

UNEP FI Principles for Responsible Banking

Impact Report of Development and Investment Bank of Türkiye

24.08.2023



Reporting and Self-Assessment Requirements	High-level summary of Bank's response	Reference(s)/ Link(s) to Bank's full response/ relevant information
 <p>Principle 1: Alignment We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>		
<p>1.1 Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>The Bank's primary function is to provide funding for sustainable development and has established a prominent position in the business and banking sectors with its prestigious national and international reputation and the opportunities it provides. The Bank plays a leading role in helping companies access domestic and international funding sources through mergers and acquisitions, capital market products and financial advisory services.</p> <p>Focusing on financing sustainable development in line with the United Nations Sustainable Development Goals and Türkiye's 2053 net-zero emission target, the Development and Investment Bank of Türkiye supports investors with its strong resource structure, competent human resources and innovative products and services.</p> <p>The Bank's main objective is to empower sectors that will contribute to the country's development, reduce imports and increase exports within the framework of Türkiye's 11th Development Plan. The Bank aims to contribute to Türkiye's structural transformation and capitalization by supporting companies that will add value to the national economy through loans, capital support, partnership and consultancy services. The operations and services provided by the Development Investment Bank of Türkiye are categorized under three main topics: Project Finance and Corporate Loans, Investment Banking and Türkiye Development Fund.</p> <p>Development Investment Bank of Türkiye also offers deep-rooted</p>	<p>2022 Integrated Report: Corporate Profile 48 Years of Experience and Contribution to the Sustainable Development Activities of Development and Investment Bank of Türkiye</p>

	<p>expertise in technical advisory services and shares its technical knowledge and experience with its business partners during the investment process. Furthermore, the Bank continues its efforts to align its banking operations with sustainability by using investment banking products and capital market instruments in the service of sustainable development. The Bank contributes to economic development through collective banking (APEX) to industrial and tourism investments and SMEs, to social development by funding education and health investments, and to environmentally friendly development by funding renewable energy investments and energy/resource efficiency projects.</p>	
<p>1.2 <i>Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</i></p>	<p>With the approach of "The Bank Committed to Development", Development and Investment Bank of Türkiye supports Türkiye's development with Sustainable Development Goals (SDGs), the Paris Climate Agreement, Türkiye's development plans (11th Development Plan), economic programs and development moves.</p> <p>In order to realize the Sustainable Development Goals, with the Bank's renewed strategies and specific strategic goals for development banking, the Bank supports projects for purposes such as transition to a low carbon economy, combating climate change and its effects, resource efficiency, smart and sustainable cities, gender equality and contribution to employment. In this context, the Bank aimed both supporting sustainable development and maintaining its responsible banking approach within the scope of sustainability roles it has determined.</p> <p>In addition to all these, the Bank supports SMEs with APEX banking as an inclusive and strategic finance provider, and provides financing to projects related to regional development,</p>	<p>2022 Integrated Report: Corporate Profile Materiality Analysis and Stakeholder Engagement Strategic Sustainability Approach</p>

	<p>technological developments, and combating climate change and its effects by providing financing in line with Türkiye's development priorities.</p> <p>By placing its activities at the center of sustainable development, the Bank adopts 17 Sustainable Development Goals (SDGs) as a guide and contributes directly or indirectly to 15 of these goals. Thus, it contributes to SDG 7, SDG 8 and SDG 17 in the main focus, SDG 9 and SDG 13 directly, and SDG 1, SDG 2, SDG 3, SDG 4, SDG 5, SDG 10, SDG 11, SDG 12, SDG 14 and SDG 15 indirectly.</p>	
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Principle 2: Impact and Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

