

TSKB Sustainable Finance Framework

July 2024



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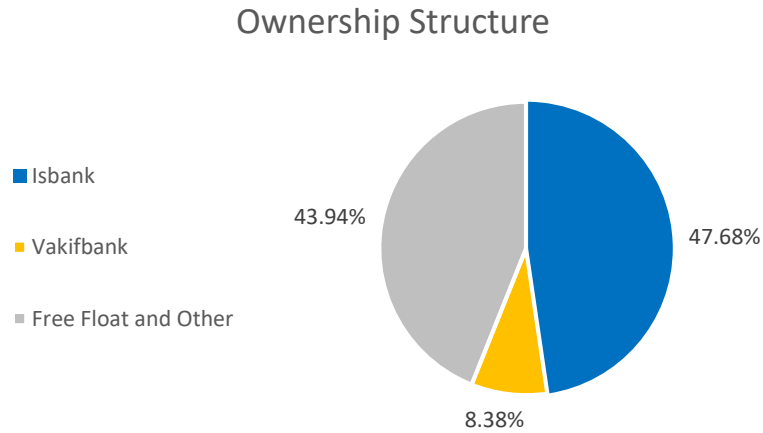
1. Introduction

TSKB at a Glance

Founded in 1950 with the mission to finance medium-to-long-term investments in Türkiye and to contribute to the sustainable economic development of the country, Industrial Development Bank of Türkiye (TSKB) is Türkiye's first privately-owned development and investment bank. TSKB has its headquarters in Istanbul and a “Development Hub” in Ankara.

With its four subsidiaries; Yatırım Finansman Securities, TSKB Real Estate Appraisal Company, TSKB Real Estate Investment Trust and TSKB Sustainability Consultancy - Escarus, TSKB offers products and services to its customers in the corporate banking, investment banking, and advisory fields.

TSKB's market capitalisation stands at TRY 36 bn. TSKB's ownership structure as of 2Q-24:



Unique Business Model

Since its establishment, the Bank has been providing an increasing contribution to promoting sustainable growth, development and the transformation of the manufacturing economy in Türkiye with its extensive knowledge through its corporate banking, investment banking and advisory services capacities which it offers to a wide range of customers. Thanks to its unique business model with a “knowledge banking” approach, prudent risk assessment, and long-lasting relationships with stakeholders; TSKB identifies the actual and future needs for sustainable development. While providing financial support, the Bank also shares its know-how with its clients for building sustainable and resilient development. As a result of its intention to share this know-how, TSKB has established Escarus, its sustainability consulting subsidiary, in 2011. Escarus, which was elected to the Advisory Board and working groups of the “ICMA Green Bond Principles” in 2019 and continued this membership in 2021 and 2023, is the only Turkish company operating in order to provide a broader perspective on green, social and sustainable bond markets.

TSKB provides medium to long-term financing products tailored to sustainable investment projects in different sectors with a wide range of options, particularly corporate loans and project financing. The Bank also increases its sphere of influence by offering loans to SMEs, exporters and to the refugee impacted regions to support workforce imbalances. Both directly and indirectly through financial leasing and factoring companies, commercial banks and participation banks within the scope of APEX banking.

Distinguishing itself in the finance sector with its unique banking model which provides solutions to manage climate risks and opportunities and supports the just transition to a low-carbon economy as well as extending sustainability-themed loans, TSKB supports its customers with a wide range of themes such as renewable energy, energy efficiency, resource efficiency, circular economy, climate mitigation loans, and social themes such as inclusiveness, women empowerment, equal opportunity, youth empowerment, health, and education.

Sustainable and Long-Lasting Relationship with Stakeholders

With the World Bank actively involved in its foundation, TSKB operates in continuous cooperation with leading participants in global markets. TSKB's international partners include International Financial Institutions (IFIs) and Development Finance Institutions (DFIs) such as IBRD, AIIB, EIB, KfW, IDB, CEB, AFD, JBIC, IFC, EBRD, CDB, and OEB. TSKB is the only private bank besides state-owned banks, which has access to the Turkish Treasury and Finance Ministry guarantee for the funds secured from development financial institutions. Long-lasting and capacity-enhancing relationships with DFIs, IFIs, and mission clubs allow the Bank to follow recent developments in responsible banking and also to develop new themes and toolkits in order to contribute to the transition of Turkish economic and social development.

