees on ESG policies and practices.	●				In addition to general awareness-raising activities and/or trainings on sustainability, trainings and meetings specific to ESG policies and practices are organized, and utmost care is taken to increase the participation of relevant employees.	Sustainability Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports
C2. Stakeholders, International Standards and Initiatives							
C2.1	The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed to the public.			●		The Bank has relevant policies and procedures, but they have not been disclosed to the public.	
C2.2	Information about the communication with stakeholders (which stakeholder, subject and frequency) is publicly disclosed.	●				It takes the utmost care to ensure continuous and transparent communication with its stakeholders. Detailed information on Stakeholder Engagement and Communication is shared in the sustainability reports.	Sustainability Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports



		Compliance Status				Explanation	Link to the Public Disclosure Document
		Yes	No	Partial	Not Applicable		
C2.3	International reporting standards adopted in reporting are explained.	●				The Bank explains the international reporting standards it has adopted in its sustainability reporting.	Sustainability Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports
C2.4	Principles adopted, signatory or member international organizations, committees and principles regarding sustainability have been disclosed to the public.	●				The Bank discloses the institutions and principles as a signatory to in its sustainability reports.	
C2.5	Improvements have been made and studies have been carried out to be included in the sustainability indices of Borsa Istanbul and/or international index providers.		●			Participation in the indices is evaluated.	Sustainability Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports
D. Corporate Governance Principles							
D1	Opinions of stakeholders have been sought in the determination of measures and strategies regarding sustainability.	●				In all processes, the opinions of the relevant stakeholders are sought as well as their contributions to processes and strategies are encouraged.	Sustainability Reports: https://www.qnbfinansbank.com/en/about-qnb-finansbank/sustainability/sustainability-reports
D2	Social responsibility projects, awareness activities and trainings have been carried out to raise awareness about the issue of sustainability and its importance.	●				To decide the Corporate Governance Strategy, developments related to sustainability, national and international best practices, sustainability priorities, targets and performance of the Bank are assessed.	

8. Annexes

8.1 Corporate Memberships

As QNB Finansbank, we believe in the importance of cooperating in line with common goals in the sector we are in. We closely follow global developments and can produce stronger sustainable solutions to global problems by signing various international initiatives.

- Banks Association of Türkiye (TBB)
- Call Centers Association (ÇMD)
- Contemporary Education Foundation (CEV)
- Darüşşafaka Society
- Educational Volunteers Foundation of Türkiye (TEGV)
- Habitat Association
- Interbank Card Center (BKM)
- International Chamber of Commerce Türkiye
- Kredi Kayıt Bürosu (KKB)
- Turkish Capital Markets Association (TCMA)
- Turkish Education Association (TED)
- Turkish Education Foundation (TEV)
- United Nations Global Compact Network Türkiye
- World Wildlife Foundation (WWF)

8.2 Explanation on Taxation*

Profit for the year	24,282,813,723
Accrued income tax	5,950,813,473
Total employees	11,427
Income tax paid	5,950,813,473

* As of 31.12.2022

As of the end of 2022, QNB Finansbank continues to support economy with its 436 branches; with 435 in Türkiye and 1 offshore in Bahrain. The Bank's information on taxes paid in Türkiye is presented in the above table. Bahrain does not impose corporate income tax.

More detailed explanations on taxation are presented in the Accounting Policies section of [Annual Report 2022](#) between pages 155-156.

8.3 Women's Empowerment Principles (WEPs) Progress Report

Principle 1 Establish high-level corporate leadership for gender equality	Materiality Assessment Equal Opportunity, Diversity, and Gender Equality 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 non-discrimination	Equal Opportunity, Diversity, and Gender Equality Talent Attraction, Employee Development and Engagement QNB Finansbank Sustainability Policy
Principle 3 Ensure the health, safety, and well-being of all women and men workers	Equal Opportunity, Diversity, and Gender Equality Talent Attraction, Employee Development and Engagement QNB Finansbank Employee Code of Conduct QNB Finansbank Sustainability Policy
Principle 4 Promote education, training, and professional development for women	Talent Attraction, Employee Development and Engagement
Principle 5 Implement enterprise development, supply chain and marketing practices that empower women	Financial Inclusion and Financial Literacy Equal Opportunity, Diversity, and Gender Equality Digital Transformation and Innovation QNB Finansbank Sustainability Policy
Principle 6 Promote equality through community initiatives and advocacy	Investments in Society and Community Equal Opportunity, Diversity, and Gender Equality QNB Finansbank Sustainability Policy
Principle 7 Measure and publicly report on progress to achieve gender equality	Investments in Society and Community Equal Opportunity, Diversity, and Gender Equality



