

Operating Principles for Impact Management

September 2026



DISCLOSURE STATEMENT

OPERATING PRINCIPLES FOR IMPACT MANAGEMENT

Development and Investment Bank of Türkiye

Development and Investment Bank of Türkiye became the first and only signatory from Türkiye to the Operating Principles for Impact Management (Impact Principles) on 23 September 2021. Through this report, the Bank reaffirms its status as a signatory to the Impact Principles. In line with the global standards set forth by the Principles, the Bank manages its corporate banking, investment banking, project finance and Türkiye Development Fund activities through an "impact lens," ensuring greater discipline, transparency and measurability. The Impact Principles provide investors with a framework for the design and implementation of impact management systems and aim to integrate impact considerations throughout the investment life cycle. This report provides a transparent overview of the Development and Investment Bank of Türkiye's impact management systems and processes and constitutes the Bank's 5th report published as part of its commitment to the Impact Principles. As of 31 December 2025, the Bank's total assets managed in alignment with the Impact Principles amounted to approximately USD 4.75 billion.

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07.09.2026



Operating Principles for
Impact Management



DEVELOPMENT
INVESTMENT
BANK OF TÜRKİYE

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Impact Principle 1: Define strategic impact objective(s), consistent with the investment strategy.

The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.

Development and Investment Bank of Türkiye is a joint stock company subject to the provisions of private law, providing financing support since 1975 to companies operating in priority sectors of strategic importance for Türkiye's sustainable development, particularly industry, energy, education, health and infrastructure. 99.08% of the capital of Development and Investment Bank of Türkiye is owned by the Republic of Türkiye Ministry of Treasury and Finance, while the remaining 0.92% of its shares are traded on Borsa İstanbul.

Development and Investment Bank of Türkiye, whose main function is to finance sustainable development, also plays a leading role in helping companies access domestic and international funding sources through merger and acquisition advisory, capital market advisory and financial advisory services.

The main objective of Development and Investment Bank of Türkiye is to provide development and investment banking activities within the framework of Türkiye's 12th Development Plan in order to reduce external dependency and the current

account deficit, increase domestic production capacity, support competitive and efficient production, and support the sustainable development of our country.

The Bank, with the awareness of its responsibility for Türkiye to achieve the United Nations Sustainable Development Goals, fulfil the 2053 net-zero target of the Paris Climate Agreement, of which it is a signatory, and contribute to the development of the impact investing ecosystem, has placed sustainability at the center of its way of doing business and has committed to reducing its greenhouse gas emissions to net zero by 2050. In order to carry this situation to a more effective, measurable and traceable basis, Türkiye Development and Investment Bank (TKYB) has committed to the Science Based Targets initiative (SBTi) to achieve net-zero Scope 1 and Scope 2 emissions by 2050. The Bank's short, medium and long-term emission reduction targets determined in line with this commitment, together with its portfolio targets for financing activities, have been approved under the FINZ methodology updated by SBTi for the

financial sector. Thus, TKYB has become the first financial institution in the world whose Scope 1, Scope 2 and Scope 3 emission targets arising from investments have been approved under the FINZ methodology. In this regard, the Bank directly and indirectly contributes to 15 of the 17 Sustainable Development Goals. As of year-end 2025, 96 percent of its portfolio consists of sustainability-themed loans and the relevant loan amount is USD 2.7 billion.

The Bank's "Environmental and Social Policy and Procedure" entered into force in January 2020. Since this date, all loan applications and projects evaluated have been subject to environmental and social impact assessment (ESIA) processes within the scope of the Policy. Regardless of the loan amount, subject or maturity, environmental and social risk and impact assessments are carried out for all loan applications, including working capital loans, and the results are reflected in the "Credit Assessment Report". In addition, the United Nations Sustainable Development Goals to which the investments planned to be financed are expected to contribute are identified and included in the credit assessment process.

During the reporting period, the Bank's Environmental and Social Policy and the environmental and social risk assessment procedure applied in lending processes underwent a comprehensive review and update process. The requirements of international financial institutions, applicable national regulations, global good practices, current market conditions

and internal institutional needs were taken into consideration in the studies.

With the updates implemented, the approach to the identification, classification, assessment and monitoring of environmental and social risks has been strengthened. Monitoring processes and stakeholder engagement mechanisms to be implemented throughout the project and credit lifecycle have been made more explicit, systematic and traceable. Thus, institutional capacity has been developed to manage environmental and social impacts holistically not only at the loan allocation stage but throughout the financing period.

The studies were completed through a participatory approach, in coordination with the relevant units and in line with feedback received from internal and external stakeholders. With the updated structure, the integration of environmental and social risk management into credit assessment and decision-making processes has been further strengthened; and it has been aimed to assess and monitor the contribution of financed investments to sustainable development in a more systematic manner. This development supports the Bank's approach to preventing or mitigating adverse environmental and social impacts, enhancing positive impacts and creating long-term value. In 2025, environmental and social impact assessment studies were conducted for 184 projects. The performance evaluation of environmental and social impact assessment studies, which are implemented by integrating them into all assessment, disbursement

and monitoring processes of lending activities, is monitored by the Sustainability Committee, which has a member at the Board of Directors level of the Bank.

