

UNEP FI Principles for Responsible Banking Impact Report of Development and Investment Bank of Turkey

06.10.2021



**DEVELOPMENT
INVESTMENT**
BANK OF TURKEY



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>Focusing on financing sustainable development in line with the United Nations Sustainable Development Goals and 2023 targets, the Bank supports investors with its strong resource structure, competent human resources and innovative products and services. The main objective of Development and Investment Bank of Turkey is to strengthen the sectors that will contribute to the development of the country, decrease the imports and increase the exports of the country, within the framework of 11th Development Plan of Turkey. The Bank works to contribute to Turkey's structural transformation and to the expansion of capital through loans, capital support, partnerships and consultancy services it offers to companies that will add value to the country's economy.</p> <p>On the other hand, the main function of the Bank, which has an important place in the business world and banking sector with its national and international reputation and the opportunities it offers, is the financing of sustainable development. The Bank plays a leading role in the access of companies to domestic and international funding sources through company mergers and acquisitions, capital market products and financial consultancy services.</p> <p>Through its technical consultancy services, which is its another well-established area of expertise, Development and Investment Bank of Turkey goes beyond being a traditional lender and shares its technical</p>	<p>2020 Integrated Report: Corporate Profile</p> <p>46 Years of Experience and Contribution to the Sustainable Development Activities of Development and Investment Bank of Turkey</p>

	<p>knowledge and experience with its business partners during the investment period.</p> <p>In addition, it maintains its efforts to align banking operations with the sustainability by using investment banking products and capital market instruments in the service of sustainable development.</p> <p>The activities carried out and the services provided by Development and Investment Bank of Turkey are grouped under three main headings including Project Finance and Corporate Loans, Investment Banking and Turkey Development Fund.</p> <p>Development and Investment Bank of Turkey contributes to economic development with its support to industry and tourism investments and SMEs through wholesale banking (APEX), social development with its support to education and health investments, and environmentally friendly development with its support to renewable energy investments and projects that increase energy/resource efficiency.</p>	
<p>1.2 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.</p>	<p>With the approach of “The Bank Committed to Development”, Development and Investment Bank of Turkey supports Turkey's development with Sustainable Development Goals (SDGs), the Paris Climate Agreement, Turkey'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</p>	<p>2020 Integrated Report: Corporate Profile Materiality Analysis and Stakeholder Engagement Strategic Sustainability Approach</p>

	<p>sustainable cities, gender equality and contribution to employment.</p> <p>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>The Bank is a member of various international organizations and networks within the scope of protecting the environment and combating climate change and its effects, which are indispensable elements of sustainable development.</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, technological developments, and combating climate change and its effects by providing financing in line with Turkey's development priorities.</p> <p>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 4, SDG 5, SDG 10, 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.

2.1 Impact Analysis:

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:

- 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.
- 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.
- c) **Context & Relevance:** Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.
- d) **Scale and intensity/salience of impact:** 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

Development and Investment Bank of Turkey regularly contacts all stakeholder groups through various channels and creates value by taking into consideration the priorities, needs and expectations of different stakeholder groups.

Being aware of the importance of measuring the impact of the loans disbursed in addition to the impacts arising from its own operations, the Bank has carried out a materiality analysis. Material issues such as the bank's strategy, internal stakeholders' views, material external stakeholders' views, and external environmental analysis provide input to the materiality analysis. The materiality matrix included within the scope of integrated report has been revised and updated based on the current national and international developments, current publications, global trends, risks and opportunities.

As a result of the studies carried out, Bank's activities, performance and targets are evaluated within the scope of 6 very high priority, 5 high materiality and 6 materiality issues under two main Strategic Focus Areas (Role Supporting Sustainable Development and Responsible Banking Approach) determined on behalf of the Bank, and the analysis of the impact created is aimed in this context.