<p>2.1 Impact Analysis:</p> <p>Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:</p> <p>a) Scope: The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.</p> <p>b) Scale of Exposure: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.</p> <p>c) Context & Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable</p>	<p>Development and Investment Bank of Türkiye communicates with all stakeholder groups through standard communication channels and aims to create value by considering the priorities, needs, and expectations of different stakeholders.</p> <p>The Bank is fully aware of the importance of measuring the impact of its own operations as well as the impacts of the loans it provides, and has therefore conducted a materiality analysis with a double materiality perspective. Factors such as the Bank's strategy, views of internal and external stakeholders, external environment analysis and analysis of material issues provide input to the materiality analysis.</p> <p>The materiality matrix, which is part of the integrated report, is regularly updated by taking into account current national and international developments, publications, global trends, risks and opportunities.</p> <p>The Bank has identified a total of 13 issues as its material issues, ranked as top, second, and third priorities. Based on the TKYB Materiality Matrix,</p>	<p>2022 Integrated Report: Materiality Analysis and Stakeholder Engagement</p> <p>Sustainability Management – Published Policy Documents</p> <p>Financing of SMEs</p> <p>Natural Capital</p> <p>Bank's Internal Environmental Impact</p> <p>Safe and Healthy Work Environment</p>
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<p>development in the countries/regions in which it operates.</p>	<p>three of these issues appear to be of top priority: Climate Change and Environmental Impact, Sustainable Financing and Customer Satisfaction and Consulting. These issues identify areas with the most significant potential positive and negative impacts.</p>	
<p>d) <u>Scale and intensity/salience of impact:</u> In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services. (your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))</p> <p>Show that building on this analysis, the bank has</p> <ul style="list-style-type: none"> • Identified and disclosed its areas of most significant (potential) positive and negative impact • Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts 	<p>The Bank's communication with stakeholders, the results of materiality analyses, and the funding it delivers in line with its strategic goals have the most positive impact on issues such as climate change, energy efficiency, resource efficiency, employment, technological development, and digitalization. The Bank reflects the United Nations Global Compact Communication on Progress. TYKB complies with the United Nations Environment Program Finance Initiative (UNEP-FI) Responsible Banking Principles, of which it is a founding signatory in 2019. Within the scope of the UNEP-FI Responsible Banking Principles, our Bank traces and details the impact created by the Bank, both positive and negative. In addition to these strategic collaborations, in 2022, the Bank became a signatory to the Impact Management Working Principles, which include leading organizations such as the International Finance Corporation (IFC), European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), American International Development Finance Corporation (OPIC), Multilateral Investment Guarantee Agency (MIGA), RockCreek, Inter-American Development Bank (IDB), Dutch Development Bank (FMO), German Development Finance Corporation (DEG). As one of the founding members of the Impact Investing Advisory Board (EYDK), the Bank supported the objectives of furthering the impact investing model in Türkiye and creating an effective impact in investing ecosystem.</p>	

	TKYB's 2022 contracts with international financial institutions such as the World Bank, Japan Bank for International Cooperation, Asian Infrastructure Investment Bank and China Development Bank to contribute to Türkiye's development process are evidence of the Bank's continuous pursuit of strategic business opportunities related to enhancing positive impacts and mitigating negative impacts.	
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By performing a materiality analysis, the Bank's focus issues were determined. We have started our work on impact analysis and will continue to improve it. We fulfill the requirements of Impact Analysis with our work in this regard.

