

TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş. (TKYB)

Türkiye Industrial Emissions Reduction Project P180762

Negotiated ENVIRONMENTAL and SOCIAL COMMITMENT PLAN (ESCP)

June 25, 2026

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. Türkiye Kalkınma ve Yatırım Bankası A.Ş., also known as Development and Investment Bank of Türkiye, (TKYB or the Borrower) is implementing the Türkiye Industrial Emissions Reduction (P180762) Project (the Project) as set out in the Original Loan Agreement and the Additional Financing Loan Agreement (the Loan Agreements). The International Bank for Reconstruction and Development (Bank) has agreed to provide the original financing and additional financing for the Project, as set out in the referred agreements.
2. The Borrower shall ensure that the Project is carried out in accordance with the Environmental and Social Standards (ESSs) and this Environmental and Social Commitment Plan (ESCP), in a manner acceptable to the Bank. The ESCP is a part of the Loan Agreements. Unless otherwise defined in this ESCP, capitalized terms used in this ESCP have the meanings ascribed to them in the referred agreements.
3. Without limitation to the foregoing, this ESCP sets out material measures and actions that the Borrower shall carry out or cause to be carried out, including, as applicable, the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and grievance management. The ESCP also sets out the environmental and social (E&S) instruments that shall be adopted and implemented under the Project, all of which shall be subject to prior consultation and disclosure, consistent with the ESS, and in form and substance, and in a manner acceptable to the Bank. Once adopted, said E&S instruments may be revised from time to time with prior written agreement by the Bank.
4. As agreed by the Bank and the Borrower, this ESCP will be revised from time to time if necessary, during Project implementation, to reflect adaptive management of Project changes and unforeseen circumstances or in response to Project performance. In such circumstances, the Borrower and the Bank agree to update the ESCP to reflect these changes through an exchange of letters signed between the Bank and the Borrower, represented by the Head of Sustainability and Environmental Social Impact Management Department in the Project Implementation Unit of TKYB. The Borrower shall promptly disclose the updated ESCP.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
MONITORING AND REPORTING			
A	REGULAR REPORTING Prepare and submit to the Bank regular monitoring reports on the environmental, social, health and safety (ESHS) performance of the Project, including but not limited to the implementation of the ESCP, status of preparation and implementation of E&S instruments required under the ESCP, stakeholder engagement activities, and functioning of the grievance mechanism(s).	Submit -semi-annual reports to the Bank throughout the Project implementation, commencing six months after the Effective Date. Submit each report to the Bank by no later than thirty (30) days after the end of each reporting period.	TKYB Project Management Team (PMT)
B	INCIDENTS AND ACCIDENTS (i) Promptly notify the Bank of any incident or accident related to the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including, inter alia, cases of sexual exploitation and abuse (SEA), sexual harassment (SH), and accidents that result in death, serious or multiple injury such as chemical spillage or fire. Provide sufficient detail regarding the scope, severity, and possible causes of the incident or accident, indicating immediate measures taken or that are planned to be taken to address it, and any information provided by any sub-borrower, as appropriate. (ii) Require sub-borrowers to provide sufficient detail regarding the incident or accident, findings of the Root Cause Analysis (RCA), indicating immediate measures or corrective actions taken or that are planned to be taken to address it, compensation paid, and any information provided by any contractor and supervision consultant, as appropriate. Subsequently, at the Bank's request, prepare a report on the incident or accident and propose any measures to address it and prevent its recurrence.	(i) Notify the Bank by no later than 48 hours after learning of the incident or accident. (ii) Provide subsequent report to the Bank, including RCA, precautions and compensation measures taken by sub-project beneficiaries within a timeframe acceptable to the Bank.	TKYB PMT
C	OPERATIONS MANUAL Develop, adopt, and implement a Project Operations Manual that details implementation arrangements, including for screening, monitoring and reporting of substantial and moderate risk sub-projects consistent with Bank's ESSs	Adopt by the Effective Date of the Loan Agreements and thereafter implement throughout Project implementation.	TKYB PMT