Due to its development and investment bank status, TSKB does not collect deposits nor engages in retail banking activities. The Bank provides financing for the transformation of the private sector with thematic funds it receives from its long-lasting stakeholders: international development finance institutions (DFIs) and international financial institutions (IFIs). In addition, TSKB issues debt instruments in foreign capital markets to create additional resources for Türkiye's sustainable and inclusive development investments.

TSKB Sustainability Journey

TSKB embarked on its sustainability journey in the 1980s by integrating environmental considerations into its credit appraisal process. As a pioneer in providing environmental loans to the Turkish industry by securing resources from international markets, TSKB has played a crucial role in financing the renewable energy sector in Türkiye. As well as being Türkiye's first carbon-neutral bank in its operations in 2008, TSKB has further solidified its commitment by being the inaugural Turkish bank to join the United Nations Environment Programme Finance Initiative (UNEP FI) and the United Nations Global Compact (UNGC). With numerous noteworthy milestones in its sustainability efforts, TSKB remains dedicated to supporting the green transformation journeys of its stakeholders and contributing to the Turkish economy through its corporate banking,

investment banking, and advisory services in the second century of the Republic of Türkiye.

With the sustainability report published in 2009, TSKB broke new ground in the Turkish finance sector. In 2016, the Bank started to present its financial and sustainability performance with the Integrated Report. TSKB has been maintaining its leading role in the Turkish finance sector with its integrated annual reports since 2018.

Please see all sustainability reporting including Integrated Annual Reports, Climate Reports, CDP Reports [here](#).

TSKB, which has integrated sustainability at the heart of its business model since its establishment, proves its leading role in the sustainable banking with the ESG scores assigned by international rating agencies and the awards it has won in many aspects of sustainability.

For details please see [Sustainability Ratings](#) and [Awards](#) sections in TSKB website.

Declarations and Principles to which TSKB is a Signatory

Institution	Statement Signed	Signature Date
UNEP-FI	Net-Zero Banking Alliance (NZBA)	2022
CEB - AFD	Social Investment Coalition – Social Investment Statement	2021
Global Compact TR - BCSD Türkiye- TÜSIAD	Business Plastics Initiative	2021
IDFC - WDFI	Gender Equality, Biodiversity, Climate Change Statements	2020
IDFC	Gender Equality and Gender Equity Declaration	2019
UNEP-FI	Founding signatory of the UNEP-FI Principles of Responsible Banking	2019
KAGİDER	Equal Opportunities Model (FEM) Certificate	2018
Global Compact	UN Global Compact Türkiye - Declaration of Sustainable Finance	2017
WEPs	Women's Empowerment Principles	2015
UN Global Compact	United Nations Global Compact	2010
GRI	Sustainability Reporting Standards	2010
CDP	Carbon Disclosure Project	2007

Initiatives Led and Working Groups Participated By TSKB

Institute of International Finance (IIF)

Sustainable Finance Working Group

International Development Finance Club (IDFC)

Board Member

Working Groups:

- Gender Equality (Co-chair)
- Biodiversity Working Group
- SDG Mapping Working Group
- Refugees Working Group

UN Global Compact Türkiye

Working Groups:

- Sustainable Finance
- Gender Equality
- Environmental Studies
- Diversity and Inclusion