8.4 Independent Assurance Report



Carbon Footprint Verification

Verification Opinion Statement-GHG Emissions Reporting

This is to verify that:


QNB Finansbank A.S.
Buyukdere Cad. No:215
4 Levent Istanbul, 34394, Turkey

Holds Statement No: GHGEV 772390

EMISSIONS DETAILS	
Reporting Year(s):	01/01/2022-31/12/2022
Date of Emissions Report:	04.05.2023
Scope 1 Emissions in tCO ₂ e	n/a
Scope 2 Emissions in tCO ₂ e	n/a
Scope 3 Emissions in tCO ₂ e	20,921
Total Reported Emissions in tCO ₂ e	20,921

FACILITY VERIFICATION DETAILS	
Proportion of facilities inspected during the verification?	100%

OPINION - verified:	BSI Group Eurasia Certification Services Inc has conducted a verification of the greenhouse gas data reported by <i>QNB Finansbank A.S.</i> in its Emissions Report dated 4 th May 2023 and presented above. On the basis of the verification work undertaken (see Annex 1) these data are fairly stated.
OPINION - verified with comments:	As a result of verification procedures, it is the opinion of BSI with limited assurance that: The Greenhouse Gas Emissions for the period from 01/01/2022 to 31/12/2022 is 20,921 tonnes of CO ₂ equivalent. (Materiality level is 10%). No material misstatements in the selected base year Greenhouse Gas Emissions calculation for <i>QNB Finansbank A.S.</i> were revealed. Data quality was considered acceptable in meeting the principles as set out in ISO 14064-3.

Lead Verifier :	Elif Odabas Yesilot
Technical Reviewer :	Mehmet Kumru
Signed on behalf of BSI Group Eurasia Certification Services Inc :	
Date of Opinion:	Theuns Kotze 30.05.2023



ANNEX 1 - BASIS OF THE OPINION	
Objectives and scope of the Verification:	To examine the Reporting Company's emissions report for the Greenhouse Gas (GHG) Program identified above; and to confirm compliance with the rules, principles and monitoring requirements of the Program; and to verify that the reported emissions figures and associated information are compliant and accurate to within the agreed Materiality threshold.
Responsibilities:	The Reporting Company (named above) is solely responsible for the preparation and reporting of GHG Emission for the purposes of the GHG Program (named above); for any information and assessments that support the reported data; for determining the Company's objectives in relation to GHG information and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived. In accordance with the verification contract dated 2023 it is the responsibility of BSI Group Eurasia Certification Services Inc to form an independent opinion, based on the examination of information and data presented in the Emissions Report, and to report that opinion to the Company. We will also report if, in our opinion (see Annex 2) : <ul style="list-style-type: none"> any information or assessments relating to the disclosed data are inconsistent with the verification findings; or the verification team has not received all the information and explanations that it requires to conduct its examination; or we become aware of additional information, the omission of which may result in the reported data being materially misstated or misleading. Without qualifying our Opinion, we may also report to the Company any opportunities identified for improvement in the robustness of emissions accounting and reporting processes (these are identified in Annex 2).
Work performed & basis of the opinion:	We conducted our examination having regard to the reference documents 1-# outlined below. This involved examining, on a test basis, evidence to give us limited assurance that the amounts and disclosures relating to the data have been properly prepared in accordance with the rules and principles of ISO 14064-3:2006, as outlined in reference documents A-# below. In testing the emissions accounting and reporting processes, we examined elements at both entity consolidation level and a selection of local facilities. This examination also involved assessing where necessary estimates and judgments made by the Company in preparing the data and considering the overall adequacy of the presentation of the data in the Emissions Report.
Reference documents cited :	Conduct of the Verification 1) ISO 14065:2007 - Requirements for GHG validation and verification bodies for use in accreditation and other forms of recognition 2) ISO 14064-3:2006 - Part 3 - Specification with guidance for the validation and verification of greenhouse gas assertions Rules etc of the GHG Program A) ISO14064-3 - Part 3 - Specification with guidance for the validation and verification of greenhouse gas assertions





bsi.