Thanks to the APEX method started to be implemented in 2008, 11 loan programs have been implemented with loan agreements concluded with many international development finance institutions such as the European

2020 Integrated Report:

Materiality Analysis and Stakeholder Engagement

Sustainability Management – Published Policy Documents

Financing of SMEs

Natural Capital

Bank's Internal Environmental Impact
Safe and Healthy Work Environment

<p>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>Investment Bank (EIB), the World Bank, the French Development Agency and the Council of Europe Development Bank, about USD 1 billion has been provided to SMEs and 2,800 SMEs were financed through 14 financial institutions and 7,500 additional jobs were provided.</p> <p>The Bank deems very significant the value and impacts it has created within the scope of renewable energy financing and energy efficiency financing projects, which are among the very high materiality issues according to the studies carried out in the materiality matrix. The Bank supported the implementation of 2.870 MW of installed power by financing 287 renewable energy and 21 energy efficiency projects in total.</p> <p>In 2020, a total loan of USD 426.7 million was disbursed within the scope of renewable energy, energy efficiency, clean energy and energy infrastructure.</p> <p>It prevented the emission of approximately 2.87 million tons of carbon emissions and prevented 5.7 TWh-year energy imports thanks to these projects.</p> <p>Development and Investment Bank of Turkey is working on the “Management of the Banking Industry's Internal Effects” determined in Principle 2 of the “Sustainability Guidelines for the Banking Sector” prepared by the Banks Association of Turkey. In line with the requirements set forth in the guidelines, the Bank makes measurements and regularly reports on the components with an ecological footprint, particularly the energy consumption, carbon emission and water consumption resulting from operations.</p> <p>The Bank monitors legal obligations within the scope of Occupational Health and Safety regulations, organizes trainings for employees, and audits all</p>	
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	<p>processes such as corrective and preventive actions and checks their compliance.</p> <p>In addition to routine OHS measures and activities, it also takes the necessary steps in extraordinary conditions such as Covid-19 pandemic, which affected the entire world in 2020 and became a primary health issue.</p> <p>The Bank reflects the United Nations Global Compact Communication on Progress to which it is a signatory and fulfills the requirements of the United Nations Environment Program Finance Initiative (UNEP-FI) Principles for Responsible Banking to which it was a founding signatory in 2019. Within the scope of UNEP-FI Principles for Responsible Banking, the Bank outlines and details the impact created by the Bank in all its lines, positively and negatively.</p>	
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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.