Turkish Banking Association

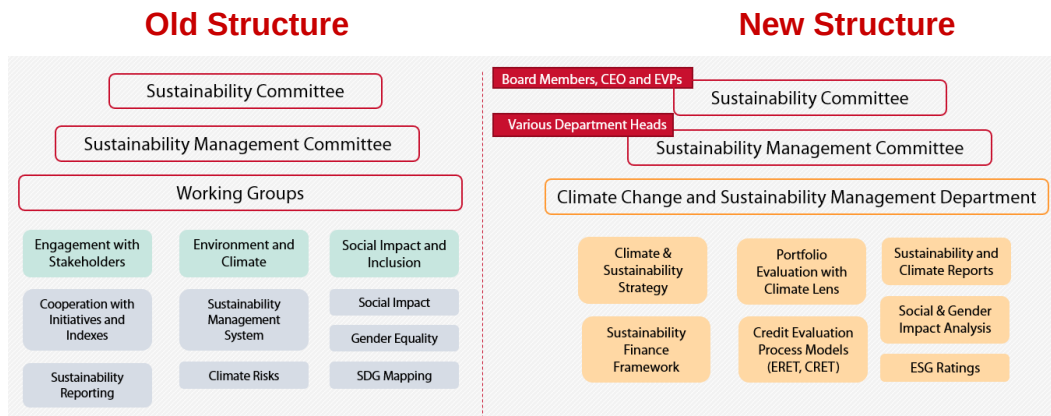
Sustainability Working Group (Chair)

Milestones in Sustainability Journey



2. TSKB in 4 Reporting Pillars

2.1 Governance



In TSKB, sustainability management is carried out with a multi-layered division of responsibilities, from the Board of Directors to the business units. Decisions taken by the relevant bodies at the strategic level are translated into projects and practices at the operational level to create value.

As of 2024, the Climate Change and Sustainability Management Department was established to increase the effectiveness of centralized management and in-depth analysis of climate change and sustainability issues while ensuring the continuity of inclusive capacity development throughout our Bank. With this structural change, efforts by working groups under the Sustainability Management Committee were transferred to the newly established department responsible for the coordination of internal and external stakeholders.

Sustainability Committee

All sustainability efforts across the Bank are managed by the Sustainability Committee, which was established in 2014 and consists of 4 Board Members, CEO and 2 Executive Vice Presidents one of whom is the Sustainability Leader of the Bank.

The Committee ensures the coordination of business plans and activities created within the scope of the Bank's strategy, vision, and targets, and closely monitors the activities of the sustainability management committee.

Sustainability Management Committee

The Sustainability Management Committee convenes every 2 months during the year to ensure the dissemination of the Bank's sustainability activities and their integration into the differentiating business processes. A team of 14 members consisting of CEO, Executive Vice Presidents directly related to sustainability, various department heads and Climate Change and Sustainability Management Department head reports their activities to the TSKB Sustainability Committee. The annual targets of the Sustainability

Management Committee are set clearly and measurably and are reflected in the performance scorecards of all management committee members.

Sustainability Policy

TSKB has structured the Sustainability Management System (SMS) to cover all its business processes, to mitigate the environmental and social impacts arising from its banking activities and to support Türkiye's transition to a low-carbon economy. The Sustainability Policy is the main framework of TSKB SMS. Sustainability Policy, which was first published in 2012 and revised in 2015, is supported by nine complementary auxiliary policies with environmental, social, and governance themes.

In 2022, the Bank updated its Sustainability Policy and seven supporting policy documents considering global sustainability standards, sustainability indices methodologies and best practices. In addition, TSKB published the Responsible Communication Policy in the same year. With this policy, which is a first in Türkiye, TSKB has determined the principles that take into account the understanding of sustainability and responsible banking in brand communication activities.

The following policies are complementary policies to the [Sustainability Policy](#):

- Environmental and Social Impact Management Policy
 - Annex: List of activities that are not to be financed
- Climate Change Mitigation and Adaptation Policy
- Occupational Health & Safety Policy
- Equal Opportunities and Inclusion Policy
- Human Rights Policy
- Gender Equality Policy
- Anti-Bribery and Anti-Corruption Policy
- Gifts and Hospitality Policy
- Sustainable Procurements Management Policy
- Responsible Communication Policy

In January 2024, Climate Change Mitigation and Adaptation Policy was updated in line with the Bank's net zero commitment and SBTi approved targets. Coal phase-out plan by 2035 was also included in the policy. *ESG Integration into the Bank's Scorecard*

In 2022, TSKB restructured the performance assessment process and integrated the ESG perspective into the employees' scorecards. 2 sustainability KPIs were included in the Bank's 2023 scorecard.