ANNEX 2 - ISSUES ARISING FROM THE VERIFICATION THAT ARE REQUIRED TO BE REPORTED	
A.	Material Non-Conformances with Reporting Protocols etc and/or Material Mis-statement
A1	
A2	
A3	
A4	
A5	
A6	
A7	
A8	
A9	
A10	
B.	Other improvement opportunities (e.g. to aid information system robustness, transparency etc.)
B1	
B2	
B3	
B4	
B5	
B6	
B7	
B8	
B9	
B10	

bsi.


Carbon Footprint Verification

Verification Opinion Statement

This is to verify that:

QNB Finansbank A.S.
 Buyukdere Cad. No:215
 4 Levent Istanbul, 34394, Turkey


 Holds Statement No: **GHGEV 772390**

EMISSIONS DETAILS		
Reporting Year(s):	01/01/2022-31/12/2022	
Date of Emissions Report:	04.05.2023	
	Market Based	Location Based
Scope 1 Emissions in tCO ₂ e	14,786	14,786
Scope 2 Emissions in tCO ₂ e	-	23,285
Total Reported Emissions in tCO ₂ e	14,786	38,071

FACILITY VERIFICATION DETAILS	
Proportion of facilities inspected during the verification?	100%

OPINION - verified:	BSI Group Eurasia Certification Services Inc has conducted a verification of the greenhouse gas data reported by <i>QNB Finansbank A.S.</i> in its Emissions Report dated 4 th May 2023 and presented above. On the basis of the verification work undertaken (see Annex 1) these data are fairly stated.
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OPINION - verified with comments:	As a result of verification procedures, it is the opinion of BSI with reasonable assurance that: Location Based Greenhouse Gas Emissions for the period from 01/01/2022 to 31/12/2022 is 38,071 tonnes of CO ₂ equivalent. (Materiality level is 5% for both Scope 1 and Scope 2). Market Based Greenhouse Gas Emissions for the period from 01/01/2022 to 31/12/2022 is 14,786 tonnes of CO ₂ equivalent. (Materiality level is 5% for both Scope 1 and Scope 2). No material misstatements in the selected base year Greenhouse Gas Emissions calculation for <i>QNB Finansbank A.S.</i> were revealed. Data quality was considered acceptable in meeting the principles as set out in ISO 14064-3.
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Lead Verifier :	Elif Odabas Yesilot
Technical Reviewer :	Mehmet Kumru
	
Signed on behalf of BSI Group Eurasia Certification Services Inc :	Theuns Kotze
Date of Opinion :	30.05.2023






bsi.



bsi.



ANNEX 1 - BASIS OF THE OPINION

Objectives and scope of the Verification:	To examine the Reporting Company's emissions report for the Greenhouse Gas (GHG) Program identified above; and to confirm compliance with the rules, principles and monitoring requirements of the Program; and to verify that the reported emissions figures and associated information are compliant and accurate to within the agreed Materiality threshold.
Responsibilities:	<p>The Reporting Company (named above) is solely responsible for the preparation and reporting of GHG Emission for the purposes of the GHG Program (named above); for any information and assessments that support the reported data; for determining the Company's objectives in relation to GHG information and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.</p> <p>In accordance with the verification contract dated 2023 it is the responsibility of BSI Group Eurasia Certification Services Inc to form an independent opinion, based on the examination of information and data presented in the Emissions Report, and to report that opinion to the Company. We will also report if, in our opinion (see Annex 2):</p> <ul style="list-style-type: none"> any information or assessments relating to the disclosed data are inconsistent with the verification findings; or the verification team has not received all the information and explanations that it requires to conduct its examination; or we become aware of additional information, the omission of which may result in the reported data being materially misstated or misleading. <p>Without qualifying our Opinion, we may also report to the Company any opportunities identified for improvement in the robustness of emissions accounting and reporting processes (these are identified in Annex 2).</p>
Work performed & basis of the opinion:	<p>We conducted our examination having regard to the reference documents 1-# outlined below. This involved examining, on a test basis, evidence to give us reasonable assurance that the amounts and disclosures relating to the data have been properly prepared in accordance with the rules and principles of ISO14064-3, as outlined in reference documents A-# below.</p> <p>In testing the emissions accounting and reporting processes, we examined elements at both entity consolidation level and a selection of local facilities.</p> <p>This examination also involved assessing where necessary estimates and judgments made by the Company in preparing the data and considering the overall adequacy of the presentation of the data in the Emissions Report.</p>
Reference documents cited :	<p>Conduct of the Verification</p> <p>1) ISO 14065:2007 - Requirements for GHG validation and verification bodies for use in accreditation and other forms of recognition</p> <p>2) ISO 14064-3:2006 - Part 3 - Specification with guidance for the validation and verification of greenhouse gas assertions</p> <p>Rules etc of the GHG Program</p> <p>A) ISO14064-3:2006 - Part 3 - Specification with guidance for the validation and verification of greenhouse gas assertions</p>