<p>2.2 Target Setting</p> <p>Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified “areas of most significant impact”, resulting from the bank’s activities and provision of products and services.</p> <p>Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline</p>	<p>Development and Investment Bank of Turkey attaches importance to inclusiveness in its global, sectoral and national activities within the scope of its role of supporting sustainable development, offers suitable financing opportunities to companies and institutions operating in sectors with strategic priority and innovative projects, and supports the financing of the combating climate change.</p> <p>While the Bank supports the sustainable development of Turkey with its financing and consultancy services, it also considers sustainability as a corporate responsibility and target in line with its responsible banking approach. With this approach, the Bank has integrated its sustainability strategy into all banking operations. The scope of targets set by the bank include;</p>	<p>2020 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 Turkey</p>
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<p>(assessed against a particular year) and have set targets against this baseline.</p> <p>Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</p>	<ul style="list-style-type: none"> -Increasing the amount of greenhouse gas emissions prevented above 5 million tons of carbon dioxide by 2025 -Achieving a 42% reduction in emissions compared to 2019 - Concluding long-term loan agreements with international financial institutions with the aim of using them in material sectors, -Providing support to industrial organizations and SMEs in priority sectors with materiality in development and ensuring increased employment through the Technology and Innovation Fund and the Regional Development Fund under the umbrella of TDF - Providing finance to investors in projects (hydraulic, solar, wind, biomass and geothermal power plants etc.) aimed at the effective and correct use of bank's renewable energy resources and bringing domestic energy resources into the economy and thus, increasing Turkey's energy supply, reducing its use of fossil fuels, and reducing its foreign dependency in energy - Continuing to take measures against cyber threats that increase with digitalizing, ensuring the maintenance of data security and cyber security investments and continuing to work towards obtaining ISO 27001 certification in the sense of compliance with international standards in the field of information security - Providing and making available thematic funds in line with the solution of social problems and regional needs - Supporting the increase in Turkey's production potential and balancing of the effects of the Covid-19 pandemic on economic activity 	
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	<ul style="list-style-type: none"> - Carrying out projects that will contribute to the development of the country with the Investment Banking services - Establishing standard criteria for internal promotions and transfers between positions and their announcement in the Bank's internal communication channels - Repeating employee satisfaction surveys at regular intervals - Preventing occupational risks in the field of OHS, eliminating risk and accident factors and informing employees - Ensuring the compliance of the subcontractor companies from which the service is received, with the OHS rules 	
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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>The Bank sets targets within the scope of the material issues it has determined every year, and monitors and manages its performance in these areas with the key performance indicators it has determined. In this context, the Bank conducts situation and impact observations and assessments with the performance indicators listed below:</p> <ul style="list-style-type: none"> -Financing provided by APEX Loans · Number of Companies Benefiting from CEB-SME Loan Program · Financing Provided to the Energy Sector · Number of Renewable Energy/Energy Efficiency Projects Financed · Amount of Energy Produced by the Renewable Energy/ Energy Efficiency Project Financed · Amount of Finance Provided from International Financial Institutions (by the themes and institutions) · Disbursements of Resources from International Financial Institutions 	<p>2020 Integrated Report:</p> <p>Sustainability Management</p> <p>Strategic Sustainability Approach</p>
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	<p>With the awareness of being the founding signatory to the UNEP-FI Principles of Responsible Banking, our Bank has taken the first steps to analyze the (negative and positive) impact resulting from banking activities.</p> <p>The Bank has calculated a portion of the impact it has created with its portfolio, in addition, it aims to use the “Portfolio Impact Analysis Tool for Banks” published by UNEP-FI, which provides a holistic impact analysis in banking, to calculate the positive and negative impact.</p> <p>The Bank aims to analyze the impacts associated with its corporate banking portfolio thanks to this tool developed jointly by the Principles of Responsible Banking and UNEP FI Member Banks and Positive Impact Initiative.</p> <p>With this tool, it is aimed to determine the most important impact areas based on the structure, content and geographical scope of the Bank's portfolio and to evaluate the current performance level in terms of these impact areas. With this assessment, the Bank's ultimate target is to ensure that targets are set that will increase our positive impact and reduce the negative impact where it is most important.</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.