2.2 Strategy

TSKB's strategy is based on creating value for the inclusive and sustainable development of Türkiye through 3 main business lines; Corporate Banking, Investment Banking and Advisory Services. Thanks to a unique business model, TSKB supports its clients with a holistic approach, raises awareness, improves applications and creates a positive impact besides financing solutions.

Double Materiality

TSKB integrated the double materiality concept into the stakeholder and materiality analysis which is one of the important feedback mechanisms reflecting both internal and external stakeholders' priorities. The outcomes of the analysis, which are based on not just the financial materiality but also impact materiality, enlighten the Bank's strategy. According to a recently updated analysis, the top 5 material issues are as follows:

- Ethics, Compliance with the Laws, and Anti-Corruption
- Cyber Security and Data Privacy
- Sustainable Financial Performance
- Management of Climate Risks and Opportunities
- Competent Human Capital

Thematic Focuses and SDG Support

Energy and resource efficiency, equal opportunity, renewable energy, sustainable agriculture, environment pollution abatement, and social infrastructure are among outstanding project themes with which TSKB creates inclusive and sustainable impact. As of YE-23, the share of the loans supporting SDGs and climate and environment-focused SDGs are respectively 90% and 62%. In line with the stakeholders' needs and international best practices, TSKB proactively shapes its funding structure and loan book thanks to long-lasting relationships with development finance institutions and international financial institutions. With a focus on the transition to a low carbon economy and inclusiveness, circular economy, energy efficiency, prosumer investments, renewable energy, enabling industries and green reconstruction of earthquake area in Türkiye will be strategically important investment areas for TSKB in the short and medium term. In 2021, TSKB set a target to provide SDG-linked financing of a minimum of USD 8 billion by 2030. After 40% completion of the target at the end of 2023, the Bank uplift to 10 billion USD.

Exclusionary list and coal phase-out

In 2021, TSKB added greenfield coal-fired thermal power plants and coal mining investments for electricity generation purposes to its exclusionary list. (Please see Annex 1) In 2024, with the updated Climate Change Mitigation and Adaptation Policy, the Bank announced that it would not finance additional capacity expansion investments in coal-fired thermal power plants and coal mining for electricity generation. In line with the net zero targets, TSKB is committed to exit from coal financing by the end of 2035. As of YE-23 the share of power plants generating electricity from non-renewable sources in TSKB's loan portfolio is only 3%.

Transition Plan

Becoming a TCFD Supporter in 2021 and a UN Net Zero Banking Alliance (NZBA) member in 2022, TSKB set its science-based greenhouse gas emissions reduction targets which were approved by SBTi in July 2023. TSKB committed to aligning its loan and investment portfolio with zero-emission targets by 2050 and set interim period sectoral targets in January 2024.

The Bank's strategy in transition to a low carbon economy;

- Following and actively participating in international initiatives,

- Measuring and reporting greenhouse gas emissions arising from operations and lending activities, and having the calculations verified by independent institutions,
- Setting strong targets for the reduction of greenhouse gas emissions, determining a strategy and a roadmap in line with these targets, and designing projects,
- Managing its financing to support the transition to a low-carbon economy,
- Supporting its clients with advisory and investment banking products in their transition pathway.