TKYB's Sustainable Finance Framework is in line with the ICMA Green Bond Principles, ICMA Social Bond Principles, LMA Green Loan Principles and LMA Social Loan

Principles, and a Second Party Opinion (SPO) has been obtained. For each project financed under the Sustainable Finance Framework, environmental and social impacts will be monitored throughout the loan term according to the key performance indicators defined in this Framework.

Impact Principle 2: Manage strategic impact on a portfolio basis.

The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.

Türkiye Development and Investment Bank supports the objectives of international climate agreements such as the Paris Climate Agreement and develops policies and projects in line with these objectives. The Bank mobilizes the necessary financing to fulfil its commitment to “keeping the global temperature increase below 1.5°C” through its activities supporting sustainable development, strong environmental and social impact assessment practices, and the technical advisory services of its expert staff. It has ESG-themed loan agreements with the World Bank, Asian Infrastructure Investment Bank, German Development Bank, French Development Agency, Japan International Cooperation Bank, Islamic Development Bank, China Development Bank, International Islamic Trade Finance Corporation and Black Sea Trade and Development Bank. In 2025, the Bank provided financing in areas such as sustainable development, climate finance, renewable energy, decarbonization in industry, energy storage, food security and reconstruction of the earthquake-affected region through loan and grant agreements with international financial institutions, particularly OPEC Fund, World Bank, Asian Infrastructure Investment Bank (AIIB),

Asian Development Bank (ADB), Italian Development Bank (CDP), Japan International Cooperation Bank (JBIC), KfW and Islamic Development Bank (IsDB). Through a USD 50 million loan agreement with OPEC Fund, support was provided for financing the investment and working capital needs of businesses affected by the earthquake, primarily operating in the agriculture and food production sectors. Through loan agreements of EUR 200 million and USD 200 million with the World Bank, support was initiated for projects aimed at reducing carbon emissions from the industrial sector in Türkiye. In addition, a total of EUR 300 million in loans and grants of USD 15 million and USD 1 million were provided by the World Bank for the financing of battery energy storage systems. A USD 200 million Green 4 loan agreement was signed with JBIC, while a EUR 100 million loan and EUR 10 million grant agreement were signed with KfW. An agreement of USD 100 million was concluded with IsDB for food security investments. A USD 200 million loan agreement was signed with AIIB to support projects focused on combating climate change and digital infrastructure. A total of USD 325 million equivalent in loan agreements was signed with ADB to

increase renewable energy capacity in earthquake-affected regions and strengthen the competitiveness of the manufacturing sector. A EUR 50 million loan agreement was concluded with CDP to support solar energy investments in the earthquake-affected region. In addition, a USD 200 million loan agreement was signed with CDB to support the working capital needs of companies operating in Türkiye.

As a signatory to the UNEP-FI Principles for Responsible Banking, the Bank continuously analyzes its loan portfolio and measures its interactions with the Sustainable Development Goals. The Bank also develops its impact investing mission from an international perspective through strategic collaborations. In this regard, the Bank is a member of the Global Impact Investing Network (GIIN), a leading organization working to promote impact investing. As a GIIN member, the Bank aims to provide financial, social and environmental gains to companies, organizations and funds through impact investments. It also serves as an Advisory Board Member at GIIN. Development and Investment Bank of Türkiye is a founding member of the Impact Investing Advisory Board (EYDK), which aims to develop the impact investment model in Türkiye and establish a well-functioning impact investment ecosystem. TKYB effectively manages not only the environmental and social risks arising from its own operations, but also the indirect risks arising from its lending activities. In this context, it became the first public bank to become a member of the Partnership for Carbon Accounting Financials (PCAF) and the first Turkish bank

to become a member of the Social Value Türkiye Association. In 2025, the Bank's international collaborations and commitments in the field of sustainability were strengthened. In this context, TKYB became the first bank in Türkiye to achieve "TNFD Adopter" status by adopting the framework developed by the Taskforce on Nature-related Financial Disclosures (TNFD). In addition, it signed the United Nations Women's Empowerment Principles (WEPs) and strengthened its commitments to supporting women's participation in economic life. The Bank also became a member of the "Social Investment" and "Gender Equality & Women's Empowerment in Development Banks" coalitions under Finance in Common.

The results of the Environmental and Social Risk Assessment conducted for each loan request are presented to the Credit Assessment Committee, chaired by the General Manager and consisting of the relevant Bank Executive Vice Presidents and relevant unit managers, which determines the principles regarding the Bank's general credit and participation policy. The Bank takes into consideration the SDGs to which each investment will contribute in the Credit Assessment Committee. Following the approval of the Credit Assessment Committee and/or the Board of Directors, the relevant funding institution is informed. The detailed consideration of environmental, social and governance issues in the credit assessment reports submitted to the Credit Assessment Committee and the Board of Directors is an important indicator that sustainability and ESG issues are placed at

the center of decision-making processes within Türkiye Development and Investment Bank A.Ş. Development and Investment Bank finances projects that will increase its positive impact on the transition to a net-zero economy, increasing employment, protecting natural resources and ensuring equal opportunities through thematic loans provided by international financial institutions, and expands its customer portfolio in this direction. Through project finance loans for which loan agreements were signed in 2025, it is planned to contribute to the additional employment of a total of 7,453 employees.