2.2 Target Setting	<p>Within the scope of its role in supporting sustainable development, the Development and Investment Bank of Türkiye attaches importance to inclusiveness in its global, sectoral, and national operations; offers suitable financing opportunities to companies and institutions active in sectors with strategic priorities and innovative projects; and supports the financing of the fight against climate change.</p> <p>As TYKB supports Türkiye's sustainable development through its financing and consultancy services, The Bank also regards sustainability as a corporate responsibility and goal in line with its responsible banking approach. With this approach, the Bank has integrated its sustainability strategy into all banking operations. In this framework, The Bank has set the following targets:</p> <ul style="list-style-type: none"> - By 2025, increasing the amount of greenhouse gas emissions avoided over 5 million tons of carbon dioxide, - By the end of 2021, reduce Scope 1 emissions by 10% in 2025 and 40% in 2040 compared to 2022, - Long-term loan agreements with international financial institutions to be used in priority sectors, - Providing support to industrial enterprises and SMEs in priority development sectors and increasing employment through the Technology and Innovation 	<p>2022 Integrated Report:</p> <p>Strategic Sustainability Approach</p> <p>Natural Capital</p> <p>Financial Capital</p> <p>Intellectual Capital</p> <p>Social Capital</p> <p>Human capital</p> <p>Digitalization and Innovation</p> <p>Activities of Development and Investment Bank of Türkiye</p>
2.3 Impact Analysis		
2.4 Reporting		

	<p>Fund, Regional Development Fund, TKYB Capital Fund, Development Participation GDP Fund, and Innovative and Advanced Technologies Participation GDP Fund under the TKF,</p> <ul style="list-style-type: none"> - The Bank provides financing to investors in projects (hydroelectric, solar, wind, biomass, and geothermal power plants, etc.) aimed at the efficient and proper utilization of renewable energy resources and bringing domestic energy resources into the economy, thereby increasing Türkiye's energy supply, reducing the use of fossil fuels and reducing external dependence on energy. - Continuing to take measures against cyber threats that increase with digitalization and ensuring the continuation of data security and cyber security investments - Provision and utilization of thematic funds in line with the solution of social problems and regional needs - Supporting the expansion of Türkiye's production potential and offsetting the impact of the Covid-19 pandemic on economic activity - Stepping into projects that will contribute to the development of the country through Investment Banking services - Establishing standard criteria for internal promotions and transitions between positions and announcing them on the Bank's internal communication channels - Repeating employee satisfaction surveys at regular intervals - Preventing occupational risks, eliminating risk and accident factors, and informing employees in the field of OHS - Ensuring compliance of subcontractor companies with OHS rules - Becoming one of Türkiye's accelerators and leading institutions in impact investing 	
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The targets set in the Bank's focus areas are shared through the Integrated Report and the target setting requirements are fulfilled.

<p>2.3 Plans for Target Implementation and Monitoring</p> <p><i>Show that your bank has defined actions and milestones to meet the set targets.</i></p> <p><i>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</i></p>	<p>Each year, the Bank sets targets within the framework of its material issues and uses key performance indicators to monitor and track its performance in these key issues. The performance indicators listed below help the Bank monitor its status, impact and assessment:</p> <ul style="list-style-type: none"> · Financing Provided by APEX Loans · Number of Companies Benefiting from ECKB-SME Credit Program · Financing Provided to the Energy Sector · Number of Renewable Energy/Energy Efficiency Projects Financed · Amount of Energy Produced by Financed Renewable Energy / Energy Efficiency Projects · Amount of Funds Received from International Financial Institutions (by themes and organizations) · Utilization of Funds Received from International Financial Institutions · Installed Capacity of Financed Renewable Energy Projects and Amount of Greenhouse Gas Emissions Averted by these projects · TQRB Share in Türkiye's Renewable Energy Capacity, · Amount and Ratio of SDG-Linked Loans to Total Portfolio, · Number of Projects for which Environmental and Social Risk Assessments were conducted and their ratings. The Bank has calculated some of the impacts arising from its portfolio and aims to calculate both positive and negative impacts using the "Portfolio Impact Analysis Tool for Banks" published by UNEP-FI. This tool, developed jointly by the Principles for Responsible Banking and UNEP-FI Member Banks and the Positive Impact Initiative, aims to analyze the impacts associated with the Bank's corporate banking portfolio. Through this tool, the Bank aims to identify the most significant areas of impact and assess its current level of performance based on 	<p>2022 Integrated Report: Sustainability Management Strategic Sustainability Approach</p>
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	<p>the structure, composition and geographical scope of its portfolio. This assessment will allow the Bank to set specific targets to increase positive impact and reduce negative impact where it matters most.</p> <p>The Bank's ultimate goal is to better understand its impact areas through this assessment and set targets to increase its positive impact and reduce negative impact. In this way, the Bank will be able to direct its activities to make a greater contribution to sustainable development goals.</p>	
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Requirements regarding plans for the implementation and monitoring of targets are fulfilled by defining and monitoring activities within the Bank.