2.3 Risk Management

Environmental and Social Risk Evaluation Tool (ERET)

The Bank has adopted the Three Lines of Defense Approach, which is an effective method of managing environmental and social risks by integrating them into risk management processes and controlling operational activities. In the first line, all relevant business units and management bodies review and assess incoming loan applications in terms of risks arising from the loan portfolio. The environmental and social risks of projects are evaluated via TSKB's ERET model, which is in line with Equatorial Principles, irrespective of sector or loan size. The appraisal report which is the output of this process is submitted to either the Credit Evaluation Committee or BoD depending on the loan size. In the ERET Model, TSKB addresses the potential environmental impacts such as waste, emissions, and noise, as well as the potential social impacts on all stakeholders and land acquisition processes, such as stakeholder participation activities, complaint mechanisms, and physical and economic displacement. Analysis on environmental and social aspects are leading by TSKB's own engineers and social expert.

Climate Risks Evaluation Tool (CRET)

In 2022, CRET model was put into operation in order to integrate climate risks into the credit assessment, allocation, and monitoring processes. With this model, the Bank detects climate-related risks in the pre-allocation stage and avoids or mitigates the negative financial effects of these risks. In the Second Line, activities and controls are performed through structures reporting to the BoD and the Executive Committee in line with the Bank's risk appetite and policies. In the Third Line, all activities, including the management of climate risks, are independently audited by the Internal Audit Department reporting to the Audit Committee, which is composed of the members of the Board of Directors.

Heat Map

Considering the TCFD recommendations, a portfolio heat map with different risk categorizations was developed to monitor the climate risk vulnerability of the sectors in TSKB's loan portfolio. It aims to enable an initial assessment of the pressures on costs and incomes of sectors affected by climate change. The sub-sectoral breakdowns in the loan portfolio and their climate change vulnerability have been analysed regarding physical and transition risks. The results of the Heat Map, together with the CRET model outputs, play an important role in limiting exposure in sectors with high climate risk and taking measures to reduce risks and are also effective in determining the Bank's strategy and risk appetite for sectors with high climate risk.

2.4 Metrics and Targets

Sustainable Finance

In 2020, the Bank completed its SDG Mapping Model project to measure its contribution to the SDGs. Within the scope of the project, each loan disbursed by TSKB is classified according to its theme and link to the SDGs. Thanks to the long-lasting relationship with development finance institutions and active membership in national and international initiatives, the Bank has to chance to present the model, get feedback, and improve the methodology. The model and its results are reviewed and assured by a third party to increase credibility. According the SDG Mapping Model, TSKB commits to;

- provide SDG-linked financing of a minimum USD 10 billion by 2030
- maintain the ratio of SDG-linked loans in the total portfolio at 90% and above
- keep the share of loans contributing to climate and environment-focused SDGs in the total loan portfolio at 60%.

Science-based emission reduction targets

TSKB's emission reduction targets, calculated in line with the guidelines of the Science Based Targets initiative have been approved by SBTi in July 2023. Moreover, in the second edition of its Climate Report, TSKB declared its interim period targets, following its 2050 net zero commitment.

TSKB commits to;

- reduce absolute scope 1 GHG emissions 63% by 2035 from a 2021 base year
- continue active annual sourcing of 100% renewable electricity through 2030
- reduce its electricity generation project finance portfolio GHG emissions from 85.6% per kWh by 2035 from a 2021 base year.
Interim Period Target: 73.6% by 2030
- reduce GHG emissions from the commercial real estate sector within its corporate loan portfolio 71% per square meter by 2035 from a 2021 base year.
Interim Period Target: 53% by 2030
- reduce GHG emissions from the electricity generation sector within its corporate loan portfolio 85.7% per kWh by 2035 from a 2021 base year.
Interim Period Target: 73.7% by 2030
- align its scope 1 + 2 portfolio temperature score by loan value within the other long-term corporate loan portfolio from 3.20°C in 2021 to 2.74°C by 2027 and its scope 1 + 2 + 3 portfolio temperature score by loan value within the other long-term corporate loan portfolio from 3.20°C in 2021 to 2.82°C by 2027.
- align its scope 1 + 2 portfolio temperature score by invested value within its corporate bond portfolio from 2.57°C in 2021 to 2.31°C by 2027 and its scope 1 + 2 + 3 portfolio temperature score by invested value within its corporate bond portfolio from 2.86°C in 2021 to 2.59°C by 2027.

