

Annex 8: Sustainability Principles Compliance Report

	PRINCIPLES	COMPLIANCE STATUS				DESCRIPTION	REPORT INFORMATION (Including the page number)/LINK ON PUBLIC DISCLOSURE
		YES	NO	PARTIAL	NOT APPLICABLE		
A. General Principles							
A1. Strategy, Policy and Targets							
A1.1	The Board of Directors determines environmental, social and governance (ESG) priority issues, risks and opportunities.	X					Corporate Governance, page 133 Committee Structures and Policies, page 145 Our Value Creation Model, page 58-60 Determining the Materiality, page 54 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638
	The Board of Directors establishes ESG policies (For example: Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) and declares to the public.	X					Our Bank's website, Investor Relations, Corporate Governance, Policies https://www.vakifbank.com.tr/corporate-governance.aspx?pageID=1304
A1.2	The short and long term goals in line with ESG policies are declared to the public.	X					Our Medium and Long Term (3 to 5 Years) Goals, page 64-65 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638
A2. Implementation/Monitoring							
A2.1	The committees and/or units responsible for the implementation of ESG policies as well as the highest-level person in charge of ESG issues and their duties are determined and publicly disclosed.	X					Corporate Governance, Committee Structures and Policies, page 133, 145 Sustainability Management, page 181-182 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638
	The responsible committee / unit reports the activities carried out within the scope of the policies to the Board of Directors at least once a year.	X					Committee Structures and Policies, 145 Meeting Schedule of the Committees and Attendance at Meetings, page 147 Integrated Annual Report 2022, https://www.vakifbank.com.tr/corporate-governance.aspx?pageID=1304

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A2.2	Implementation and action plans in line with the ESG targets are formed and declared to the public.	X					Integrated Thinking in VakifBank, page 38-67 Our Medium and Long Term (3 to 5 Years) Goals, page 64-65 Responsible Financing, page 80-81 Corporate Social Responsibility in VakifBank, page 106-107 Human Rights, Equal Opportunity and Diversity, page 117-118 Climate Change and Environmental Performance of the Bank, page 130-131 Annex 3: Environmental Performance Indicators, page 507 Annex 4: Social Performance Indicators, page 508-511 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638
A2.3	The scope of ESG Key Performance Indicators (KPI) and relevant indicators are announced on a yearly basis.	X					Our Performance Indicators by Capital Elements, page 61 Annex-3 Environmental Performance Indicators, page 507 Annex 4: Social Performance Indicators, page 508-511 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638
A2.4	Activities that improve sustainability performance in business processes, products, and services have been disclosed to the public.	X					Responsible Finance and Sustainable Development, page 74-81 Our Material Topics and Sustainability Approach, page 50-57 Climate Change and Environmental Performance of the Bank, page 130-131 Our Contribution to the Sustainable Development Goals and Our Strategies, page 66-67 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638
A3. Reporting							
A3.1	Information regarding the performance of the Incorporation in terms of sustainability performance, targets and activities are included correctly and adequately in the annual report.	X					Integrated Thinking in VakifBank, page 38-67 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638

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A3.2	Information about its activities on which of the United Nations (UN) 2030 Sustainable Development Goals are related to has been disclosed to the public by the Incorporation.	X					The Relation of Our Material Topics with Capital Components and UN Sustainable Development Goals, page 56-57 Our Contribution to the Sustainable Development Goals and Our Strategies, page 66-67 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638
A3.3	Information about the important lawsuits filed and/or concluded in ESG issues, which are important in terms of ESG policies and/or will significantly affect activities, have been disclosed to the public.	X					Other Information on the Bank and its Activities, page 171 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638
A4. Verification							
A4.1	ESG Key Performance metrics of the Incorporation have been verified and publicly disclosed by an independent third party organization.	X					Independent Assurance Statement, page 184-185 Annex 5: Reporting Guidelines for Integrated Annual Report 2022, page 512-517 Annex 6 Verification Statement, page 518-520 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638
B. Environmental Principles							
B1	The Company has disclosed its policies and practices in the field of environmental management, action plans, environmental management systems (known with ISO 14001 standard), and programs to the public.	X					Integrated Thinking in VakıfBank, page 38-67 Our Medium and Long Term (3 to 5 Years) Goals, page 64-65 Climate Change and Environmental Performance of the Bank, page 130-131 Safe Working Environment, page 120-121 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638 Environmental Policy https://www.vakifbank.com.tr/Default.aspx?pageID=2793
B2	The scope of the report, the reporting period, the reporting date, and the limitations regarding the reporting conditions were disclosed to the public regarding the environmental reports prepared to provide information on environmental management.	X					About the Report, page 14 Annex 5: Reporting Guidelines for Integrated Annual Report 2022, page 512-517 Annex 6: Verification Statement, page 518-520 Annex 11: Task Force on Climate-Related Financial Disclosures (TCFD), page 551 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638 CDP Climate Change Report 2022, page 1, 98 https://www.vakifbank.com.tr/documents/pdf/CDP_Climate_Change_Questionnaire_2022.pdf
B3	Stated in A2.1.						