2.4 Progress on Implementing Targets	<p><u>For each target separately:</u></p> <p>Show that your bank has implemented the actions it had previously defined to meet the set target.</p> <p><i>Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.</i></p> <p><i>Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</i></p>	<p>In 2022, strategies overseen by this framework and principles have helped reduce greenhouse gas emissions, equivalent to approximately 4.4 million tons of carbon dioxide annually. This significant achievement demonstrates the Bank's commitment to sustainable development and environmentally friendly practices. In order to contribute to Türkiye's development process, a series of ESG themed loan contracts were signed with international financial institutions such as the World Bank, Japan Bank for International Cooperation, Asian Infrastructure Investment Bank, and China Development Bank.</p> <p>By the end of 2022, approximately 80 percent of the Bank's portfolio consists of sustainability-themed loans. These loans directly and indirectly contribute to 15 of the United Nations Sustainable Development Goals. In 2022, the Bank became involved in the Impact Management Working Principles program, which comprehensively defines a process that will help organizations make measurable positive social and environmental impacts in addition to their financial gains. Impact Principles: It consists of stages such as Strategic Intention, Structuring, Portfolio Management,</p>	<p>2022 Integrated Report: Development and Investment Bank of Türkiye At A Glance Strategic Perspective</p>
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	<p>Exit Strategy, and Independent Verification. By adopting these principles and aiming to manage project finance and Türkiye Development Fund activities with an “impact lens,” the Development and Investment Bank reinforced its pioneering role in this field. It confirmed this leadership by publishing the first Impact Report in line with Türkiye’s Impact Principles in September 2022. Within the framework of the protocol signed between the COMCEC Coordination Office and the Bank, 2 of the 24 projects to be financed in the implementation period of 2022 have been canceled and 16 projects have been completed. There are six projects with ongoing financial reporting and disbursement processes. As of 30.12.2022, a payment of 15,649,212.64 TL was received within the scope of COMCEC in 2022 and 12,643,154.38 TL of this amount was transferred for project payments.</p>	
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With the report, the Bank's performance in 2022 is shared with all stakeholders, and the requirements for progress in setting targets are fulfilled.



Principle 3: Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

<p>3.1 <i>Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</i></p>	<p>The Bank aims to maintain an environmentally sensitive approach and to select and guide its customers in this direction. Accordingly, Development and Investment Bank of Türkiye conducts environmental and social risk assessments as part of routine decision-making processes in all loan applications. Thanks to this evaluation, the risks associated with customers and projects are separately assessed. The Bank uses mechanisms such as the suggestion and complaint line, the whistleblowing line and the ethics hotline in order to ensure that the unethical practices faced by its customers are communicated directly to those concerned. Customers can anonymously submit their suggestions</p>	<p>2022 Integrated Report: Sustainability Management Ethics Management Information Security and Digital Transformation</p>
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	<p>and complaints to the Bank, and receive a response to these messages within the legal time limit, or within 30 days at the latest if the legal period is not specified. Development and Investment of Türkiye Bank attaches great importance to customer data security in line with the Banking Ethics Principles and responsible banking principles proposed by the Banks Association of Türkiye. The Bank carries out periodic and instant restrictive, monitoring and preventive activities through the Information Security Unit, which operates under the leadership of the General Manager, who is also the Chairman of the Information Security Committee. In addition, it increases customer information security with new technologies integrated into the IT infrastructure in the digital transformation process.</p>	
<p>3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>	<p>Role to Support Sustainable Development " as a strategic priority. Publishing its "Climate Change Mitigation and Adaptation Policy" in 2020, the Bank aims to play a supportive and leading role in combating climate change, transition to a net zero economy, and energy efficiency with its extensive work on impact investment. Within this framework, the Bank has identified the increase in Türkiye's clean energy potential and providing resources for renewable energy projects as strategic priorities. The Bank contributes to environmentally friendly development by supporting renewable energy investments and projects that increase energy/resource efficiency. Aiming to bring domestic energy resources into the economy in hydroelectric, solar, wind, biomass, geothermal power plants, and similar projects, the Bank responds to the financing needs of investors. It also makes loan agreements with international financial institutions to support energy and resource efficiency projects. In the private sector, merger and acquisition consultancy services were</p>	<p>2022 Integrated Report: Materiality Analysis and Stakeholder Engagement Role of Development and Investment Bank of Türkiye in Transition to Low Carbon Economy Activities of Development and Investment Bank of Türkiye</p>