While shaping the Bank's portfolio, national development objectives were taken into consideration; the objectives of increasing Türkiye's renewable energy supply, while reducing the use of fossil fuels and external dependency in energy, were supported; and planning was carried out for the financing of investments holding renewable energy generation licenses. In 2025, 56% of the loan portfolio consisted of financing directed towards the Sustainable Development Goals related to climate and the environment. In 2025, financing was provided for renewable energy projects with an installed capacity of 3,474.9 MW, contributing to the avoidance of approximately 3.9 million tonnes of CO₂ emissions through these projects. As of year-end 2025, the installed capacity of these projects in our portfolio corresponds to 7% of Türkiye's renewable energy capacity. The Bank closely monitors greenhouse gas emissions arising from its operational activities and sets targets to reduce emissions. By procuring I-REC clean

energy certificates for its 2025 Scope 2 emissions, the Bank offset these emissions to zero. The Bank calculated its Scope 3 emissions for 2025, including emissions arising from all financed loans, and set targets for reduction. The Bank's total emissions calculated at the end of 2025 amounted to 1,631,491.38 tCO₂e, of which 1,629,646.57 tCO₂e resulted from Scope 3 Category 15: Financed Emissions. The Bank's greenhouse gas calculations for 2025 were calculated in accordance with the GHG Protocol and PCAF methodologies and verified in accordance with the ISAE 3000 standard.

Türkiye Development and Investment Bank plays an active role in the field of sustainability in line with global trends, risks and opportunities. Addressing important issues such as the climate crisis, energy crisis and digitalization, it offers solutions aligned with its strategic objectives. The Bank supports green finance in combating climate change, offers sustainable solutions in the energy sector and promotes innovation in the digitalization process. In this way, the Bank aims to increase the welfare of the country and society through projects and investments contributing to sustainable development. In addition, efforts are being made to develop best practices to align employee incentive systems with achieving impact.

In 2025, our Bank was recognized with numerous prestigious awards at national and international levels for its innovative practices developed in the fields of sustainable finance, combating climate change, integrated reporting, gender

equality and corporate governance. Having received the “Best Development Bank in Sustainable Finance in Central and Eastern Europe” award within the scope of The Global Sustainable Finance Awards 2025, our Bank once again demonstrated its regional leadership through the financing it provides to sustainable projects and its innovative financial solutions. In addition, it received the “Türkiye Low Carbon Hero” award at the Istanbul Technical University Carbon Summit and the “Best Green Initiatives in the Banking Industry” award within the scope of The Global Economics Awards 2025, further strengthening the international recognition of its efforts in combating climate change and green transformation.

Our Bank’s efforts in carbon management and reporting were also crowned with significant achievements in 2025. While it received an award in the “Carbon Management and Net Zero: Scope 3” category at the Sustainable Business Awards 2025, our Sustainability and Integrated Report, prepared in compliance with TSRS, received the platinum award in the “Asia’s Best Integrated Report” category at the Asia Integrated Reporting Awards 2025. Thus, our Bank’s approach to reporting not only its financial performance but also its impacts in the environmental, social and governance areas in a transparent, measurable manner and in alignment with international standards was recognized at the international level.

Within the scope of the 16th Corporate Responsibility Summit Awards for Organizations Adding Value to the Sustainable Development Goals, the PCAF Project, covering our Scope 1, 2 and 3 emissions measured using the PCAF methodology and our financed emissions, received the “Special Award”; the OECD Gender Equality Measurement study supporting our diversity, equity and inclusion efforts received the “Gold Award”; and the Scope 1-2-3 Emissions Project received the “Silver Award”. At the end of the year, our Bank was also awarded the “Best Corporate Governance” award within the scope of the UN Global Compact Partnership for Sustainability Award, further reinforcing its efforts to integrate its sustainability approach with strong corporate governance and inclusion practices through an international achievement.

These awards received in 2025 are an important indication of the recognition our Bank has received on national and international platforms for its leading role in financing sustainable development, its efforts to measure and manage climate and environmental impacts, its approach to transparent reporting and its inclusive corporate approach. Our Bank will continue to increase and sustain its contribution to a sustainable, low-carbon and inclusive future through strong collaborations and an innovative financing approach.

Impact Principle 3: Establish the Manager's contribution to the achievement of impact.

The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial and/or non-financial channels. The narrative should be stated in clear terms and supported, as much as possible, by evidence.

International Finance Corporation and international development institutions' environmental and social standards were reviewed and the opinions of these institutions were obtained in the preparation of the TKYB Environmental and Social Policy and TKYB Environmental and Social Risk Assessment Procedure, which are applied in the Bank's credit assessment processes in alignment with the environmental and social standards of the International Finance Corporation (IFC) and international development institutions. The Policy and Procedure were published and put into practice with the approval of the Bank's Board of Directors.