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B4	Environmental targets included in the rewarding criteria within the scope of performance incentive systems based on stakeholders (such as members of the Board of Directors, managers and employees) have been disclosed to the public.	X					Our Medium and Long Term (3 to 5 Years) Goals page 64-65 Annex 9: UN Global Compact (UNGC) Communication on Progress page 545 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638
B5	How priority environmental issues are integrated into business targets and strategies has been disclosed to the public.	X					Our Medium and Long Term (3 to 5 Years) Goals page 64-65 Our Material Topics and Sustainability Approach, sayfa 50-57 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638
B6	Stated in A2.4.						
B7	How environmental issues are managed and integrated into business targets and strategies throughout the company's value chain, including the operational process, suppliers and customers has been disclosed to the public.	X					Supplier Selection and Compliance Policy / https://www.vakifbank.com.tr/supplier-selection-and-compliance-policy.aspx?pageID=3997
B8	Whether the environment organizations and non-governmental organizations are involved in the policy-making processes or not, and the collaborations with these institutions and organizations have been disclosed to the public.	X					Memberships and Collaborations, page 105 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638
B9	In the light of environmental indicators (greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Indirect energy), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts), comparable information on its environmental impacts are disclosed to the public.	X					Annex-3 Environmental Performance Indicators, page 503 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638
B10	Standards, protocols, methodologies, and reference year details used to collect and calculate data are disclosed to the public.	X					Annex 5: Reporting Guidelines for Integrated Annual Report 2022, page 512-517 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638

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B11	The status of the environmental indicators for the reporting year (increase or decrease) in comparison with previous years has been described.	X					Annex-3 Environmental Performance Indicators, page 503 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638
B12	Short and long term targets to reduce environmental impact are set and these targets are announced together with information on their progress in relation to the goals set in the past years.	X					Our Medium and Long Term (3 to 5 Years) Goals page 64-65 Climate Change and Environmental Performance of the Bank, page 130-131 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638
B13	The strategy and actions to combat the climate crisis are announced.			X			Climate Risk, page 177 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638
B14	In order to prevent or minimize the potential negative impact of products and/or services on the environment, programs or procedures have been established and disclosed to the public.	X					Environmental and Social Risk Management System / https://www.vakifbank.com.tr/Default.aspx?pageID=5150 The Policy of Management of Environmental and Social Impacts in VakifBank Lending Processes / https://www.vakifbank.com.tr/Default.aspx?pageID=5100
	Actions for reducing greenhouse gas emissions of third parties (eg. suppliers, subcontractors, dealers, etc.) are taken and these actions have been disclosed to the public.	X				During environmental and social risk assessment carried out in scope of the Environmental and Social Risk Management System applied for loan applications of USD 20 million and above, annual greenhouse gas emission data of companies are requested, and it is aimed to provide different types of information requests with this infrastructure in case of need.	Our Material Topics and Sustainability Approach, page 50-57 Responsible Financing, page 80-81 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638