	<p>offered to companies operating in the energy, chemical, automotive, packaging, retail and technology sectors. While work on these projects continues, the Bank successfully completed the sale of a company in the renewable energy sector in 2022.</p> <p>As of 2022, the Development and Investment Bank of Türkiye's investments in renewable energy projects constituted 47% of its loan portfolio in 2022. In addition, loans with an installed capacity of 3,228 MW were provided to projects in energy efficiency. In addition, as of the end of 2022, 79% of the Bank's loan portfolio consists of sustainability-oriented loans, and the amount of these loans has reached 60.3 billion TL.</p>	
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Principle 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

<p>4.1 <i>Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</i></p>	<p>The Bank acts with an holistic perspective and attaches great importance to obtaining the opinions of stakeholders on material issues in line with its sustainability strategy. The Development and Investment Bank of Türkiye regularly communicates with its stakeholders, focusing on priority issues and listening to their views on business conduct. At the same time, it understands its expectations and develops its activities and practices to meet these expectations. Stakeholder groups include employees, international financial institutions, investors, customers, public institutions, non-governmental organizations, suppliers, and auditors. The expectations of each stakeholder group are different, so the communication channels and nature also differ. You can access detailed information from the stakeholder interaction table.</p>	<p>2022 Integrated Report: Materiality Analysis and Stakeholder Engagement Interaction With Stakeholders Memberships and Supported Initiatives</p>
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Principle 5: Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking

<p>5.1 <i>Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the principles.</i></p>	<p>Under the leadership of the Sustainability Committee, the Bank continues to work on developing its sustainability strategy and policies and integrating them into all business practices. In order to strengthen the sustainability management structure, which addresses economic, social and environmental issues holistically, the Development and Investment Bank of Türkiye switched to the Integrated Management System in 2021 and abolished the Environmental Management Committee, making quality, environment, and occupational health and safety issues the responsibility of the entire Bank. The Bank established the Sustainability and Environmental Social Impact Management Unit in order to carry out the activities carried out in different units in the fields of sustainability and environmental and social risk management in a more focused and efficient manner under a central business model. This unit has prepared Environmental and Social Risk Assessment Reports of hundreds of projects through the team involved in all lending processes of the Bank. As TKYB enters 2022, it has maintained its commitment to the Environmental and Social Policy published in 2020 and has adapted to a broader vision with its updates. In 2022, the Bank adheres to its Environmental and Social Policy and does not support or provide financing for investments that may have unacceptable environmental and societal effects. Its commitment to protecting biodiversity and cultural heritage is evident in every investment it finances. The Bank also evaluates the indirect risks that may arise within the scope of loan activities. It conducts environmental and social risk</p>	<p>2022 Integrated Report: Sustainability Management Risk Management</p>
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	<p>assessments as part of routine decision-making processes in all loan applications. These assessments are made in order to analyze the risks of customers and projects separately. The Bank published the “Environmental and Social Risk Assessment Procedure in the Lending Process” in 2020 in order to make these environmental and social assessments into policies. In addition, the Bank monitors greenhouse gas emissions from bank operations and sets targets for their reduction in line with its Climate Change Mitigation and Adaptation Policy. The Bank’s annual performance regarding confirmed greenhouse gas emissions is reported to the CDP Climate Change Program voluntarily. In order to improve the comprehensiveness of its management system, the Bank obtained ISO 9001 Quality Management System, 45001 Occupational Health and Safety Management System, ISO 14001 Environmental Management System, and in 2022 additionally, ISO 27001 Information Security Management System and ISO 10002. In addition, The Bank has extended the management responsibility of the Sustainability Principles to the entire organization by completing the work on transitioning to an integrated management system.</p>	
<p>5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p>The Bank has established an Ethics Commission under the “Regulation on Principles of Ethical Behavior for Public Officials and Application Procedures and Principles.” Bank employees are obliged to act in accordance with the “Ethical Principles Agreement” and “Banking Ethical Principles of the Banks Association of Türkiye” in line with the relevant regulation and the Bank’s Human Resources Policy. Ethical Principles, Compliance, Information Security, Data Security and Confidentiality Disclosure, Commitment document is included in the Bank. In addition, the Bank has established the “Combating Money Laundering and Financing of Terrorism” and “Conflict of</p>	<p>2022 Integrated Report: Ethics Management Career and Performance Management Contribution Offered for the Development of Employees</p>

	<p>Interest” policies. The Bank has established an Ethics Line so employees can report practices and abuses contrary to the Principles of Ethical Behavior to the senior management. The Bank has prepared and implemented long-term training programs for its employees in the talent pool to retain and develop talent, as it has targeted in 2022. In this context, ISO 27001 Lead Auditor, CISA, Scrum, Process Management, First Assistant certificates, and the Integrated Management System Internal Auditor certificates were obtained regularly in 2022. For the employees in the talent pool, the Micro MBA Certificate Program, which lasted about five months, was implemented in cooperation with the university. In this context, at the first stage, 15 employees benefited from the program and guided their career and development journeys with this program consisting of both personal development and technical training. In addition, in 2022, “Environmental Management System” training is defined as compulsory training for all employees, and the total training hours are 323. Managerial, essential, and functional competencies for executive positions align with the Bank’s values; necessary and functional competencies have been determined for other positions. Development and Investment Bank of Türkiye’s human resources processes focus on merit. The performance of the employees is evaluated based on their competencies, targets, and realization. The two managers of the employee carry out these evaluations to ensure objectivity and are submitted to the employee’s approval. Managers conduct feedback interviews with the employees they evaluate. Employee wages are determined in accordance with the Performance Management System and within the framework of the Remuneration Policy approved by the Board of Directors. It is the responsibility</p>	
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	<p>of the Remuneration Committee and the Human Resources Unit authorized by the Committee to review and duly execute the remuneration policies. The remuneration policy of the Development and Investment Bank of Türkiye is based on the principles of “equal pay for equal work” and “remuneration according to performance.”</p> <p>Development and Investment Bank of Türkiye organizes training sessions to further develop its qualified workforce and to support the personal development of employees. Total training sessions have increased approximately 1.5 times since 2021, and as of the end of 2022, all employees have been provided with 12441 hours of training. In 2022, intensive online and classroom training sessions were organized. Mandatory training sessions are offered to all employees through the online training platform. In addition to these, to support continuous development, various online education platform memberships with high international recognition were obtained according to the needs and demands of the units. Leadership Development Programs are organized for managerial staff. Memberships of journals and databases specific to the units are carried out according to the needs. In addition, to support the employee development journey, graduate education discount agreements have been made with Türkiye's leading universities for employees who want to pursue a master's degree and doctorate, and these are announced to all employees, and support is provided to employees who wish to advance in their careers.</p>	
<p>5.3 Governance Structure for Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <p>a) target-setting and actions to achieve targets set</p>	<p>Continuing its activities with its role supporting sustainable development and responsible banking approach, Development and Investment Bank Türkiye adopts a comprehensive and participatory management approach and works with a focus on creating value for all its stakeholders.</p>	<p>2022 Integrated Report: Management Approach Sustainability Management Ethics Management</p>