The Environmental and Social Impact Specialist conducts the impact assessment using the Environmental and Social Risk Assessment Tool and, where necessary, with additional documents and documents related to environmental and social analyses requested from the Corporate Banking and Project Finance Department. Following the controls carried out by the Sustainability, Environmental and Social Impact Management Manager, taking into consideration the requirements of national legislation, the E&S Standards of the funding institution and the IFC Performance Standards, the E&S risk category of the loan is finalized using the

Environmental and Social Risk Evaluation Tool (ESRET) In order to minimize the environmental and social impacts of projects in A, B+, B and C categories, the Environmental and Social Action Plan (ESAP), which determines the actions to be implemented by the customer and includes a monitoring program, is prepared by Impact Specialists. Based on the prepared ESAPs, the Sustainability, Environmental and Social Impact Management Manager ensures that additional actions are requested from customers, where necessary, to enhance positive impact. In 2025, environmental and social impact assessment studies were conducted for 184 projects. Of the projects, 14 were categorized as B+, 41 as B and 129 as C. At the same time, among these 184 projects, scoring was conducted for 49 projects using the OECD DAC Gender Marker Tool, and 49 Projects were identified as DAC – 1 (Significant / Notable). In this context, the vast majority of the projects assessed are in the low-risk category. The Environmental and Social Assessment results of high-risk projects included in the Bank's portfolio are submitted to the Credit Assessment Committee. The Credit Assessment Committee reviews the Environmental and Social Assessment and, where necessary, obtains information by consulting with the Environmental and Social Impact Specialist.

Following the approval of the Credit Assessment Committee and/or the Board of Directors, the relevant funding institution is informed.

During the credit assessment stage, potential customers are requested to prepare and provide information and documentation regarding their carbon footprint reports, the number of female and male employees, their contributions to renewable energy and energy efficiency, and socioeconomic support, in accordance with international standards. The data obtained are analysed, and the positive environmental and social impacts to which contributions are made are recorded and documented.

Development and Investment Bank of Türkiye not only remains a conventional provider of financial resources to its customers but, in line with its mission, also acts as a driving force supporting sustainable development. Through the ESAPs prepared for each customer regardless of the type, maturity and amount of the loan and attached to the loan agreements, the Bank creates “additionality” for all its customers by enabling improvements in their environmental, social and corporate governance procedures and practices.

Within the scope of the ESAP, the adequacy of the necessary documents prepared to identify and minimize environmental and social impacts and the compliance of environmental and social activities are monitored. In this context, through Monitoring Reports, the impacts of financed projects in the areas of renewable energy generation, energy efficiency, biodiversity, air quality, noise, wastewater, solid waste, carbon footprint, working

conditions, female and male employment, occupational health and safety, socioeconomic contribution, grievance mechanism and training are monitored and recorded. During the monitoring stage, document review studies, site visits, stakeholder interviews, evaluations with relevant authorities and findings transfer meetings are conducted. The ESAP also forms an annex to the Loan Agreement, and compliance with the criteria under the ESAP constitutes a precondition for loan disbursement, while cases where non-compliance is associated with events of default are also addressed. Therefore, environmental and social risk assessment studies within Türkiye Development and Investment Bank A.Ş. are effectively legally secured through loan agreements.

TKYB has successfully completed the Technical Assistance Program implemented in cooperation with **German Development Bank (KfW)**. Although the main activities of the Program were largely completed as of year-end 2025, some training and capacity-building activities related to the assessment of TNFD/LEAP methodology and climate and ESG risks continued until 2025, while a few remaining topics also continued into 2026. Within this scope, the following important stages were carried out:

1. Improvement of Environmental and Social Impact Assessment (E&S IA) Processes:

The Environmental and Social Impact Assessment processes used in TKYB’s internal processes were comprehensively analyzed, and existing gaps and areas for improvement were identified.

E&S Impact Assessment tools were developed and put into practice for use in credit assessment reports and on a project, corporate loan and company basis.

2. Sub-Management Plans and Related Documents:

In line with the impact assessments, drafts of the necessary sub-management plans, particularly the subcontractor management plan, stakeholder engagement plan and environmental and social management plans, were prepared.

The prepared drafts were shared with independent third-party consulting firms in order to contribute to the effective monitoring and management of environmental and social impacts.

3. Terminology Revision and Policy Integration:

The terminology used in the E&S Impact Assessment process was reviewed and updated and aligned with TKYB's existing policies, procedures and practices.

4. Training and Capacity Building:

Within the scope of the Program, training and capacity-building activities were carried out to develop TKYB employees' knowledge and technical capacity on sustainability issues such as climate change, environmental and social risk management and supply chains.

As part of the assessment of nature-related financial risks, capacity-building activities on TNFD recommendations and the LEAP methodology were initiated. These activities addressed the relationship between nature and the economy and between nature and finance, the identification of dependencies and impacts related to nature, the assessment of

nature-related risks and opportunities, and the importance of these issues for financial institutions.

The training and technical assistance activities carried out contributed to the development of institutional capacity to integrate sustainability issues more systematically into the Bank's assessment and decision-making processes.