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS		
1.1 ORGANIZATIONAL STRUCTURE Establish and maintain the capacity of the Project Management Team (PMT) within Türkiye Kalkınma Ve Yatırım Bankası A.S. (TKYB) with full-time qualified staff and resources to support management and monitoring of environmental, social, health and safety E&S risks and impacts of the Project, including by hiring or appointing– one environmental specialist, one social specialist, and one Grievance Redress Mechanism (GRM) and stakeholder engagement (SE) management and monitoring expert; additional staff shall be recruited as may be needed. Ensure that above-mentioned staff remain on assigned duty until end of Project implementation. TKYB’s Environmental Sustainability Department has a biodiversity specialist and an OHS specialist through its ESMS and whose inputs shall be available to the Project as needed.	Maintain the PMT as set out in the Loan Agreements. Hire or appoint the referenced E&S specialists prior to the Effective Date of the Loan Agreements Maintain all specified E&S positions, and appoint qualified staff to said positions for the duration of Project implementation.	TKYB

1.2	ENVIRONMENTAL AND SOCIAL ASSESSMENT The Borrower shall ensure that the risks and impacts of the Project are managed in accordance with this ESCP, with the relevant ESSs and the updated TKYB Environmental and Social Management System (TKYB ESMS), referred to under Action 9.1 below, and in compliance with Türkiye's relevant laws, regulations, and procedures, and the Exclusion List defined in the Loan Agreements throughout Project implementation. As part of the Borrower's Subproject approval process, the Borrower shall conduct E&S Due Diligence review (ESDD) of each proposed Sub-borrower, in accordance with the Project Operations Manual and TKYB ESMS, with full consideration of the Exclusion List, relevant national laws as confirmed by the Bank, ESSs and eligibility criteria, and where applicable, E&S action plans (ESAP) shall be developed to address identified gaps following the due diligence review. (i) Ensure that each sub-borrower shall prepare, disclose, adopt and implement site-specific E&S instruments for sub-projects, including relevant ESAPs, as set out in the ESMS. (ii) For each sub-project, E&S requirements set forth in the E&S instruments shall be integrated in the implementation documents for sub-projects through inclusions of relevant provisions in Bidding/tender documents or contracts if already signed between the Sub-Borrower and respective Contractors as the case may be; Any potential investment rated as having High (Category A in TKYB ESMS) environmental and/or social risk; or in case of existing contract if the declaration	Throughout Project implementation Before approval of each respective Subproject Ensure that sub-borrowers adopt site-specific E&S instruments prior to carrying out the relevant activities, and thereafter implement throughout sub-project implementation, including mitigation measures contained in the relevant ESAPs. The Borrower ensures said integration by each Sub-borrower before relevant Sub-borrower completes the tendering process for the respective contract. In case of on-going contracts: (i) E&S integration clauses will be required to be included prior to approval of the respective subprojects; and (ii) the sub-borrower shall submit a declaration for compliance of the contractor with the E&S requirements as per TKYB ESMS. Throughout Project implementation	TKYB PMT TKYB PMT TKYB PMT shall cause each respective Sub-borrower TKYB PMT shall cause each respective Sub-borrower
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MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
	of E&S compliance with TKYB ESMS is not accepted by TKYB then the sub-project shall not be eligible for financing under the Project. Submit to the Bank for prior review and approval the first two sub-loans under the Project, including the Environmental and Social Due Diligence (ESDD) documentation for each respective Sub-project prepared by TKYB.	Before the Borrower's disbursement of Loan proceeds to the respective Sub-borrower for the financing of the first two Sub-loans under the Project.	
1.3	MANAGEMENT TOOLS AND INSTRUMENTS Implement the TKYB's corporate ESMS adopted by the TKYB Screen any proposed sub-project in accordance with the TKYB's corporate ESMS , the Exclusion List (as defined in the Loan Agreements), including exclusion of high risk (Category A in TKYB ESMS) Sub-project investments for financing.	Throughout Project implementation.	TKYB PMT
1.4	MANAGEMENT OF CONTRACTORS The Borrower shall require and ensure that each Sub-borrower incorporates the relevant aspects of the ESCP, including, inter alia, the relevant E&S instruments, the Labor Management Procedures, and code of conduct, into the ESHS specifications of the procurement documents and contracts with contractors and supervising firms. Thereafter, ensure that the contractors and supervising firms comply with the ESHS specifications of their respective contracts.	Prior to each sub-borrower's signing of contracts with contractors under the respective Sub-project. Thereafter, ensure that sub-borrowers supervise contractors throughout Project implementation.	TKYB PMT
ESS 2: LABOR AND WORKING CONDITIONS			