<p>2.4 Progress on Implementing Targets</p> <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>Or explain why actions could not be implemented / needed to be changed</p>	<p>The Bank has taken steps in many areas in 2020 in line with the performance indicators and targets it has stated.</p> <p>- The Bank has provided USD 550 million of resource inflow to Turkey during the Covid-19 period within the scope of its efforts to procure resources from international institutions, and has accelerated its efforts to develop new products and services (e.g. Investment</p>	<p>2020 Integrated Report:</p> <p>Development and Investment Bank of Turkey At A Glance</p> <p>Strategic Perspective</p>
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<p>and how your bank is adapting its plan to meet its set target.</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>Support Loan) especially for the sectors and companies affected by the pandemic.</p> <ul style="list-style-type: none"> -The Bank has signed a loan agreement for the Bank to provide financing of USD 200 million from AIIB for the financing of renewable energy and energy efficiency projects and a resource withdrawal of USD 100 million was realized in 2020. The disbursement of the loan continues. -The Technology and Innovation Fund as well as the Regional Development Fund under the umbrella of Turkish Development Fund started to operate. -In 2020, loans worth USD 575 million were provided to be disbursed to SMEs. -Since 2008, when the APEX loan application was put into use, 11 loan programs were implemented, 2,800 SMEs were financed and 7,500 additional employments were created. -It was decided by Cooperation COMCEC Coordination Office to support 22 (Project 22 projects to be carried out by 13 Organizations of Islamic Cooperation (OIC) Member States and 4 OIC institutions as well as 2 Jerusalem projects in 2020 (7th Call Period). - The Bank is the first and only bank in Turkey that implements the World Bank "Risk Sharing Mechanism" (RSM) grant program for geothermal exploration projects and it has been included in GEORISK Project, which was coordinated by TÜBITAK in Turkey and developed within the scope of EU-Horizon 2020 Research and Innovation Programme, for the purpose of transferring the knowledge gained within the scope of this project to 9 target countries. 	
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With the report, the Bank's performance in 2020 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 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.</p>	<p>The Bank aims to maintain its environmentally conscious approach and to select and guide its customers in this way. In this direction, the Bank which carries out environmental and social risk assessment as part of routine decision-making processes in all loan practices, analyzes the risks of both its customers and projects separately.</p> <p>There is a suggestion and complaint line, a report line and an ethics line that will enable unethical practices faced by Bank's customers to be communicated directly to those concerned. Suggestions and complaints that can be communicated anonymously to the Bank by the customers are returned within the legal period or, if the legal period is not specified, within 30 days at the latest.</p> <p>Development and Investment Bank of Turkey attaches utmost importance to customer information security as required by the Banking Ethics Principles published by the Banks Association of Turkey and responsible banking principles. Under the leadership of the Information Security Committee, the Bank conducts periodic and instant restrictive, monitoring and preventive activities through the Information Security team, and increases customer information security with new technologies it integrated into its IT infrastructure as part of the digital transformation process.</p>	<p>2020 Integrated Report: Sustainability Management Ethics Management Information Security and Digital Transformation</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</p>	<p>The Bank adopts its "Role Supporting Sustainable Development" as a strategic focus area. In 2020, it published its "Combating Climate Change and Adaptation Policy". In accordance with the policy, the Bank aims to produce an</p>	<p>2020 Integrated Report: Materiality Analysis and Stakeholder Engagement</p>

<p>planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>	<p>indirect impact by playing a supportive and transformative role, rather than producing a direct impact on combating climate change, transition to a low-carbon economy and energy efficiency. In light of this target, the Bank has identified increasing Turkey's clean energy potential and funding renewable energy projects as strategic priority areas.</p> <p>The Bank contributes to environmentally friendly development with its support for renewable energy investments and projects that increase energy/resource efficiency. The Bank responds to the financing needs of investors in projects aimed at the effective and correct use of renewable energy resources and bringing domestic energy resources into the economy (hydraulic, solar, wind, biomass and geothermal power plants etc.).</p> <p>Our Bank enters into loan agreements with international financial institutions in order to finance energy and resource efficiency projects. Since 2004, resources have been obtained by signing agreements with international financial institutions in the amount of USD 2,121.97 billion for the financing of renewable energy and energy efficiency projects. In 2019, a new source of USD 250.5 million has been added to these resources.</p>	<p>Role of Development and Investment Bank of Turkey in Transition to Low Carbon Economy</p> <p>Activities of Development and Investment Bank of Turkey</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 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.</p>	<p>Within the scope of its sustainability strategy, Development and Investment Bank of Turkey takes steps to receive the opinions of stakeholders on material issues and to satisfy their expectations. The Bank regularly contacts all stakeholder groups through various channels and creates value by taking into consideration the priorities, needs and expectations of different stakeholder groups.</p> <p>The Bank has created its Materiality Analysis and Stakeholder Engagement strategy it has developed in 2020 pursuant to four material issues: Bank Strategy, Opinions of Business Stakeholders, Opinions of Material External Stakeholders and External Environment Analysis. In this process, the Bank firstly determined the material issues in line with its strategy, the opinions of internal and external stakeholders on these issues and their expectations from the Bank were learned, and finally, the evaluations made by examining the reports of national and international institutions were finalized.</p> <p>The Bank has formed its stakeholder interaction strategy on the basis of 6 stakeholder groups: Employees, International Financial Institutions, Investors, Customers, Government Agencies and NGOs. The Bank shares in detail the communication channels it has created with stakeholder groups, the expectations of the stakeholders and the actions taken towards these expectations.</p> <p>The Bank is the founder and regular participant member of various national networks, mainly the initiatives focused</p>	<p>2020 Integrated Report:</p> <p>Materiality Analysis and Stakeholder Engagement</p> <p>Interaction With Stakeholders</p> <p>Memberships and Supported Initiatives</p>
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	<p>on sustainable development. Networks to which the Bank is member are shared in detail.</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

5.1 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.

