

[Homepage](#)[Our Sustainability Approach](#)[About Sustainability](#)[Sustainability Blog](#)[Library Resources](#)[Contact](#)[Homepage](#) > [Garanti BBVA Sustainability Approach](#) > [Material Issues](#) > [Environmental and Social Risk Management](#)

# TR EN Material Issues

[Our Material Topics](#)[Risks and Opportunities](#)[Our Responsible and Sustainable Banking Approach](#)[2021 Key Performance Indicators](#)[Sustainability](#)[Environmental and Social Risk Management](#)[Social Performance Data](#)[Financial Health](#)[Reaching More Customers](#)[Operational Excellence - I](#)[Operational Excellence - II](#)[Data and Technology](#)[The Best and Most Engaged Team](#)



# Environmental and Social Risk Management

[Share](#)

## Environmental and Social Impact Assessment Process

---

## Environmental and Social Loan Policies

---

Garanti BBVA implements its Sustainability Policy to improve its fundamental banking approach by integrating Sustainable Development Goals and the Paris Agreement into its strategies and activities. The Environmental and Social Loan Policies (ESLP) is prepared in accordance with the Sustainability Principles set forth in Sustainability Policy and the Strategic Priorities of our Bank.

ESLP constitutes a risk management framework that serves to identify, evaluate and manage non-financial risks of loan processes such as environmental, social, governance and occupational health and safety risks as well as their potential impacts in consideration of local legislation and internationally accepted guidelines and standards. ESLP was first published in 2011 and its content was updated within the scope of projects subject to environmental and social impact assessment in 2016.

In 2021 detailed content including

Control of Prohibited Activities and Customers,

Preliminary Customer ESG Assessment through Know Your Customer Procedures

Carbon Pricing

Environmental and Social Impact Assessment Model

OHS Risk Assessment System

Deforestation Impact Management Process

are provided and ESLP is updated in line with Garanti BBVA's sector-leading environmental and social risk management approach.



[Please find ESLP here.](#)

Loan requests received by Garanti BBVA are first subjected to ESLP and controlled and managed in accordance with the policy with the following steps

It is controlled if the potential client/activity falls into prohibited activities and clients.

Compliance of the activity/project subject to the loan request according to Garanti BBVA's Sector Principles is checked.

For financing activities that meet defined amount/transaction criterias, detailed assesment for Environmental and Social Impact Assessment Model, OHS Risk Assessment System and Deforestation Impact Management Process is conducted.

Environmental and social commitments deemed necessary as a result of detailed assessment processes are included in the loan agreement, and it is periodically checked whether the commitments given on environmental and social issues are fulfilled.

### Control of Prohibited Activities and Clients

Garanti BBVA does not participate in the financing of any activity (particularly the ones involving the below mentioned areas) that is prohibited or restricted by national legislation and the international conventions to which Turkey is a signatory, without the need for further assessments and regardless of amount.

The transactions, institutions and organizations that are included in the Defense Norms and prohibited due to their relevance to the defense industry across Garanti BBVA Group are as follows:

Activities connected with arms trade with countries where an arms embargo by the United Nations, the European Union and/or the United States is in place.

Companies selling weapons to countries where an arms embargo by the United Nations, the European Union and/or the United States is in place.

Activities connected with arms trade<sup>1</sup> with countries<sup>1</sup> that represent a high risk of human rights violation.

