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A. OBJECTIVE

The objective of this policy is to set forth fundamental principles pertaining to the assessment and management of the environmental and social impact that may result from the activities of Türkiye Sınai Kalkınma Bankası AŞ (TSKB).

B. SCOPE

This policy applies to all the personnel and activities of TSKB's headquarters and branch units.

C. PRINCIPLES AND PRACTICES

1. Track shall be kept of all national laws and regulations pertaining to environmental and social issues and efforts shall be made to comply with them.
2. Sustainability principles shall be integrated into all business processes; in-house awareness shall be raised so as to ensure employee engagement.
3. During project-assessment and financing stages:

- In the conduct of environmental and social impact studies, internationally-accepted environmental and social assessment standards and approaches shall be taken into account along with national rules and regulations.

• The occupational health & safety risks potentially inherent in investment projects that are being financed shall be reduced and customers' compliance with laws and regulations shall be supported.

• The potential environmental and social impact of investment projects shall be assessed within both national and international frameworks and all projects shall be tested against to the "TSKB Environmental and Social Risk Assessment System Model" irrespective of the dimensions of the investment. Investor firms shall be required to take measures to prevent or reduce such effects and, when necessary, to formulate environmental and social action plans in line with specific risk categories. Firms shall be regularly monitored on these matters so as to determine whether or not measures are being taken as necessary.

• TSKB is committed, without subjecting projects to any environmental and social impact study and irrespective of the size of the loan, not to provide financing for any activity that is prohibited and/or restricted by Turkish laws and regulations or by any international agreement to which Turkey is a party; neither shall it do so for any activity that is included in the "List of activities that are not to be financed" (see Appendix) which has been formulated taking into account the bank's working principles and which has been approved by the TSKB Board of Directors.

4. Through national and international initiatives which are related to the Bank's areas of activity and which support sustainability, TSKB collaborates and exchanges practical knowledge with various stakeholders including, but not limited to, non-governmental organizations, universities, and public agencies.
5. TSKB takes part in and gives its backing to social responsibility projects that support sustainability and social development in such areas as education, environmental issues, and culture & art.
6. Measures shall be taken to prevent and/or reduce any adverse impact (be it concerned with carbon emissions, or with energy, water, or paper use, or with waste, or with transport, or otherwise) arising on account of the Bank's operations; projects shall be undertaken and training

shall be provided to improve performance on such issues. Any and all manner of projects to improve resource and energy efficiency at the Bank shall be supported.

7. TSKB's environmental and social impact is monitored in accordance with the ISO 14001 and the ISO 14064 standards and with such other new standards as may be published. Engaging in carbon-neutral banking; the TSKB Sustainability Management System is reviewed annually and the results are submitted to the TSKB Sustainability Committee; information about such matters is disclosed to all stakeholders through sustainability reports that are published at regular intervals.
8. Greenhouse gas emissions that are the fundamental cause of climate change are quantified and targets are set for the measures that are to be taken to reduce them. Carbon emission-related ISO standards shall be complied with systematically and the results shall be made accessible to all stakeholders.
9. Bank customers and other stakeholders as may be concerned are provided with information about climate change and sustainability-related issues and they are supported in their efforts to formulate environment and/or sustainability policies of their own.

10. Owing to their great importance to the country's sustainable development, financial support shall be provided to investments in the areas of renewable energy, energy efficiency, resource efficiency, recycling, waste reduction, and environmental protection.

D. ENTRY INTO FORCE

This policy goes into effect as of the date on which it is approved by the Board of Directors.

Appendix

List of activities that are not to be financed

The activities listed below have been identified as "activities that are not to be financed by TSKB" effective the date on which the TSKB Sustainability Policy goes into effect. TSKB hereby commits itself not to knowingly involve in directly financing any project or activity entailing:

- The production or trade of a product which is illegal under Turkish laws or regulations or according to international rules or agreements or which is subject to any international ban;
- The production or trade of a product containing polychlorinated biphenyl (PCB);
- The production or trade of chemicals, pesticides, herbicides, or any other harmful substance that is internationally banned;
- The production of or trade in any internationally-banned substance that is harmful to the terrestrial ozone layer;
- Trade in wild fauna or flora; the manufacture of or trade in any product covered by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES);
- The cross-border movement of any form of waste that is prohibited by Turkish law or international agreement;
- The production of or trade in firearms and/or munitions;
- The production of or trade in tobacco or tobacco products;
- Any undertaking involving gambling, casino operations or management, or the like;
- The production of or trade in any radioactive material;
- The production of or trade in unbonded (fibrous) asbestos (does not apply to the use or procurement of cement slabs less than 20% of whose weight consists of non-fibrous or fibrous asbestos);
- The use of drift nets measuring more than 2,500 meters in length in seafishing;
- Any project involving forced labor; any project related to production that involves the exploitation of child labor or employs children in potentially injurious or dangerous activities;
- Any project that restricts individuals' personal rights or violates human rights;
- Any project that involves commercial logging operations in any primary tropical rainforest;
- Any activity that is prohibited by Turkish laws and regulations or by international agreements concerned with the protection of biodiversity resources or of the cultural heritage; any project located in any protected area, critical habitat area, or natural/cultural heritage area unless adequate compensatory/mitigatory measures are taken.