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
2.1 LABOR MANAGEMENT PROCEDURES Maintain and implement, and cause Sub-borrowers to maintain and implement, labour management procedures for the Project in accordance with the TKYB ESMS, this ESCP, and Türkiye's Labor Code with proportional gap-filling measures, consistent with ESS2, that include, <i>inter alia</i>, the following requirements: ▪ Ensure that Project Workers, as defined under ESS2, will be hired, promoted and their employment, where needed, terminated based on principles of non-discrimination and equal opportunity, no-harassment, and freedom of association; and enable workers to benefit from, <i>inter alia</i>, access to grievance mechanisms without fear of retaliation consistent with ESS2; ▪ Ensure that all Project Workers are provided with information and documentation that is clear and understandable regarding their terms and conditions of employment, their rights under national labor and employment laws (including their rights related to hours of work, payment of wages and deductions, overtime, benefits such as periods of rest and leave, written notice of termination and details of severance payments, as well as those arising from the requirements of ESS2); ▪ Ensure the adoption of appropriate occupational health and safety (OHS) measures, in line with ESS2, at the work place (no matter their locations and including without limitation on field assignments), which shall consider, <i>inter alia</i>, an assessment of the potential OHS risks associated with the tasks to be carried out and include mitigation measures, such as protocols for protection against communicable diseases (i.e. Covid-19, etc.) as issued by the Ministry of Health, WHO, and the Bank; ▪ Ensure the adoption of a code of conduct that sets out measures against practices related with sexual exploitation and abuse/sexual harassment (SEA/SH) in the workplace, including the dissemination of the referral services available in the country to respond to such behaviors; ▪ Prohibit and ban all forms of child labor as well as forced labor, per ESS2 requirements and applicable national laws; ▪ Cascade requirements to contractors, subcontractors, and supervising firms; and ▪ Report on compliance with these labor management procedures as part of the reports to be submitted under action A above.	Prior to engaging Project Workers and implementing measures. Monitor compliance throughout Project implementation and provide progress reports as required under action A above.	TKYB PMT

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
2.2	GRIEVANCE MECHANISM FOR PROJECT WORKERS Maintain, and operate, and cause each Sub-borrower to establish, maintain and operate, an accessible GRM for Project workers, in line with national labor law and consistent with ESS2 and ESS10.	Maintain and operate grievance mechanism throughout Project implementation. For sub-borrowers, GRM established prior to the hiring of any subproject workers and maintained throughout subproject implementation. Report semi-annually through Project Progress Reports referred to under Section A. above.	TKYB PMT
2.3	GENDER Prioritize enterprises with special programs about the gender equality programs for sub-loans; require enterprises to have gender action plans in place and/or actively aim to sensitivity about the equality with TKYB's gender tool and assessment.	Implement and monitor gender equality management and sensitivity throughout Project implementation; and report through semi-annual progress reports.	TKYB PMT
2.4	OCCUPATIONAL HEALTH AND SAFETY (OHS) MEASURES Cause Sub-borrowers to prepare, adopt, and implement occupational health and safety (OHS) measures specified in sub-project specific E&S instruments, such as Environmental and Social Management Plans and other relevant documents. Maintain on each Sub-borrower, the responsibility of applying national law on OHS and relevant regulations, consistent with the relevant ESSs.	After the Effective Date of the Loan Agreement, and before commencement of any civil/installation works by each respective Sub-borrower, continuing throughout Project implementation.	TKYB PMT
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT Cause each Sub-borrower to include resource efficiency and pollution prevention and management measures into the Sub-project specific E&S instruments to be prepared under action 1.2 above and as set out in the ESMS. Carry out monitoring and verification (M&V) of air pollutants and GHG emissions over a period of 12 months after commissioning of the equipment installation and facility constructed. Project-level emissions reductions (i.e., those driven by the sub-loans) shall be separately tracked and reported by each sub-borrower to the Borrower annually.	Same timeframe as for the adoption and implementation of E&S instruments under Section 1.2 above. Throughout the Project and reported through semi-annual progress reports. Project-level emissions reductions shall be separately followed and reported by each Sub-borrower semi-annually.	TKYB PMT
ESS 4: COMMUNITY HEALTH AND SAFETY			