ANNEX 2 - ISSUES ARISING FROM THE VERIFICATION THAT ARE REQUIRED TO BE REPORTED

A.	Material Non-Conformances with Reporting Protocols etc and/or Material Mis-statement
A1	
A2	
A3	
A4	
A5	
A6	
A7	
A8	
A9	
A10	
B.	Other improvement opportunities (e.g. to aid information system robustness, transparency etc.)
B1	
B2	
B3	
B4	
B5	
B6	
B7	
B8	
B9	
B10	



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8.5 Global Reporting Initiative (GRI) Standards Content Index

GRI Content Index

Statement of Use	QNB Finansbank has reported in accordance with the GRI Standards for the period January 1 st , 2022-December 31 st , 2022.	
GRI 1 Used	GRI 1: Foundation 2021	
GRI Standard Other Source	Disclosure	Location and Page Numbers
General Disclosures		
Corporate Profile		
GRI 2: General Disclosures 2021	2-1 Organizational details	Brief Information About the Bank, pg.10 Shareholder Structure, pg. 10 Esentepe Mahallesi Büyükdere Caddesi Kristal Kule Binası No:215 Şişli/İstanbul
	2-2 Entities included in the organization's sustainability reporting	About the Report, pg. 5 QNB Finansbank at a Glance and Milestones, pg.10
	2-3 Reporting period, frequency and contact point	Annually reported. About the Report, pg.5 sustainability@qnbfinansbank.com
	2-4 Restatement of information	There is no restated information in the report.
	2-5 External Audit	Independent Assurance Report, pg.92
	2-6 Activities, value chain and other business relationships	QNB Finansbank at a Glance and Milestones, pg.9 2022 Sustainability Highlights, pg.14 Responsible Procurement and Supply Chain, pg. 52
	2-7 Employees	2022 Sustainability Highlights, pg. 14 Talent Attraction, Employee Development and Engagement, pg.56 Equal Opportunity, Diversity and Gender Equality, pg.64

GRI 2: General Disclosures 2021	2-9 Governance structure and composition	Corporate Governance, pg. 70 Annual Report 2022, pg. 62
	2-10 Nomination and selection of the highest governance body	Annual Report 2022, pg. 62
	2-11 Chair of the highest governance body	Annual Report 2022, pg. 12
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance, pg.70 Annual Report 2022, pg. 12
	2-13 Delegation of responsibility for managing impacts	Corporate Governance, pg. 70 Sustainability Governance, pg.21 Annual Report 2022, pg. 62
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance, pg. 21
	2-15 Conflicts of interest	Annual Report 2022, pg. 80 QNB Finansbank Conflicts of Interest Policy
	2-16 Communication of critical concerns	Stakeholder Engagement and Communication, pg. 23 Annual Report 2022, pg. 80
	2-17 Collective knowledge of the highest governance body	Corporate Governance, pg. 70 Annual Report 2022, pg. 12
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance, pg. 70 Annual Report 2022, pg. 12



GRI 2: General Disclosures 2021	2-19 Remuneration policies	Talent Attraction, Employee Development and Engagement, pg. 56 Annual Report 2022, pg. 54
	2-20 Process to determine remuneration	Annual Report 2022, pg. 54
	2-21 Annual total compensation ratio	QNB Finansbank does not disclose this information due to confidentiality.
	2-22 Statement on sustainable development strategy	Message from the Chair of the Board, pg. 6 Message from the CEO, pg.7 Our Business Model, pg. 20
	2-23 Policy commitments	Brief Information About the Bank, pg.10 Vision and Mission, pg. 11 QNB Finansbank Employee Code of Conduct QNB Finansbank Environmental and Social Risk Management Policy QNB Finansbank Sustainability Policy QNB Group Sustainability Policy
	2-24 Embedding policy commitments	Message from the Chair of the Board, pg. 6 Message from the CEO, pg.7 Corporate Governance, pg. 70
	2-25 Processes to remediate negative impacts	Corporate Governance, pg.70
	2-26 Mechanisms for seeking advice and raising concerns	Corporate Governance, pg. 70 Stakeholder Engagement and Communication, pg.23 Talent Attraction, Employee Development and Engagement, pg. 56
	2-27 Compliance with laws and regulations	Annual Report 2022, pg. 79-80