Transactions in which the intermediary or the end user is not one of the organizations:

- Turkish Armed Forces, its subsidiaries or government agencies and/or organizations that provide service to Turkish Armed Forces



1	<ul style="list-style-type: none"> <li>- Public or private enterprises producing for the Ministry of National Defense or the General Directorate of Security and/or organizations that provide service to Turkish Armed Forces</li> <li>- Organizations that supply material or services to the government agencies in Turkey</li> <li>- Organizations that supply material or services to the national armies or security forces of EU or NATO member states</li> </ul> <p>Production and sales of 'controversial'<sup>2</sup> weapons such as landmines,<sup>3</sup> including anti-personnel mines, biological weapons, chemical weapons, cluster munitions, nuclear weapons, depleted uranium and white phosphorus, as well as key components thereof.</p> <p>Companies that operate in countries that are not signatories of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) or countries that act in violation of the NPT, and are involved in the production or sale of nuclear weapons or their components.</p> <p>Producers of military assault weapons for civilian applications. Companies that do not have relevant export licenses.</p>
2	Cases that constitute a violation of environmental, occupational health and safety legislation of the Republic of Turkey and / or international conventions to which Turkey is a signatory,
3	Companies with concrete evidence (based on court decisions and related legal disputes) that proves the violation of existing laws and regulations or human rights regardless of country,
4	Individuals and organizations that employ children and / or young workers against the working procedures established within the scope of national legislation and are engaged in forced labor,
5	<p>Individuals and entities that violate the principles of human rights as defined by the labor legislation in our country and the following principles:</p> <p>The United Nations Universal Declaration of Human Rights,</p> <p>The requirements set forth by the international conventions to which Turkey is a signatory . particularly the core principles of International Labor Organization, a United Nations agency whose mandate is to advance human rights, social justice and promote decent work,</p>

	The UNITED NATIONS GLOBAL COMPACT, an international initiative to encourage companies to adopt ten principles that address all aspects of sustainability, including human rights, across their business cycles and strategies.
6	Individuals and entities that contravene the legislation on misconduct or non-ethical conduct that covers deceit, fraud, embezzlement, bribery, corruption and all other unlawful acts, as well as the Bank's Ethical and Good Conduct Principles,
7	Production or trading of any product that is declared illegal pursuant to national legislation or international conventions, and / or pharmaceutical products that are subject to international prohibitions, such as like insecticides / herbicides, ozone depleting substances, or PCB's,
8	Fisheries that use drift nets longer than 2,5 km and considered illegal and overfishing <sup>4</sup> ,
9	Production or trading of wood products and other forestry products that are derived from forestry practices <sup>5</sup> that are not managed in a sustainable manner and violate Turkish legislation and international conventions to which Turkey is signatory
10	Commercial activities that adversely affect tropical rainforests,
11	Production, storage, transportation and trading of hazardous chemicals (including petroleum, kerosene and petrochemicals) in large quantities <sup>6</sup>
12	Activities carried out in or threatening RAMSAR <sup>7</sup> (Wetlands of International Importance),
13	Activities with an impact area that jeopardize cultural heritage characteristics of UNESCO World Heritage Sites <sup>8</sup> ,
14	Activities in breach of the provisions of CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) <sup>9</sup> ,
15	Activities in regions designated by the Alliance for Zero Extinction <sup>10</sup> ,
16	Activities in regions designated under Categories 1 to 4 of the International Union for the



	Conservation of Nature (IUCN) <sup>11</sup> ,
17	Activities carried out in areas where Indigenous Communities <sup>12</sup> live without the written consent of these communities and / or against their will without informing them or including them in the decision-making process causing displacement or violation of their rights,
18	Extraction, processing, sales and import of any form of asbestos, import or sales of any product that contains asbestos, production and processing or trading of asbestos products or asbestos-added products,
19	Companies that engage in or are found to be involved with the production and/or trading of radioactive substances (excluding power plants that meet the highest international standards built to meet the essential energy needs of a country and are essential for the national economy, medical equipment, quality control devices, and other cases where the radioactive substances are used in a limited manner, in negligible quantities and with appropriate protection in place). <sup>13</sup>
20	Persons and institutions mentioned in the black lists published by national and international authorities on money laundering and terrorism financing,
21	Companies whose headquarters is located in countries sanctioned by the EU, the USA or the United Nations <sup>14</sup> .