5. Review of Policies and Procedures:

Areas for improvement in TKYB's existing environmental and social policies and procedures and lending processes were identified; the relevant documents were reviewed and revised in line with international standards and good practices.

The revised policies and procedures have been in use as of December 2025 with the approval of senior management.

The activities carried out under the Program contributed to strengthening TKYB's capacity to assess and manage environmental and social risks through a more systematic and holistic approach, to more effectively incorporate sustainability elements into credit assessment processes, and to increase the environmental and social sustainability of projects. In addition, institutional awareness and technical capacity regarding emerging sustainability agendas such as climate change and biodiversity were supported, contributing to strengthening TKYB's alignment with international sustainable finance practices.

TKYB is successfully implementing the Gender Mainstreaming in TKYB Practices Technical Assistance Program, launched in 2023 with the Frankfurt School of Finance & Management Türkiye office under the financing of the **French Development Agency (AFD)** within the scope of Türkiye's first Sustainable Eurobond issuance. The Program aims to mainstream gender equality not only at the institutional level but also through financing activities and customer practices. The main objective of the Program was to implement a gender strategy covering internal and external practices within TKYB and establish a project assessment system aligned with the OECD DAC Gender Marker classification, and the Program was successfully completed as of January 2026. The important stages of the Program are summarized as follows:

1. Evaluation of Internal and External Processes and Development of a Strategic Roadmap

TKYB's internal processes, such as human resources practices, recruitment and career development, remuneration and equal opportunities, work-life balance, and policies aimed at preventing discrimination and harassment, as well as external processes covering credit processes, products, portfolio, operational tools and customer practices, were comprehensively assessed from a gender equality perspective.

As a result of this assessment, a Gender Equality Action Plan containing a total of 53 detailed actions under 4 main strategic objectives and 11 areas of intervention was developed for TKYB; in parallel, a Gender Equality Strategy was prepared to

institutionalize the Bank's approach to women's empowerment.

2. Integration of the Women's Empowerment Perspective into Credit Processes

Within the scope of the Program, a TKYB-specific Gender Lens methodology, reporting template and operational implementation guide were developed based on the OECD DAC Gender Marker framework. Questions related to gender equality were integrated into the Environmental and Social Impact Assessment tools used by the Bank in its credit assessment process, enabling data for assessment to be systematically obtained from customers and used in project assessments.

The OECD DAC Gender Marker score began to be reflected in E&S credit assessment reports at the credit assessment stage, while the gender indicators determined for projects began to be monitored throughout the loan maturity. Internal capacity to carry out this process was also strengthened, and the number of social specialists conducting gender equality analysis in credit processes reached four.

3. Mainstreaming of the OECD DAC Gender Marker Application at Portfolio Level

Within the scope of the OECD DAC Gender Marker application, gender equality analysis and DAC scoring studies were conducted for 27 investment projects in 2024 and 49 in 2026, and as of 2026, the application was expanded to all investment projects. Thus, an important process continues to be implemented to extend the women's empowerment perspective from

individual projects to the Bank's overall investment and credit processes.

In addition, long-term targets were set at the portfolio level with the approval of senior management; by 2030, it is targeted that 50% of the total portfolio risk will be classified as DAC 1 and 1–3% as DAC 2. This approach has contributed to making the gender equality perspective a measurable element of TKYB's long-term lending strategy.

4. Training and Institutional Capacity Building

Trainings were conducted for different target groups in order to increase the capacity of TKYB employees on gender equality and gender-responsive finance. In the technical training on the OECD DAC Gender Marker application, women's empowerment, indicator setting and monitoring processes were addressed through practical examples; in addition, awareness-raising trainings were organized for employees from different departments involved in credit processes.

In order to make institutional capacity permanent, content was developed for a digital Gender Equality Training Program that is open to access by all employees and can be completed at their own pace. In addition, a Gender Equality Awareness Workshop was held to raise awareness among the Bank's customers, and a Guidance Document was prepared to support customers in improving their own practices.

5. Development of Gender Equality Practices at Customer Level

A comprehensive pilot case study was conducted with Mitaş Industry to concretize the impact of the Program at the customer level. Within the scope of the study, existing policies and practices were reviewed, a survey with the participation of 270 employees, interviews with senior management and employees, and site assessments at three production facilities were conducted.

In line with the findings, a Gender Equality Action Plan containing measurable targets and a short-, medium- and long-term roadmap were developed for the company, taking into consideration the GRI and S&P Global CSA standards. The study assessed areas such as recruitment, career development, remuneration and benefits, work-life balance, working environment, ethics and governance, and stakeholder engagement. The initiation by the company of practices in the areas of policy development, human resources, recruitment, talent management, training, remuneration and employee well-being in line with the action plan demonstrated the contribution of the technical assistance to tangible transformation at the customer level.

6. Strengthening Policy, Institutional Commitment and Governance

In 2025, the revision of TKYB's Environmental and Social Policy and Procedures was initiated, and gender equality analysis and DAC Scoring were incorporated into the E&S credit assessment procedure as a new provision and process.

The Bank also strengthened its institutional commitment in this area by signing the United Nations Women's Empowerment Principles (WEPs).

