

MESSAGE FROM THE SUSTAINABILITY LEADER



As of the end of 2025, TSKB received an ESG Risk Rating of 7.4 from Sustainalytics, ranking 9th among 90 global banks and 12th among 1,012 international banks.

MERAL MURATHAN

Executive Vice President and Sustainability Leader

From the Perspective of the Sustainability Leader

The year 2025 marked a critical period in which sustainable finance gained structural momentum at both national and global levels. During this time, several major regulatory developments came into effect in Türkiye, including the Climate Law, the Communiqué on the Calculation of the Green Asset Ratio for Banks, and draft regulations related to the infrastructure of the carbon trading system. These developments represented important milestones that directly influence not only the financial sector but also the operational practices of the real sector. As TSKB, we have participated as a stakeholder in numerous platforms contributing to the development of the Türkiye Green Taxonomy, which is currently under preparation. We believe that this framework will be significant in shaping the direction of the financial system.

These developments signal the beginning of a new era, in which climate- and nature-related risks are systematically integrated into financial decision-making processes, and where the definitions of risk, opportunity, and responsibility expand from this perspective. Environmental and social dimensions are increasingly being addressed through a holistic approach, reflecting the evolving nature of sustainable finance.

We Updated Our Sustainable Finance Targets

In line with our strengthened sustainable finance performance in 2025, we revised our targets upward. We raised our SDG-linked financing target to USD 15 billion by 2030 and our climate finance target to USD 5 billion. In addition, we established a new social finance target of USD 3 billion covering the 2024–2030 period. Thanks to our strong funding structure, we will continue to maintain ambitious sustainable finance targets in the coming years by increasing the volume of thematic funds, particularly climate-related financing, that we access and mobilize for our country.

Climate Resilience and Analytical Risk Management

The evolving understanding of risk in the financial sector is being reshaped through adaptation investments. Accurately assessing the financial value of these investments has become a critical need. The return of adaptation projects is often measured not through direct revenue generation but through “avoided losses”. Scientific studies indicate that adaptation investments are in many cases technically feasible and cost-effective; accordingly,

strengthening the analytical infrastructure that enables capital to be directed toward the right projects has become a key priority. Our collaborations with international financial institutions play an important role in this regard. Within this framework, in 2025, we developed a financing structure with the IBRD, part of the World Bank Group, aimed at accelerating the private sector’s climate adaptation investments. To assess the success criteria of this financing structure, we utilize AdapTool, an analytical tool developed through our internal capacity, which enables us to measure the physical risks faced by investments and analyze companies’ adaptation capacities to identify priority investment areas. We view adaptation not merely as a component of risk management but as a strategic financing field that strengthens economic resilience and creates long-term value.

Strategic Focus: Nature and Biodiversity

With the deepening climate crisis, nature and biodiversity have emerged as critical topics on the sustainable finance agenda. Scientific research shows that achieving net-zero targets cannot be accomplished solely through technical solutions focused on emissions reductions. Instead, it requires a multidimensional transformation that encompasses ecosystems, value chains, and social impact. As a result, the “twin crisis” approach, which addresses climate change and the nature crisis together, is gaining even greater importance. In the TSKB Nature and Biodiversity Policy, we expanded our environmental and social risk management approach to include the nature dimension, and reviewed and updated our Sustainability Policy and complementary policies with a focus on nature and biodiversity. This policy aims to systematically integrate the risks and opportunities arising from nature-related dependencies and impacts into financial decision-making processes. In the coming period, we aim to prioritize the analysis of sectors within our portfolio, identify areas of risk concentration, and work together with our clients to develop solutions that reduce environmental impact.

An Inclusive Approach

Gender equality and women’s employment—key dimensions of TSKB’s lending approach—also constitute fundamental components of our corporate culture. For the past decade, we have provided financing to support the empowerment of women in the workforce. Following the February 2023 earthquakes, which we refer to as Türkiye’s earthquake, we also made a concerted effort to measure this impact in the financing we provided to the affected regions. While striving to make the strengthening of women’s employment a mainstream practice, we secured our first dedicated funding for youth employment in 2025, and we will continue to intensify our efforts in this area. Another key focus of the recent updates to our Sustainability Policies has been the TSKB Code of Ethics. We reviewed these principles from a broad perspective, from their scope to governance structure, and worked on establishing an Ethics Committee, as well as redesigning the Ethics Line and reporting mechanisms for misconduct.

At TSKB, we consider equality and inclusion to be an integral part of our corporate governance approach, guided by a human-centered perspective. Based on the results of the Inclusion, Diversity and Equality Perception and Awareness Survey conducted in 2024, we completed the preparations for the TSKB Inclusive Language Guide, which we aim to implement in the near future. The guide seeks to prevent unintentionally discriminatory language in everyday language and business processes, while fostering awareness of inclusivity regarding individual characteristics.

Additionally, we completed the first term of the Gender Equality Certificate Program in December 2025, implemented for our volunteer colleagues in collaboration with Galatasaray University and the Yanındayız Association. At the end of the program, participants presented projects proposing solutions to challenges identified in gender equality within the banking sector. Through these initiatives, we not only

advanced our institutional awareness, but also generated tangible outputs that can contribute to our internal policies and practices.

From COP30 to COP31

One of the most significant developments we observed at COP30 was that the climate agenda is no longer addressed solely through mitigation targets, but increasingly through adaptation, nature-based solutions, and resilience. The central role given to nature and biodiversity in the discussions signaled a structural transformation in the financial sector’s approach to risk assessment. The long-term security of financing decisions is now determined not only by carbon intensity, but also by the alignment of investments with nature and the resilience of ecosystems. This global trend also provides compelling motivation for us to accelerate our preparations for the COP31 process, which Türkiye will host.

All these developments clearly demonstrate that sustainable development has evolved from a set of targets into a fundamental framework guiding the direction of the financial sector. A main driver of progress in this transformation has been the strong collaborations and continuous dialogue we maintain with stakeholders in line with our mission and vision. We believe that we will achieve our future goals through the effective communication and collective wisdom fostered among all our stakeholders.

Sincerely,

MERAL MURATHAN
Executive Vice President and Sustainability Leader