In addition to the above mentioned prohibited customer & activities list Garanti BBVA makes the following commitments in line with its Coal Policy, which aims to combat climate change and transition to a low-carbon economy.

No new coal fired power plant will be financed.

No new coal mine will be financed.

No limit increase on coal related business will be provided.

All coal exposure (except NPL) projects will be closed by 2040.



Footnote explanations given in the prohibited activity list are as follows:

1. *Determined with an independent consultant services provided on a quarterly basis. Decisions on this issue are taken by the Sustainability and Responsible Banking Committee.*
2. *The term 'controversial weapons' denotes weapons considered controversial by international opinion, governments or organizations such as the United Nations due to their capacity to inflict disproportionate number of casualties or their potential impact on the civilian populace.*
3. *Landmines are generally categorized into the two main groups of anti-personnel (AP) and anti-tank (AT) mines.*
4. *By international conventions signed by Turkey, such as the Agreement on Port State Measures to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing and the Agreement for the Establishment of the General Fisheries Commission for the Mediterranean (GFCM), among others.*
5. *The definition of Sustainable Forestry Management (SFM) is as stated in the resolutions of the Ministerial Conference on Protection of Forests in Europe, which was held in Helsinki in 1993 as part of the Pan-European regional process following the Environment and Development Conference in Rio in 1992. Forestry operations include the first link in the value chain that directly involves forestry activities, such as lumber and pulp wood production.*
6. *Applicable to microfinance activities.*
7. *For a list of RAMSAR sites, see <https://www.ramsar.org/wetland/turkey>.*
8. *For the current list of heritage sites, see <https://whc.unesco.org/en/statesparties/tr>.*
9. *For further information on species, see <http://www.cites.org/eng/app/appendices.php>. The requirements of the "Regulation on the Implementation of the Convention on International Trade in Endangered Species of Wild Animals and Plants" are taken into account.*
10. *For the current list, see [http://www.zeroextinction.org/pdf/2010\\_AZE\\_Data.pdf](http://www.zeroextinction.org/pdf/2010_AZE_Data.pdf).*
11. *For the current category descriptions of nature reserves, see <https://www.iucn.org/theme/protected-areas/about/protected-area-categories>.*
12. *"Indigenous People" is a broad term that refers to ethnic groups that display the following characteristics in varying degrees and are significantly distinct in terms of their society and culture:*

*Identification with distinct and unique local culture and being acknowledged as such by others;*

*Communal dependence on different geographical habitats or ancestral territories and natural resources in these;*



*Traditional, cultural, economic, social or political institutions that differ from those established by the prevalent*

*society or culture; or*

*An original language or dialect that is distinct from the official language or languages of the country or region.*

*13. It is essential that such person or organization has an efficient control over the specified activities. Subcontractors undertaking the necessary work for the continuity of these activities are excluded.*

*14. International financial sanctions are coercive measures against States, non-State entities or individuals that pose a threat to international peace and security. Chapter VII of the United Nations Charter provides the legal basis for the imposition of coercive measures within the United Nations. At EU level, restrictive measures are defined as a key tool of the Common Foreign and Security Policy (CFSP) under Article 21 of the EU Treaty. The U.S. Treasury Department, and in particular the Office of Foreign Assets Control (OFAC), enforces and administers economic sanctions against certain countries, jurisdictions, individuals and institutions in order to protect national security and U.S. foreign policy.*

## Environmental and Social Impact Assessment Model

---

## Environmental and Social Impact Assessment Case Studies

---

## Practices Related to Combatting Climate Change and Transition to Low Carbon Economy

---

## Sectoral Principles

---

## Raising Awareness on Environmental and Social Risks

---

## Due Diligence for non-financial performance in KYC procedures

---



## Integrated Annual Report 2021

 Download Report

  
All Reports



## Useful Links

## Contact

Garanti BBVA Copyright (c) 2010, T. Garanti Bankası A.Ş.

Follow us