Performance Highlights

Impact Created via Sustainable Bonds since 2016

More than 250 projects
Financed through sustainable bonds
~9 million tonnes CO2e
Annual GHG Emissions Reduced/Avoided with renewable energy projects
~1.6 billion kWh
Energy saving with energy efficiency projects

Renewable Energy

33%
Share of renewable energy projects in the loan portfolio
421
Renewable energy projects financed to date
15%
Share of projects TSKB involved in the financing of, in Türkiye's renewable energy installed capacity

GHG Emissions

100%
Use of green electric energy, carbon neutral bank in direct emissions
13.1 million tons
Emissions reduction contribution via renewable energy projects that TSKB involved in financing
15%
Share of the loan portfolio included in the Scope 3 calculation and verification processes

SDG Mapping

90%
Share of SDG-linked loans in the portfolio
62%
Share of environment and climate focused SDG-linked loans in the portfolio
3.4 billion USD
SDG-linked loan disbursement since 2021

Funding Structure

85%
ESG-aligned funding
4 th
Sustainable Bond issuance in 2023
546 million USD
Non-withdrawn DFI funding focusing on climate and green reconstruction of earthquake zone in Türkiye

3. Basis of the TSKB Sustainable Finance Framework

In 2024, TSKB has updated its Sustainable Finance Framework further to align with the latest voluntary guidelines by the International Capital Markets Association (“ICMA”) and the (“Loan Market Association “LMA”). The update also includes an extension of the eligible use of proceeds categories to include projects such as renewable energy and energy efficiency and circular economy targetted to help TSKB’s clients in high-emmitting sectors such as steel and cement, transition to a low carbon and sustainable economy, thereby further contributing to TSKB’s SBTi approved targets and finally Turkiye’s road to net zero.

In line with TSKB’s commitment to contributing to combating climate change and promoting sustainable development, TSKB has established this Sustainable Finance Framework under which it intends to issue Sustainable Finance Instruments (which include Green/Social/Sustainability/Transition Finance Instruments) to finance and/or refinance Eligible Loans, identified via the compliance with the Eligibility Criteria outlined in the Framework.

The Sustainable Finance Instruments¹ that can be issued under this Framework are defined below:

- **Green Finance Instruments:** which may include, but are not limited to, bonds, including private placements, and loans in order to finance and / or refinance Eligible Green Loans (as defined in the Use of Proceeds section under **Direct and Indirect Climate Change Mitigation, Adaptation and Resilience Criteria**);
- **Transition Finance Instruments:** which may include, but are not limited to, bonds, including private placements, and loans to finance and/or refinance a mix of **Eligible Green Loans** (as defined in the Use of Proceeds section under **Climate Change Mitigation, Adaptation and Resilience Criteria**) targeting projects that reduce emissions and increase resource efficiency including but not limited to high emitting sectors which helps TSKB to reach its own SBTi approved targets and 2050 net zero commitment;
- **Social Finance Instruments:** which may include, but are not limited to, bonds, including private placements, and loans to finance and / or refinance **Eligible Social Loans** (as defined in the Use of Proceeds section under **Sustainable and Social Infrastructure Criteria**);
- **Sustainability Finance Instruments:** which may include, but are not limited to, bonds, including private placements, and loans to finance and/or refinance a mix

¹ The “Sustainable Finance Instruments” definition also includes “Theme bonds”, whose proceeds will be used to (re)finance loans / projects falling within one or more Green and/or Social Eligible Categories as set out in this Framework, focused on specific green, social or sustainable themes. This definition is in accordance with the definition of “Theme Bonds” included in the recently published ICMA Guidance Handbook 2022, available at: <https://www.icmagroup.org/assets/GreenSocialSustainabilityDb/The-GBP-Guidance-Handbook-January-2022.pdf>

of **Eligible Green Loans** (as defined in the Use of Proceeds section under **Climate Change Mitigation, Adaptation and Resilience Criteria**) and / or **Eligible Social Loans** (as defined in the Use of Proceeds section under **Sustainable and Social Infrastructure Criteria**).