In addition, the equal opportunities approach was incorporated into recruitment communications, regulations concerning gender and discrimination were addressed on the agenda of the Ethics Committee, and the Harassment Prevention Policy was published in March 2025 and made accessible to all Bank employees.

As a result of the activities carried out under the Program, gender equality has evolved from being merely an area of

awareness for TKYB into an institutional approach integrated into credit assessment, portfolio management, policy development, reporting and customer engagement processes. Through senior management ownership and interdepartmental cooperation, the Bank's institutional capacity in development finance sensitive to women's empowerment has been significantly strengthened through the implementation of the OECD DAC Gender Marker application, the inclusion of gender indicators in credit processes and the development of tangible practices at the customer level.

Impact Principle 4: Assess the expected impact of each investment, based on a systematic approach.

For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: "What is the intended impact?", "Who experiences the intended impact?", "How significant is the intended impact?". The Manager shall also seek to assess the likelihood of achieving the investment's expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations. In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.

The Bank determines its strategic objectives and priority areas of focus by taking into consideration the United Nations Sustainable Development Goals. In this context, the Bank directly contributes to "SDG 5: Gender Equality", "SDG 7: Affordable and Clean Energy", "SDG 8: Decent Work and Economic Growth", "SDG 9: Industry, Innovation and Infrastructure", "SDG 11: Sustainable Cities and Communities", "SDG 13: Climate Action" and "SDG 17: Partnerships for the Goals". Having made direct and indirect contributions to 15 of the 17 SDGs, the Bank plans to expand this contribution to all 17 SDGs.

Direct and Indirect Contribution to 15 of the Sustainable Development Goals



The positive impacts expected to be created through the project planned to be financed with the requested loan are associated with the United Nations Sustainable Development Goals and stated in the Credit Evaluation Report. Within the scope of the ESAP, which is an annex to each loan agreement, a “Stakeholder Engagement Plan and Grievance Redress Mechanism” is established for each project, regardless of the type and amount of the loan. In this context, the parties that may be affected by the project are identified, and stakeholder interviews and stakeholder engagement meetings are organized to inform these parties about the investment. Throughout the loan term, the records received through the grievance redress mechanisms established to collect complaints and requests that may be received from local people and company employees located close to the main area of activity of the investment/company receiving the financing are reported to Development and Investment Bank of Türkiye throughout the loan term. Within

the scope of these studies, complaints, requests, suggestions and concerns received from the parties are evaluated, and the company requesting the loan is required to take measures to address them, with their completion closely monitored by TKYB.

Factors posing risks to the impacts expected to be created by the financed project are assessed at the lending stage, and the risk categorization of the projects/companies is determined. In conducting environmental and social risk categorization, the project’s risks related to resource efficiency, waste/wastewater, pollutant air emissions, climate change, female and male employment, social rights, soil and water quality, environmental noise, occupational health and safety, labour and working conditions, community health and safety, land acquisition, biodiversity and stakeholder engagement are taken into consideration, but are not limited to these.

Impact Principle 5: Assess, address, monitor, and manage potential negative impacts of each investment.

For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice. As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.

The Bank, operating with a Responsible Banking approach, analyzes the risks of both its customers and projects separately by conducting Environmental and Social Risk Assessments as part of routine decision-making processes in all lending practices. The ESIA, managed in accordance with the “Environmental and Social Risk Assessment Procedure in the Lending Process”, covers the identification of the environmental and social impacts (direct, indirect and cumulative) related to the construction and operation phases of an investment/project, the assessment of these impacts, and the development of measures to mitigate adverse impacts, if any. The activity related to the requested loan is checked, regardless of the loan amount, against the Excluded Activities List (EAL) included in the Bank’s [Environmental and Social Risk Policy](#). If the activity is included in the EAL, the loan request is rejected and the process is terminated. If the activity is not included in the EAL, the Bank requires, for all financing activities, compliance of the investment/project with all applicable laws, regulations and

standards relating to environmental, health, safety and social issues, as well as approved international conventions applicable in the Republic of Türkiye.

This process implemented by the Bank is an application in which the company’s existing activities and investment projects to be financed are scored through risk-based rating and a weighted risk categorization score is reached. This categorization is based on the determination of four different risk categories, fully aligned with the definitions in the World Bank’s Environmental and Social Framework: Category A (High Risk), B+ (Substantial Risk), B (Moderate Risk) and C (Low Risk). The application of four different risk categories is aligned with the World Bank Environmental and Social Standards and IFC Performance Standards. In 2025, environmental and social impact assessment studies were conducted for 184 projects. Of these projects, 14 were categorized as B+, 41 as B and 129 as C. In this context, the vast majority of the projects assessed are in the low-to-moderate risk category.

Potential adverse environmental and social impacts are not disregarded for projects in any category, including low-risk projects. An interactive process is carried out with project owners before and during the project financing stage. Project owners are informed and guided on examples of good practices regarding the identification, measurement and management of risks. In addition, project owners are encouraged to cooperate with industry leaders, universities, R&D/Technology Development Centers, and industry organizations. In the risk assessment, environmental and social risks, the likelihood of occurrence of these risks, the governance capacity of the company, and the level of impact on the environment and society are assessed.