Under the leadership of the Sustainability Committee, the Bank continues the necessary efforts to develop its sustainability strategy and policies and integrate them into all activities. In order to strengthen its sustainability management structure, in which it deals with economic, social and environmental issues in a holistic manner, Development and Investment Bank of Turkey switched to the Integrated Management System in 2021, abolished the Environment Committee and assigned the quality, environment and OHS issues to the responsibility of the entire Bank.

The Bank also evaluates the indirect risks arising within the scope of its loan activities, in addition to the Environmental and Social Policy it published in 2020 and the measures it took to manage the direct environmental and social risks due to its operational activities. The Bank which carries out environmental and social risk assessment as part of routine decision-making processes in all loan practices, analyzes the risks of both its customers and projects separately. These environmental and social assessments, which are carried out in the process of deciding on the loan disbursement, have been transformed into policy with the "Procedure for Environmental and Social Risk Assessment in the Lending Process" published in 2020.

The Bank monitors greenhouse gas emissions arising from its operational activities and sets targets for reducing these emissions in accordance with Combating Climate Change and Adaptation Policy published in 2020. Bank's annual performance within the scope of greenhouse gas emissions is

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Sustainability Management
Risk Management

	<p>reported to CDP Climate Change Program on a voluntary basis.</p> <p>In order to further improve the inclusiveness of the management system in 2020, Development and Investment Bank of Turkey initiated the necessary efforts for transition to an integrated management system, including ISO 9001 Quality Management System, 45001 Occupational Health and Safety Management System and ISO 14001 Environmental Management System and received ISO 9001 and ISO 45001 certificates in 2021.</p> <p>The Bank follows a fair and transparent communication policy in all communication activities in line with its Sustainability Principles.</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>Development and Investment Bank of Turkey has established an Ethics Committee in accordance with the “Regulation on the Principles of Ethical Behavior of the Public Officials and Application Procedures and Essentials”. In accordance with the relevant regulation as well as Development and Investment Bank of Turkey’s Human Resources Policy, the Bank employees are obliged to act in accordance with the “Ethical Principles Agreement” and the “Banking Ethical Principles of the Banks Association of Turkey”. Ethical Principles – Compliance – Information Security – Data Security and Confidentiality Disclosure and Commitment are available at Development and Investment Bank of Turkey. Bank has also established its “Prevention of Laundering Proceeds of Crime and Combating the Financing of Terrorism” and “Conflict of Interest” policies. The Bank has established an Ethics Line so that its personnel can communicate practices and abuses contrary to the “Principles of Ethical Behavior” to the senior management.</p>	<p>2020 Integrated Report:</p> <p>Ethics Management</p> <p>Career and Performance Management</p> <p>Contribution Offered for the Development of Employees</p>