The TSKB Sustainable Finance Framework is aligned to the ICMA administered Green Bond Principles (GBP) 2021 with June 2022 Appendix ², Sustainability Bond Guidelines (SBG) 2021³, Social Bond Principles (SBP) 2023⁴ as well as the LMA, LSTA and APLMA administered Green Loan Principles (GLP) 2023⁵ and Social Loan Principles (SLP) 2023⁶, which provide guidelines in the form of four core components:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

For each Sustainable Finance Instrument issued, TSKB asserts that it will adopt (1) Use of Proceeds; (2) Process for Project Evaluation and Selection; (3) Management of Proceeds; and (4) Reporting, as set out in this Framework. The TSKB Sustainable Finance Framework also follows the recommendations of the GBP 2021, SBG 2021 and SBP 2023 regarding External Review.

In addition, TSKB commits on a **best efforts basis** to follow the disclosure guidelines outlined in the ICMA Climate Transition Finance Handbook (CTFH)⁷ 2023 and provides information on the four key elements of the CTFH:

1. Issuer's climate transition strategy and governance
2. Business model environmental materiality
3. Climate transition strategy to be 'science-based': including targets and pathways; and;
4. Implementation transparency

Relevant disclosures are included in this Framework in line with 4 reporting pillars, governance, strategy, risk management as well as metrics and targets. TSKB also publishes Allocation and Impact Reporting, Integrated Annual Report, CDP Report, UNEP FI Responsible Banking Principles Report, Climate Report, and UN Global Compact CoP Report for all its stakeholders including investors.

² <https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles-June-2022-060623.pdf>

³ <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Sustainability-Bond-Guidelines-June-2021-140621.pdf>

⁴ <https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Social-Bond-Principles-SBP-June-2023-220623.pdf>

⁵ <https://www.lsta.org/content/green-loan-principles/>

⁶ <https://www.lsta.org/content/social-loan-principles-slp/>

⁷ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/climate-transition-finance-handbook/>

The Framework will apply to any Sustainable Finance Instrument issued by TSKB and will be in force as long as any Sustainable Finance Instrument is outstanding. Any future changes in the Green, Sustainability and Social Bond Standards⁸, may be implemented in future versions of this Sustainable Finance Framework where needed to be relevant. Any subsequent version of this framework that may exist, will either maintain or improve the current levels of granularity and transparency regarding project evaluation and selection process, management of proceeds and reporting disclosure.

4. Use of Proceeds

The net proceeds of the Sustainable Finance Instruments issued by TSKB will be used to finance and/or refinance Green and Social Eligible Loans, in accordance with the Eligibility Criteria. TSKB has identified Green and Social Eligible Loans within two main Business Activity Areas, outlined below:

- **Direct and Indirect Climate Change Mitigation, Adaptation and Resilience;**
- **Sustainable and Social Infrastructure.**

Under this Framework, loans may be for specific assets and projects or to 'pure play' companies, defined as enterprises that are expected to derive $\geq 90\%$ of their turnover from assets/revenues aligned with defined eligibility criteria. For such enterprises, the entire loan by TSKB to such a borrower is 100% eligible as a use of proceeds for a Sustainability Finance Instrument.

Climate Change Adaptation, Mitigation and Resilience

Climate change adaptation, mitigation and resilience are important sustainability goals for TSKB and integrated into its business strategy. TSKB finances investments that will make direct contributions to combatting climate change and enabling the transition to a low-carbon economy, including: Renewable Energy, Energy Efficiency, Clean Transportation, Green Buildings, Pollution Prevention and Control, Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes, Sustainable Water and Wastewater Management and Biodiversity.

⁸ Standards related, but not limited to: Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines, EU Green Bond Standards and green, social and sustainability market practices in general.

