



INVESTOR RELATIONS

MR. EMRE HATEM,

SVP,

**PROJECT FINANCE &
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Hello everyone,

My name is Emre Hatem, I am Senior Vice President in charge of Project Finance & Sustainability at Garanti. Today I am delighted to present our 2015 Sustainability Report.

Actually, this is our third report prepared in accordance with the Global Reporting Initiative G4 – Comprehensive Option.

2015 was a milestone in terms of sustainability with exciting developments. For example:

- adoption of Sustainable Development Goals by the world leaders at United Nations
- COP 21 Climate Change Conference which is held in Paris and
- Turkey's declaration to reduce the carbon emissions by 21% by 2030.

In line with these global and local developments, Garanti continued to focus on sustainability and sustainable banking.

Sustainable value creation has always been at the core of Garanti's business model. For example:

- We are the main sponsor of WWF Turkey for 23 years.
- We started supporting women entrepreneurs back in 2006.
- We were the first Turkish bank to create paperless banking operating environment in 2006.
- We also offered the environmentally-friendly credit card in 2007, which was a first in Europe at that time.
- We are also one of the leading financiers of renewable investments with over 4 billion dollar commitments over the last 10 years.

Since 2010, we are undertaking sustainability with a more holistic approach and we established a sustainability strategy which is composed of 6 pillars.

And actually, our report is also based on these 6 pillars.

Let me briefly explain each pillar.

Our primary focus is always sustainable finance and our customers.

We offer sustainable products and services to support sustainable development of Turkey.

For example, we recently developed structured facilities for solar energy financings and efficient irrigation systems.

And in order to support Turkey's transition to a low carbon economy, we published our Climate Change Action Plan in October last year.

In line with this Action Plan, we are committing to allocate at least 60% of our greenfield energy loans to renewable projects.

On the other hand, financial health and financial inclusion are very important for us.

Through our digital banking channels which is built on sophisticated technological infrastructure, our customers can perform all banking transactions 24/7.

We have 4 million digital customers and 91% of all non-cash financial transactions go through these digital channels.

As a strong supporter of women's empowerment and their participation in social and economic life, Garanti was the first Turkish bank to sign United Nations Women's Empowerment Principles.

Also knowing the importance of entrepreneurship for economic growth of Turkey, Garanti Bank strongly supports entrepreneurs with various products and services.

Besides these sustainable products and services, environmental and social risk management is also very crucial for us.

To better manage the impacts of the projects we finance, we apply a comprehensive Environmental and Social Impact Assessment System which is parallel to international standards.

Our second focus is minimizing the direct environmental impacts of our operations.

I am very proud to say that as of end of last year actually, we expanded the scope of our Environmental Management System up to 100%, which is now covering our entire buildings and 20 thousand employees.

We are, on a systematic basis, recycling our wastes, and reducing energy, water and paper consumption.

Our third focus is our stakeholders. We engage with them stakeholders on various platforms, and we contribute to national and international initiatives such as UNEP FI , UN Global Compact.

And also we conduct a materiality analysis on a periodic basis with them to determine the most important topics for our customers, investors and society in general

Our fourth focus is human resources. For us, human capital is the most valuable asset. We believe sustainable growth can only be achieved by increasing the awareness, capacity and also contribution of our employees.

Creating value for communities is our fifth focus. We have a very detailed Community Investment Program which is ranging from education to art, culture and inclusion of disabled people in social and economic life.

Last but not the least, our last focus is corporate sustainability governance. How do we govern sustainability within the bank? We have a Sustainability Committee at the top, which is the ultimate decision organ and we have a Sustainability Team, several Working Groups, including several departments of the Bank, and 1,000 Representatives who work together to achieve our sustainability targets.

Fortunately, 2015 has been a fascinating year with many achievements.

We are the only Turkish company to become a member of Dow Jones Sustainability Index and to qualify for CDP Climate Change A List.

In our 2015 Sustainability Report, we took another step forward and expanded the scope of external assurance of the sustainability data.

Not only energy consumption, water consumption and emissions numbers, but also environmental and social impact assessment figures are confirmed by a third party company.

We hope that the report will provide you more insight on Garanti's sustainability journey.

Thank you very much.