4.1	COMMUNITY HEALTH AND SAFETY As part of the E&S due diligence (ESDD) to be conducted by the TKYB for each Sub-borrower under action 1.2 above, ESS4 shall be applied within the scope of TKYB ESMS, as relevant. Prepare, adopt, and implement measures and action to assess and manage specific risks and impacts to the community arising from sub-project activities, and include measures in the E&S instruments to be prepared under action 1.2 above, in accordance with the TKYB's corporate ESMS.	Throughout Project implementation. Same timeframe as for the adoption and implementation of subproject-specific E&S instruments under action 1.2 above.	TKYB PMT
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT			
5.1	Relevant to the Project The project shall not finance any activities which may require land acquisition that results in restrictions on land use, involuntary land acquisition, and/or physical relocation that falls under ESS5. The Project allows voluntary land acquisition on a willing buyer/willing seller basis. For a transaction to be considered voluntary, due diligence must confirm that: (a) functioning land markets exist; (b) the transaction took place with the owner's informed consent; (c) the owner was aware they could refuse to sell without the threat of compulsory acquisition; and (d) a fair market price was paid. In instances where voluntary land acquisition is part of a subproject, TKYB must require that a due diligence check be conducted to confirm that no third parties are affected by any of the voluntary land acquisitions contemplated under a subproject to satisfy the World Bank that (i) the sale was voluntary and informed; (ii) the seller had a real opportunity to retain the land and refuse without coercion or fear of reprisal; (iii) negotiations were based on market prices; and (iv) the transaction will not have adverse effects on third parties.	As part of E&S due diligence for each Project and Subproject activity throughout Project implementation.	TKYB PMT
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES			
6.1	Consider relevant aspects of ESS6 as part of the TKYB Environmental and Social Due Diligence (ESDD) and ensure that TKYB E&S team screens Subprojects to determine the nature and significance of potential biodiversity risks and impacts; and where biodiversity risks and impacts are identified during screening, through the ESAP for the particular Subproject, TKYB shall require the Sub-borrower to conduct a proportionate biodiversity assessment and implement measures to manage the risks and ensure proper management of the impacts of Subprojects on natural habitats and/or sensitive species, consistent with this ESCP, TKYB's ESMS procedures, the requirements of ESS6, and applicable national legislation.	Throughout project implementation, as part of Subproject E&S due diligence developed under Action 1.2 above.	TKYB PMT
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES			

7.1	Not Relevant to the Project	This standard is not relevant. There are no known Indigenous Peoples in Türkiye which fit the definition of the ESS7.	
ESS 8: CULTURAL HERITAGE			
8.1	CHANCE FINDS Require sub-borrowers to prepare, adopt, and implement the chance finds procedures consistent with ESS8 and as set out in the TKYB ESMS, in the sub-project-specific E&S instruments developed for the sub-project under action 1.2 above.	Same timeframe as for the adoption and implementation of subproject E&S instruments under action 1.2 above.	TKYB PMT
ESS 9: FINANCIAL INTERMEDIARIES			