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B15	The environmental benefits / profits and cost savings provided by projects and initiatives carried out to reduce environmental impact are announced.		X			The calculation of benefit/ gain and cost savings in the process of analyzing environmental and social risks performed in the loan allocation process is not disclosed to the public.	
B16	The total energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling) data are announced as Scope-1 and Scope-2.	X					Annex-3 Environmental Performance Indicators, page 503 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638 CDP Climate Change Report 2022, page 94-96 / https://www.vakifbank.com.tr/documents/pdf/CDP_Climate_Change_Questionnaire_2022.pdf
B17	Information on electricity, heat, steam and cooling generated and consumed in the reporting year is provided.	X					Annex-3 Environmental Performance Indicators, page 503 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638
B18	Efforts to increase the use of renewable energy and transition to zero or low-carbon electricity have been made and disclosed to the public.	X					Climate Change and Environmental Performance of the Bank, page 130-131 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638
B19	The renewable generation of energy and the usage data are announced.	X					Climate Change and Environmental Performance of the Bank, page 130-131 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638
B20	Energy efficiency projects are realized and the amount of energy consumption and emission reduction gained by means of these studies are announced.	X					Climate Change and Environmental Performance of the Bank, page 130-131 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638

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B21	The amount of water withdrawn, used, recycled and discharged from underground or above ground, its sources and procedures are reported.	X					Annex-3 Environmental Performance Indicators, page 503 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638
B22	Explains whether the operations or activities are included in any carbon pricing system (Emission Trading System, Cap & Trade or Carbon Tax).				X	Although the Bank is not included in any carbon pricing system, it closely monitors the subject's developments.	
B23	The carbon credit information accumulated or purchased during the reporting period is announced.	X					Our priorities and Sustainability approach, pages 50-57 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638
B24	If carbon pricing is applied in the company, details are disclosed.				X	Although the Bank is not included in any carbon pricing system, it closely monitors the subject's developments.	
B25	Platforms where the Company discloses environmental information is announced.	X					Our Social and Relational Capital, page 100-111 Memberships and Collaborations, page 105 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638
C. Social Principles							
C1. Human Rights and Labor Rights							
C1.1	Corporate Human Rights and Labor Rights Policy is established in which full compliance with the legal framework and legislation regulating the human rights and business life in Türkiye, ILO Conventions that are ratified by Türkiye and the Universal Declaration of Human Rights is committed. Roles and responsibilities associated with the implementation of the policy are determined and announced.	X					Human Rights and Employee Rights Policy https://www.vakifbank.com.tr/Default.aspx?pageID=2787

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C1.2	Considering the supply and value chain effects, the Company includes fair workforce, improvement of labor standards, women's employment and inclusion (such as nondiscrimination on women, men, gender, religious belief, language, ethnicity, race, age, disability, refugee etc.) in its policy regarding the labor rights.	X					Human Rights and Employee Rights Policy https://www.vakifbank.com.tr/Default.aspx?pageID=2787 Equal Opportunity Policy https://www.vakifbank.com.tr/Default.aspx?pageID=4025 https://www.vakifbank.com.tr/Default.aspx?pageID=5115 Supplier Selection and Compliance Policy https://www.vakifbank.com.tr/supplier-selection-and-compliance-policy.aspx?pageID=3997
C1.3	Precautions taken throughout the value chain regarding the consideration of specific economic, environmental, and social factors such as low-income groups, women, or minority rights/opportunities have been disclosed to the public.	X					Equal Opportunity Policy https://www.vakifbank.com.tr/Default.aspx?pageID=4025
C1.4	Developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced labor and child labor are reported.	X					Human Rights and Employee Rights Policy https://www.vakifbank.com.tr/Default.aspx?pageID=2787
C1.5	Investment in employees (training, improvement policies), compensation, vested benefits, right to unionize, work/life balance solutions and talent management issues are included in employee rights policy.	X					Remuneration and Benefits https://www.vakifbank.com.tr/Default.aspx?pageID=2789 Human Rights and Employee Rights Policy https://www.vakifbank.com.tr/Default.aspx?pageID=2787 Indemnity Policy https://www.vakifbank.com.tr/Default.aspx?pageID=2790
	Dispute resolution processes are determined by creating mechanisms for employee complaints and dispute.	X					Ethical Principles of Banking, page 178 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638
	The activities carried out to ensure employee satisfaction during the reporting period are announced.	X					Employee Engagement and Satisfaction https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638