	2-28 Memberships associations	Investments in Society and Community, pg. 66 Initiatives Supported in the Field of Sustainability, pg.29 Corporate Memberships, pg. 91
	2-29 Approach to stakeholder engagement	Stakeholder Engagement and Communication, pg.23 Materiality Assessment, pg. 27
	2-30 Collective bargaining agreements	QNB Finansbank A.Ş. respects the right to unionize. Currently, there is no employee covered by a collective bargaining agreement.
Priorities		
Material Topics		
GRI 2: General Disclosures 2021	3-1 Process to determine material topics	Materiality Assessment, pg. 27 QNB Finansbank Sustainability Roadmap, pg.22
	3-2 List of material topics	Materiality Assessment, pg.27
Customer Experience and Satisfaction		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment, pg. 27 QNB Finansbank Sustainability Roadmap, pg. 22 Customer Experience and Satisfaction, pg.39
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Privacy and Data Security, pg. 40
Talent Attraction, Employee Development and Engagement		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment, pg. 27 QNB Finansbank Sustainability Roadmap, pg.22 Talent Attraction, Employee Development and Engagement pg.56

Global Reporting Initiative (GRI) Standards Content Index



GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Career Opportunities for University Students at QNB Finansbank, pg. 57
	401-3 Parental leave	Talent Attraction, Employee Development and Engagement, pg. 56
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Engagement and Reward, pg. 61 Operational Health and Safety, pg. 63
	403-2 Hazard identification, risk assessment, and incident investigation	Engagement and Reward, pg. 61 Operational Health and Safety, pg.63
	403-3 Occupational health services	Engagement and Reward, pg. 61 Operational Health and Safety, pg.63
	403-4 Worker participation, consultation, and communication on occupational health and safety	Engagement and Reward, pg. 61 Operational Health and Safety, pg.63
	403-5 Worker training on occupational health and safety	Engagement and Reward, pg. 61 Operational Health and Safety, pg.63
	403-6 Promotion of worker health	Engagement and Reward, pg. 61 Operational Health and Safety, pg.63
	403-8 Workers covered by an occupational health and safety management system	Engagement and Reward, pg. 61 Operational Health and Safety, pg.63
	403-9 Work-related injuries	Engagement and Reward, pg. 61 Operational Health and Safety, pg.63
	403-10 Work-related ill health	Engagement and Reward, pg. 61 Operational Health and Safety, pg.63
	404-1 Average hours of training per year per employee	Talent Improvement and Management, pg. 58
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Improvement and Management, pg.58

GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	In accordance with the Law No. 5188 on Private Security Services and the provisions of the regulation regarding the implementation of this Law, persons whose Private Security Identity Card validity period will expire must take renewal training. The validity period of the ID Card is 5 years. Accordingly, as of the end of 2022, the number of Private Security Officers is 629, and the number of participants included in the training during the year is 105. 16.7% of Private Security Officers attended the training.
Climate Change Mitigation and Adaptation		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment, pg. 27 QNB Finansbank Sustainability Roadmap, pg. 22 Climate Change Mitigation and Adaptation, pg. 32
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental Impact of Operations, pg. 49
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Impact of Operations, pg.49
	305-3 Other indirect (Scope 3) GHG emissions	Environmental Impact of Operations, pg.49
	305-4 GHG emissions intensity	Environmental Impact of Operations, pg.49
Business Continuity		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment, pg. 27 QNB Finansbank Sustainability Roadmap, pg.22 Business Continuity, pg. 45
Financial Inclusion and Financial Literacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment, pg. 27 QNB Finansbank Sustainability Roadmap, pg.22 Financial Inclusion and Financial Literacy, pg.41



Digital Transformation and Innovation		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment, pg. 27 QNB Fininvest Sustainability Roadmap, pg. 22 Digital Transformation and Innovation, pg.46
Responsible Financing, Products, Services and Sustainable Investments on Integrating ESG Criteria		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment, pg. 27 QNB Fininvest Sustainability Roadmap, pg. 22 Responsible Financing, Products, Services and Sustainable Investments on Integrating ESG Criteria, pg.33
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Environmental and Social Risk Management System, pg.34
	203-2 Significant indirect economic impacts	Contribution to Sustainable Economic Growth, pg.35
Equal Opportunity, Diversity, and Gender Equality		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment, pg. 27 QNB Fininvest Sustainability Roadmap, pg. 22 Equal Opportunity, Diversity and Gender Equality, pg.64
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Equal Opportunity, Diversity and Gender Equality, pg.64
	405-2 Ratio of basic salary and remuneration of women to men	Human Resources, Planning and Recruitment, pg.57
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Equal Opportunity, Diversity and Gender Equality, pg.64