9.1	ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS) TKYB ESMS shall be fully utilized for this Project. TKYB shall maintain and implement an Environmental and Social management System (TKYB ESMS), satisfactory to the Bank, consistent with ESS9, applicable Türkiye laws, and any additional material measures set in this ESCP, to identify, assess, manage and monitor the environmental and social impacts of the Project and Sub-projects. The ESMS shall include, inter alia, the following elements: • Identification of the subprojects that may receive support from Bank financing under the Loan Agreements; • An environmental and social policy endorsed by TKYB's senior management. • Clearly defined labor management measures and procedures consistent with the relevant aspects of ESS2. • Clearly defined procedures for the identification, assessment and management of the environmental and social risks and impacts of subprojects, in accordance with ESS9, including, inter alia, stakeholder engagement and disclosure requirements for subprojects. • Exclusion list with the activities that are not eligible for financing, consistent with the Exclusion List in the Loan Agreements. • An organizational capacity and competency for implementing the ESMS with clearly defined roles and responsibilities. • Monitoring and reporting of environmental and performance of subprojects and the effectiveness of the ESMS. • Incidents and accidents notification and subsequent reporting requirements as set out in action B above. • An external communications mechanism, including measures to	TKYB ESMS shall be maintained and operated, throughout Project implementation.	TKYB PMT
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	respond to public enquiries and concerns in a timely manner. Other documents and procedures to ensure that the subprojects' activities are, in the opinion of the Bank, compliant with the Exclusion List defined in the Loan Agreements, relevant national laws as confirmed by the Bank, the ESSs, this ESCP, and the Subproject eligibility criteria as set forth in the Loan Agreement, which shall all be acceptable to the Bank. Disclose a summary of each of the elements of the ESMS through the relevant website. Take necessary measures to ensure that activities under the Project have sufficient E&S risk management capacities, including developing and adopting the necessary E&S management tools and instruments to comply with the requirements of this ESCP, the Bank's ESSs, and relevant national laws and regulations, and have the necessary capacity for their proper implementation, in accordance with the procedures and contents to described in TKYB's ESMS. Notify in advance and agree with Bank, in case any change to TKYB ESMS is required. Ensure that any change to TKYB ESMS that may have an impact on TKYB's E&S risk management under the Project or materially adversely affect TKYB's ability to manage the E&S risk of the Project in accordance with this ESCP are notified to the Bank, and immediate measures taken to address said changes, including updating the ESCP to reflect adaptive management action agreed with the Bank.	E&S Policy is disclosed and available in TKYB's website at https://kalkinma.com.tr/en/about-us/environmental-development/environmental-and-social-policies . Same timeframe as Action B above, and agree with the Bank prior to applying any changes to the Project and subprojects.	
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9.2	EXCLUSIONS Screen all proposed sub- projects against the Exclusion List set out in the Loan Agreements, including, inter alia, activities that can have significant risks or impacts on the environment, community health and safety, labor and working conditions, biodiversity or cultural heritage, which are currently considered as Category A per TKYB ESMS, and any activities which may cause involuntary physical or economic displacement, or may require any land acquisition, as set out in ESS5, any activities which may have any effect on biodiversity conservation and sustainable management of living natural resources as set out in ESS6. In addition, some activities in the energy industry are ineligible for financing (which are defined as i) combustion of fuels in installations with a total rated thermal inputs of 50 MW or more; ii) refining of mineral oils and gas; iii) production of coke; iv) gasification or liquefaction of coal or other fuels in installations with a total rated thermal input of 20 MW or more.)	Screen subprojects before determining whether they are eligible to receive support from the Project.	TKYB PMT
9.3	SENIOR MANAGEMENT REPRESENTATIVE Designate a senior management representative to have overall accountability for environmental and social performance of subprojects that receive support from the Project.	Prior to the Effective Date and throughout Project implementation	TKYB PMT
9.5	APPLICABLE E&S STANDARDS Apply TKYB's ESMSs to low, moderate and substantial risk sub-projects (categories C, B and B+ according to TKYB's E&S risk categorization) within the scope of this Project.	Throughout the Project implementation	TKYB PMT
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	STAKEHOLDER ENGAGEMENT PLAN PREPARATION AND IMPLEMENTATION Prepare, adopt and implement a Project specific Stakeholder Engagement Plan consistent with ESS10, which shall include measures to, inter alia, provide stakeholders with timely, relevant, understandable and accesible information, and consult them in a culturally appropriate manner, which is free of manipulation, interference, coercion discrimination and intimidation.	SEP has been adopted and disclosed and shall be implemented and updated throughout Project implementation.	TKYB PMT

10.2	PROJECT GRIEVANCE MECHANISM Establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances in relation to the Project, promptly and effectively, in a transparent manner that is culturally appropriate and readily accessible to all Project-affected parties, at no cost and without retribution, including concerns and grievances filed anonymously, in a manner consistent with ESS10. The grievance mechanism shall be equipped to receive, register, and facilitate resolution of SEA/SH complaints, including through the referral of survivors to relevant gender-based violence service providers, all in a safe, confidential, and survivor-centered manner.	TKYB Level – Maintain and operate the Grievance Mechanism throughout Project implementation	TKYB PMT
10.3	CITIZEN ENGAGEMENT Sub-project specific SEP will integrate proposed citizen engagement activities and indicators. Collect feedback from beneficiary enterprises as part of the semi-annual progress reports from the Project beneficiaries. Conduct specific KPI investigation upon the completion of the sub-loan disbursement to beneficiaries. The summary of KPI results will be shared with beneficiaries and with the Bank in semi-annual progress reports.	Prior to the effective date of each of the Subproject Reporting –semi-annually in progress reports. The follow-up latest situation of the specific KPI with the monitoring periods	TKYB PMT
	CAPACITY SUPPORT		
CS1	Training shall be provided to the relevant E&S staff of the TKYB and sub-borrowers on: • requirements of the ESMS (proportionality) • management and reporting on environmental performance • OHS • stakeholder mapping and engagement • specific aspects of environmental and social assessment • emergency preparedness and response • code of conduct • community health and safety	Throughout the Project implementation.	TKYB PMT and TKYB PMT shall cause sub-borrowers

CS2	Training shall be delivered to Project workers on OHS, including on emergency prevention and preparedness and response arrangements to emergency situations, vehicular safety, safe use of tools, machinery and equipment, working at heights, contractual environmental and social requirements, Contractor ESMP Checklist, Code of Conduct, labor requirements for primary suppliers, and diverse and respectful workplaces, free of SEA/SH.	Throughout Project implementation.	TKYB PMT shall cause each respective Sub-borrower
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