<p>b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</p>	<p>In 2022, the Sustainability Committee, which is established in 2021, develops the Bank's sustainability strategy and policies and works to integrate them into all activities. Using the Environmental Management System, the Bank manages the environmental impacts of its activities. After completing the transition to the Integrated Management System in 2022, the Bank adopted the environmental management policy as a responsibility for all Bank units, thereby enhancing its corporate awareness, monitoring, and auditing capabilities. The Bank establishes internal policies at the level of the Board of Directors in order to develop sound practices regarding the fundamental principles of corporate governance, including fairness, transparency, accountability, and security. The Bank's management of responsible banking principles is overseen by the Ethics Committee</p>	
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The Bank fulfills the requirements of governance structure for the implementation of the principles, with the existing governance structure and the actions it has taken to strengthen this structure and make it more effective.



Principle 6: Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

<p>6.1 Progress on Implementing the Principles</p> <p>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).</p> <p>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities</p>	<p>Development and Investment Bank of Türkiye A.Ş. The 2022 Integrated Report is the third Integrated Report published by the Bank. The 2022 Integrated Report has been prepared in accordance with the GRI Standards "Basic" option and is based on the International Integrated Reporting Framework supported by the Value Reporting Foundation. In 2022, the Bank's Sustainable Finance Framework was published. A Second Party Opinion (SPO) has been obtained for the framework in line with the ICMA Green Bond Principles, ICMA Social Bond Principles, LMA Green Credit Principles and LMA Social Credit Principles.</p>	<p>2022 Integrated Report: About the Report Climate Change Memberships and Supported Initiatives Strategic Sustainability Approach</p>
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<p>and ambitions to align with good practice.</p>	<p><i>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.</i></p> <p>By publishing the first Impact Report in line with Türkiye's Impact Principles in September 2022, it transparently shared the Bank's commitments and approach to managing and increasing its environmental and social impacts. The Bank voluntarily reports the annual performance of its greenhouse gas emissions to the CDP Climate Change Program. With the B (management) score it received in 2022 within the scope of the Carbon Disclosure Project (CDP), it has become one of the institutions with the highest score in the financial sector in our country. The report includes selected environmental performance indicators such as greenhouse gas emission intensity (tCO2e/average number of employees), electricity consumption (GJ), paper consumption (kg) and amount of waste sent for recycling (kg); The installed capacity of renewable energy projects financed (MW), financing provided to renewable energy (thousand TL) and financing for 2022, together with data on the number of employees, which are social performance indicators, the ratio of female employees (total, upper and middle level) and training time per employee. Includes data on annual tCO2 emissions prevented by financed renewable energy projects. These data have undergone independent review.</p> <p>The report also demonstrates the Bank's commitment to the UNEP-FI Principles of Responsible Banking. As a member and participant of many international organizations, the Bank defends the principles of responsible banking. In this way, useful collaborations are realized in the follow-up and implementation of existing and developing good practices. determines its strategic objectives and priority issues by considering the United Nations Sustainable Development Goals. The Bank mainly focuses on SDG 7: Accessible and Clean Energy, SDG 8: Decent Work and Economic Growth, SDG 9: Industry, Innovation</p>	
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and Infrastructure, SDG 13: Climate Action and SDG 17: Partnership for Purposes. It contributes directly or indirectly to 15 out of 17 SDGs, including the targets of ”.

Development and Investment Bank of Türkiye fulfils the requirements for progress in the implementation of the Principles of Responsible Banking.