The Environmental and Social Action and Monitoring Plan includes the gaps in the project's compliance with environmental and social standards, the measures required to close the gaps, the timing and responsibilities. Contractual Environmental and Social Commitments are determined and added to the loan agreement. In addition, a Grievance Redress Mechanism

is established and Stakeholder Engagement Plans are prepared for all customers receiving financing. In 2025, there were a total of 30 complaints registered within the Bank.

As a result of the analyses conducted by Great Place to Work and the evaluations of our employees, the Bank was included in the "Best Employers in Türkiye January 2026 List", ranking among the institutions awarded the title of "Best Employer in Türkiye" for the third time, and was included in the "Best Employers for Young Talents 2026" list. Development and Investment Bank of Türkiye became the first bank in the Turkish financial sector to publish a Green Human Resources Policy.

The Bank's performance in the field of sustainability was also evaluated within the scope of international sustainability ratings in 2025. As a result of the assessment conducted by Fitch Ratings, the Bank was rated at Level 2 under the Sustainable Fitch Entity Rating based on its 2025 data. With this assessment, the Bank became the bank with the highest rating in Türkiye under the Sustainable Fitch Entity Rating.

Impact Principle 6: Monitor the progress of each investment in achieving impact against expectations and respond appropriately.

The manager shall monitor progress towards the achievement of the expected positive impact in the context of the results achieved for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investor. To the best extent possible, progress should outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. When the monitoring indicates that the investment is no longer achieving its intended impacts, the Manager shall seek to take appropriate action. The Manager should also seek to use the results framework to capture investment results.

In line with its Responsible Impact Management approach, the Bank attaches importance to monitoring the environmental and social impacts of the investments it finances and evaluating the results obtained by comparing them with the expected impacts. Accordingly, in December 2025, the Environmental and Social Impact Policy and the relevant procedures were comprehensively reviewed and updated in order to continuously improve the Bank's Environmental and Social Impact Management approach.

With the update implemented, the integration of environmental and social risks into credit processes was further strengthened; pre-financing assessment, risk classification, monitoring and evaluation processes were structured in a more holistic and systematic manner. Under the updated policy and procedures, the principles of monitoring the environmental and social performance of projects throughout the financing process, tracking the fulfilment of identified

obligations, and taking the necessary actions in a timely manner against identified risks or non-compliances were strengthened. Thus, environmental and social issues have been addressed not only as an assessment conducted prior to financing, but also as a dynamic management element that is monitored throughout the investment lifecycle and supports financing decisions.

With this update, while strengthening the alignment of the Bank's Environmental and Social Impact Management System with international good practices, it was aimed to ensure that monitoring results are more effectively reflected in decision-making processes and that the continuous improvement approach is institutionally reinforced. Environmental and social monitoring activities continue throughout the loan term. The frequency of monitoring increases depending on the risk category of the project, the environmental and social framework of the funding institution, the type of loan and the relevant legislation. For example, if construction activities are

included within the scope of the project, monitoring is conducted at least twice a year during the construction phase. Considering all environmental, social, climate, biodiversity and OHS management issues, the frequency of monitoring activities is increased for investments considered to be high-risk. Under all circumstances, monitoring is conducted at least once a year throughout the operating/activity period during the loan term. In accordance with the requirements of the funding institution, periodic progress reports containing the Bank's Environmental and Social Assessment results are prepared and submitted to the relevant funding institution for its information.

Environmental and Social Due Diligence (ESDD) Reference Framework are checked and verified for compliance with:

- TKYB Environmental and Social Policy and Excluded Activities List, Environmental and Social Risk Assessment Procedure in the Lending Process;
- Applicable local, national and international environmental and

social legislation and approved conventions;

- Requirements of the Environmental and Social Policy Procedures, Framework Documents and standards of the funding institutions.

The Reference Framework, including but not limited to the following items:

- Conducting a comprehensive review of the project's environmental and social impacts and risks;
- Assessing the project's compliance with environmental and social legislative requirements, IFC Performance Standards and the environmental and social policies and standards of the funding institution;
- Assessing the customer's capacity to fulfil environmental and social requirements within the scope of the project;
- Implementation of the Environmental and Social Action Plan;
- Reviewing and monitoring changes and impacts occurring in relation to the initial plan for operations.

Development and Investment Bank of Türkiye uses the “Impact Reporting and Investment Standards (IRIS+)” Metrics Catalogue, an internationally recognized system for impact measurement and management, in order to determine its impact KPIs and measure the environmental, social and financial performance of its investments.



The Bank has already reported the following IRIS metrics in this report:

- Value of Loans Disbursed (PI5476)
- Type of Green Product/Service (PD5694)
- Greenhouse Gas Emissions Avoided or Reduced (PI2764)
- Employment Created in Financed Enterprises (PI3687)
- Environmental Policies Associated with Financing Practices (PD7932)
- Greenhouse Gas Emissions Strategy (OI8237)
- Greenhouse Gas Emissions Avoided Due to Purchased Carbon Offsets (OI6774)
- Greenhouse Gas Emission Scopes (OI5732)

Impact Principle 7: Conduct exits considering the effect on sustained impact.