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C1.6	Occupational health and safety policies are established and declared to the public.	X					Occupational Health and Safety Policy https://www.vakifbank.com.tr/Default.aspx?pageID=2788 Our Intellectual Capital, page 82-93 Annex 4: Social Performance Indicators, page 504-507 https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638
	The occupational accidents, measures taken to maintain health, and accident statistics are announced.	X					Our Intellectual Capital, page 82-93 Annex 4: Social Performance Indicators, page 504-507 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638
C1.7	Protection of personal data and data security policies are established and disclosed to the public.	X					Privacy Policy, https://www.vakifbank.com.tr/Default.aspx?pageID=4005 Cookie Policy, https://www.vakifbank.com.tr/Default.aspx?pageID=4020 Information about the Law on the Protection of Personal Data, https://www.vakifbank.com.tr/information-on-the-protection-of-personal-data-law.aspx?pageID=3894
C1.8	Ethical policy is established and declared to the public.	X					Ethical Principles Policy https://www.vakifbank.com.tr/Default.aspx?pageID=2794
C1.10	Information meetings and training programs for employees on ESG policies and practices are organized.	X					Employee Development and Training, page 124-125 Compliance and Audit, page 179 Safe Working Environment, page 120-121 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638
C2. Stakeholders, International Standards and Initiatives							
C2.1	A customer satisfaction policy regarding the management and resolution of customer complaints is established and announced.	X					Customer Satisfaction Policy https://www.vakifbank.com.tr/customer-satisfaction-policy.aspx?pageID=3996
C2.2	Information on stakeholders communication (with which stakeholders, on what issue and how often) is announced.	X					Our Material Topics and Sustainability Approach, page 50-57 Stakeholder Communication and Transparency, page 104-105 Customer Experience and Satisfaction, page 102-103 Integrated Annual Report 2022, https://www.vakifbank.com.tr/annual-reports.aspx?pageID=638 Customer Satisfaction Policy https://www.vakifbank.com.tr/customer-satisfaction-policy.aspx?pageID=3996

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C2.3	International reporting standards adopted for the reportings are disclosed.	X					Annex 9: UN Global Compact (UNGC) Communication on Progress page 545 Annex 10: UN Principles for the Empowerment of Women (UN WEPs) Progress Report page 546 Annex 11: Task Force on Climate-Related Financial Disclosures (TCFD), page 551 Annex 12: GRI Standards Content Index page 548 Integrated Annual Report 2022, https://www.yakifbank.com.tr/annual-reports.aspx?pageID=638
C2.4	Principles, signatory and member international organizations, committees and principles on sustainability and adopted by the Company are disclosed.	X					Our Material Topics and Sustainability Approach, page 50-57 Sustainability Management, page 181-182 Memberships and Collaborations, page 105 Annex 9: UN Global Compact (UNGC) Communication on Progress page 545 Annex 10: UN Principles for the Empowerment of Women (UN WEPs) Progress Report page 546 Annex 11: Task Force on Climate-Related Financial Disclosures (TCFD), page 551 Integrated Annual Report 2022, https://www.yakifbank.com.tr/annual-reports.aspx?pageID=638
C2.5	Improvements and activities are conducted in order to be listed in the sustainability indices of Borsa Istanbul and/or international index providers.	X					Our Material Topics and Sustainability Approach, page 50-57 Sustainability Management, page 181-182 Human Rights, Equal Opportunity and Diversity, page 117-118 Our Social and Relational Capital, page 100-111 Memberships and Collaborations, page 105 Integrated Annual Report 2022, https://www.yakifbank.com.tr/annual-reports.aspx?pageID=638
D. Corporate Governance Principles							
D1	Stakeholders were consulted in determining measures and strategies in the field of sustainability.	X					Our Material Topics and Sustainability Approach page 50-57 Committees, page 146-147 Sustainability Management, page 181-182 Integrated Annual Report 2022, https://www.yakifbank.com.tr/annual-reports.aspx?pageID=638
D2	Efforts have been made to increase awareness about sustainability and its importance through social responsibility projects, awareness-raising activities, and trainings.	X					Our Social and Relational Capital, page 100-111 Corporate Social Responsibility in VakıfBank, page 106-107 Integrated Annual Report 2022, https://www.yakifbank.com.tr/annual-reports.aspx?pageID=638