	<p>The Bank delivered its employees training in ethics and corruption, Fighting against Laundering Proceeds of Crime and Financing of Terrorism – MASAK in 2020. 220 hours of training on ethics and 221 hours of training on corruption and fighting were provided to employees.</p> <p>Development and Investment Bank of Turkey carries out human resources processes with a full focus on merit. Managerial, basic and functional competencies have been defined for manager and higher titles, and basic and functional competencies for other titles in compliance with the Bank's values. The performance of the employees is evaluated based on their competencies, targets and their achievement. Employee evaluations are carried out by two managers of the employee and open to employee approval in order for the process to be objective. Managers conduct feedback interviews with the employee they evaluate.</p> <p>Wages of employees are determined in accordance with the Performance Management System and within the framework of the Remuneration Policy approved by the Board of Directors. The Remuneration Committee and the Human Resources Unit authorized by the Committee are responsible for the review and duly execution of the remuneration policies. The remuneration policy of Investment and Development Bank is based on the principles of "equal pay for equal work" and "performance-based pricing". The Bank's remuneration system is based on task-based pricing, and personnel doing similar work receive similar wages. Tasks are evaluated within the scope of objective criteria such as the competencies required by that task, the risk it carries, and the number of people managed.</p>	
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	<p>Development and Investment Bank of Turkey implemented the internal trainer project in the first quarter of 2020 in order to improve and develop the training it provides to its employees, and the training of the trainer was delivered by determining the internal trainers from the units. Within the scope of this project, a series of trainings is designed for the employees from each unit who have mastered their subjects, so that they can provide training in their fields of expertise. With these trainings, it is aimed to increase the training capacity within the Bank and to use internal resources effectively and efficiently. Agile Leadership Training for leadership methodology was delivered to the Bank's senior managers in the last quarter of 2019.</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> <ul style="list-style-type: none"> a) target-setting and actions to achieve targets set b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected. 	<p>Development and Investment Bank of Turkey that maintains its activities with its role supporting sustainable development and responsible banking approach, adopts a comprehensive and participatory management approach and works with a focus on creating value for all its stakeholders.</p> <p>The Sustainability Committee which has been established in 2021 develops the Bank's sustainability strategy and policies and makes efforts to integrate them into all activities.</p> <p>The management of environmental impacts due to the Bank's activities is carried out through the Environmental Management System. Switching to the Integrated Management System in 2021, the Bank held all Bank units responsible for its environmental management policy and thus strengthened its corporate awareness, monitoring and audit capacity.</p> <p>In order to develop sound practices in the areas of fairness, transparency, accountability and security, the basic</p>	<p>2020 Integrated Report: Management Approach Sustainability Management Ethics Management</p>

	<p>principles of corporate governance, Development and Investment Bank of Turkey determines internal policies at the level of Board or Directors. The Bank carries out the management of responsible banking principles through 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.

6.1 Progress on Implementing the Principles

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).

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 and ambitions to align with good practice.

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.

The existing Report is the first integrated report published by the Bank after the first sustainability report published by the Bank in 2020. The report has been prepared in accordance with the GRI Standards: "Basic" option. The report is based on the International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC).

In addition to data on greenhouse gas emission intensity (tCO₂e/average number of employees), electricity consumption (GJ), paper consumption (kg) and amount of waste sent for recycling (kg) within the scope of selected environmental performance indicators contained in the report; the number of employees within the scope of social performance indicators, the ratio of women employees (total, upper and middle level) and training time per employee; data on installed capacity (MW) of financed renewable energy projects, financing provided for renewable energy (TRY thousand) and annual tCO₂ emissions blocked by financed renewable energy projects for 2020 have been subjected to an independent limited audit.

The report reveals in what aspects the UNEP-FI Principles of Responsible Banking, to which the Bank is a founding signatory, is achieved.

In 2020, Development and Investment Bank of Turkey raised its score to A- in CDP Climate Change Program, where more than 8 thousand companies voluntarily share their greenhouse gas emissions and climate change strategies with the public.

2020 Integrated Report:

About the Report

Climate Change

Memberships and Supported Initiatives

Strategic Sustainability Approach

	<p>The Bank is a member and participant of many international organizations that advocate responsible banking principles. The Bank sets out its strategic goals and the material issues it focuses on in accordance with the United Nations Sustainable Development Goals. The Bank attaches importance to its contribution to the relevant SDGs in performance evaluations mainly the goals of "SDG 7: Accessible and Clean Energy", "SDG 8: Decent Work and Economic Growth", "SDG 9: Industry, Innovation and Infrastructure", "SDG 13: Climate Action", and "SDG 17: Partnership for Goals".</p>	
<p>Development and Investment Bank of Turkey fulfills the requirements for progress in the implementation of the Principles of Responsible Banking.</p>		