When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.

Nearly the entire TKYB portfolio under the Principles consists of direct investment loans, working capital loans and indirect APEX loans in the form of maturing/self-liquidating instruments, without an exit decision. Nevertheless, the maturities of the Bank's investment loans are mostly 8–10 years, and through monitoring activities carried out throughout the loan term, it is ensured that positive environmental and social impacts are sustained and that the identified environmental and social obligations are fulfilled. In this context, in addition to investment loans, the environmental and social risks of activities financed under working capital loans and APEX loans are also monitored throughout the credit process.

The Bank's environmental and social risk management approach is implemented by taking into consideration the characteristics of different types of financing, in addition to project- and customer-based assessments. In the monitoring activities carried out following loan disbursement, the environmental and social performance of the project or customer, the status of fulfilment of the identified commitments and actions, and compliance with relevant legislation and international standards are assessed. In particular, the environmental and social

obligations of projects financed under programs carried out with international financial institutions are monitored throughout the loan term in accordance with the requirements of the relevant financial institutions, and developments are reported regularly. Similarly, for financing provided to SMEs and other enterprises, environmental and social risks are assessed within an appropriate scope and monitoring activities are carried out where necessary.

With the comprehensive review and re-publication of the Environmental and Social Policy and Procedure in December 2025 to cover new practices, the Bank's environmental and social risk assessment and monitoring approach has been further strengthened. In line with the updated framework, processes related to the identification, classification, management and monitoring of environmental and social risks are carried out in a more holistic and systematic manner. In 2025, the number of projects for which the Bank conducted environmental and social risk assessments and the risk ratings assigned to these projects were also among the key performance indicators monitored.

Following the completion of the loan terms, the continuation of positive environmental and social impacts is encouraged. In this context, support is provided for the development of the capacity that will contribute to sustaining the impact, and technical advisory support is provided where deemed necessary. Communication and cooperation with relevant stakeholders are also maintained throughout the process, with the aim of continuously improving the environmental and social performance of the financed investments and ensuring that the expected impacts become permanent.

Impact Principle 8: Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.

The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.

The impact results for thematic loans to be prepared annually by the Sustainability and Environmental and Social Impact Management Department are subject to independent external assurance. The impact performance indicators monitored include, but are not limited to, the installed capacity of the renewable energy projects financed, TKYB's share in Türkiye's renewable energy capacity, the amount of financing provided for renewable energy, the amount of emissions avoided through the renewable energy projects financed, the ratio of SDG linked loans to the total portfolio, the amount of SDG linked loans, and the number and ratings of projects subject to environmental and social risk assessment. The results obtained are presented to the Sustainability Committee, chaired by the General Manager and convened twice a year. The Sustainability Committee Directive was updated in July 2024 due to an organizational change. The Committee also includes an independent member of the Board of Directors. As a result of the Committee's assessments, actions are taken to improve the institution's environmental, social and

governance impact performance. The Committee met twice in 2025 and made a total of 10 decisions. In addition, the Bank publicly discloses its environmental, social and governance performance annually through its Integrated Report, Disbursement and Impact Report, Carbon Disclosure Project (CDP), UNEP FI Principles for Responsible Banking Impact Report and UNGC CoP (Communication of Progress). The Bank has developed the science-based emission reduction targets it set under the Science Based Targets initiative (SBTi) in line with the SBTi FINZ methodology, and the targets have been approved. As the first financial institution whose targets for Scope 1, Scope 2 and Scope 3 emissions arising from investments have been approved under the SBTi FINZ methodology, the Bank has strengthened its leading role in the financial sector towards the transition to a low-carbon economy and the achievement of net-zero targets. In this context, it is aimed to monitor emission reduction performance in line with the targets set and to systematically continue efforts to combat climate change.

Impact Principle 9: Publicly disclose alignment with the impact principles and provide regular independent verification of the alignment.

The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the impact principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.

The independent limited assurance audit signifies that the Bank's impact management system has completed independent verification of its alignment with the Impact Principles and will be updated annually. In September 2022, the Bank published the first Disclosure Statement in line with Türkiye's Impact Principles and the report was verified by going through the independent audit process. The most recent Disclosure Statement document can be accessed at <https://kalkinma.com.tr/en/sustainability/policies-and-procedures>

The most recent Verification Statement document can be accessed at <https://kalkinma.com.tr/assets/uploads/pdf/en/TKYB%20Impact%20Report%20-%20Assurance%20Statement%202024.pdf>

The disclosure for next year is planned to be published on September 1, 2026. In September 2022, TKYB issued its first Disclosure Statement aligned with the Impact Principles in Türkiye and the report has been audited under the International Assurance Engagement Standard (AES) 3000 Revised, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the Public Oversight Accounting and Auditing

Standards Authority of Türkiye (POA) and has undergone an independent limited assurance audit. Information on the current independent verifier is as follows:

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Most Recent Review:

07 September 2026

The Date of The Next Planned Verification:

17 September 2027

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