Environmental Impact of Operations		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment, pg. 27 QNB Fininvest Sustainability Roadmap, pg.22
GRI 301: Material Topics 2016	301-1 Materials used by weight or volume	Environmental Impact of Operations, pg.49
	301-2 Recycled input materials used	Environmental Impact of Operations, pg.49
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environmental Impact of Operations, pg.
	302-3 Energy intensity	Environmental Impact of Operations, pg. 49
	302-4 Reduction of energy consumption	Environmental Impact of Operations, pg. 49
	302-5 Reductions in energy requirements of products and services	Environmental Impact of Operations, pg.49
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Environmental Impact of Operations, pg. 49
	303-2 Management of water discharge-related impacts	Environmental Impact of Operations, pg. 49
	303-3 Water withdrawal	Environmental Impact of Operations, pg.49
	303-4 Water discharge	Environmental Impact of Operations, pg.49
	303-5 Water consumption	Environmental Impact of Operations, pg.49
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	Environmental Impact of Operations, pg.49
	305-4 GHG emissions intensity	Environmental Impact of Operations, pg.49



GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Environmental Impact of Operations, pg. 49
	306-2 Management of significant waste-related impacts	Environmental Impact of Operations, pg. 49
	306-3 Waste generated	Environmental Impact of Operations, pg.49
	306-4 Waste diverted from disposal	Environmental Impact of Operations, pg.49
Social and Community Investment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment, pg. 27 QNB Finansbank Sustainability Roadmap, pg.22
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social and Community Investment, pg. 65
Responsible Procurement and Supply Chain		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment, pg. 27 QNB Finansbank Sustainability Roadmap, pg.22
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Responsible Procurement and Supply Chain, pg.52
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Responsible Procurement and Supply Chain, pg.52
	308-2 Negative environmental impacts in the supply chain and actions taken	Responsible Procurement and Supply Chain, pg.52
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	QNB Finansbank Employees Code of Conduct Procedure

GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	QNB Finansbank Sustainability Policy Precious Metals Responsible Supply Chain Compliance Policy
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	QNB Finansbank Sustainability Policy Precious Metals Responsible Supply Chain Compliance Policy
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Responsible Procurement and Supply Chain, pg.52
	414-2 Negative social impacts in the supply chain and actions taken	Responsible Procurement and Supply Chain, pg.52
Corporate Governance and Risk Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment, pg. 27 QNB Finansbank Sustainability Roadmap, pg.22
Legal Compliance and Business Ethics		
GRI 3: Material Topics 2021	3-3 Management of material topics	Corporate Governance, pg. 70
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Corporate Governance, pg. 70
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Materiality Assessment, pg. 27 QNB Finansbank Sustainability Roadmap, pg.22
Sustainable Financial Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Corporate Governance, pg. 70
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Sustainable Financial Performance, pg. 17 2022 Sustainability Highlights, pg. 14 2022 Annual Report, pg. 28



GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Responsible Financing, Products, Services and Sustainable Investments on Integrating ESG Criteria, pg. 33
	201-3 Defined benefit plan obligations and other retirement plans	2022 Annual Report, pg. 133
Cybersecurity and Customer Privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment, pg. 27 QNB Finansbank Sustainability Roadmap, pg.22 Customer Privacy and Data Security, pg. 40
GRI 205: Anti- corruption 2016	205-1 Operations assessed for risks related to corruption	QNB Finansbank Anti-Bribery and Corruption Policy Legal Compliance and Business Ethics, pg. 77 Personal Data Protection and Management, pg.40
	205-2 Communication and training about anti-corruption policies and procedures	QNB Finansbank Anti-Bribery and Corruption Policy Legal Compliance and Business Ethics, pg. 77 Personal Data Protection and Management, pg.40
	205-3 Confirmed incidents of corruption and actions taken	QNB Finansbank Anti-Bribery and Corruption Policy Legal Compliance and Business Ethics, pg. 77 Personal Data Protection and Management, pg.40
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	QNB Finansbank Anti-Bribery and Corruption Policy Legal Compliance and Business Ethics, pg. 77 Personal Data Protection and Management, pg.40

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