GBP / GLP Eligible Category	Eligibility Criteria	UN SDGs	EU Environmental Objectives ⁹
Renewable Energy	• Renewable Energy Generation¹⁰: Loans aiming at (re)financing the equipment, development, manufacturing, construction, operation, retrofitting and maintenance of renewable energy generation sources from: ▪ Wind power: Onshore and offshore ▪ Solar power: Photovoltaics (PV), concentrated solar power (CSP) and solar thermal facilities ▪ Hydro power: i) Life cycle carbon intensity of below 50gCO₂e/kWh for facilities that became operational after 2019 and below 100 gCO₂e/kWh for those before the end of 2019. ii) Power density above 10W/m² for facilities that became operational after 2019 and above 5W/m² for those before the end of 2019. ▪ Bio energy: Facilities producing biofuel and/or biomass and facilities for electricity generation, heating or both (CHP) from waste/residues that do not compete with food sources (Limited to projects emissions of less than Turkish Grid emission Factor) ▪ Hydrogen (Green hydrogen only, e.g. production via electrolysis using renewable energy) ▪ Components and Enabling Technologies that support renewable energy generation and energy storage (e.g. manufacture of wind turbines, solar panels, batteries for energy storage)	 	Environmental Objective: Climate Change Mitigation Substantial contribution to Climate Change Mitigation (1.a): Generating, storing, distributing or using renewable energy in line with the Renewable Energy Directive, including through innovative technology with a potential for significant future savings or through necessary reinforcement of the grid
Energy Efficiency	• Energy Efficiency Projects: Loans aiming at (re)financing any reconstruction, expansion, renovation or refurbishment measure implemented at a business entity aimed at: ▪ Reducing energy consumption at least by 15% measured for the specific investments which are financed or;	 	Environmental Objective: Climate Change Mitigation Substantial contribution to Climate Change Mitigation (1.b): Improving energy efficiency in all sectors, except energy generation using solid fossil

⁹ In alignment with the EU Taxonomy Environmental Objectives defined in the EU Regulation: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52018PC0353>

¹⁰ Projects possessing Higher E&S Risk will not be financed through the proceeds, unless TSKB ensures that the investor has taken satisfactory precautionary measures and developed proper management plans. Such projects that E&S risks that may not be mitigated or minimized by any measures and result in (i) involuntary physical and economic resettlement; (ii) risk of adverse impacts on Indigenous People (IP) or vulnerable people ; (iii) significant risks to or impacts on the environment, community health and safety, biodiversity, cultural heritage; (iv) significant occupational health and safety risks; (v) significant security risks, and/or (vi) significant governance and reputational risks; (vii) impact international waterways, operate in disputed areas will not be financed by the proceeds.

	▪ Reducing CO2 emissions at least by 15% measured for the specific investments which are financed or; ▪ Achieving at least 50% of the incremental benefits¹¹ from the investment project come from cost reduction in energy consumption provided that minimum five hundred (500) tons of CO2 reduction per annum is achieved • Smart technologies: Smart grids, storage facilities, metering systems and other intelligent electricity systems managing the intermittency of renewable energy production ▪ Energy distribution network and renewable energy transmission: Projects should aim at retro-fitting transmission lines or substations to reduce energy use and/or technical losses and to avoid electricity cuts. Projects can also aim at improving existing systems to facilitate the integration of renewable energy sources into the grid or Scada System to improve effectiveness. If new transmission systems are installed, these should facilitate the integration of renewable energy sources into the grid or extensions to serve the additional population growth due to urbanization. TSKB will only select the portion of the loan that is aimed at integrating renewables in the Turkish electricity system, via a pro-rata approach based on the % of renewables installed capacity in the Turkish electricity grid.	 fuels, and at all stages of the energy chain, in order to reduce primary and final energy consumption
Clean Transportation	• Loans aiming at financing or refinancing of production, establishment, expansion, upgrades, maintenance and operation of low carbon vehicles and related infrastructure: ▪ Low carbon public transportation: Electric or other low carbon (hybrid with direct emissions below 50 gCO2e/pkm¹², biogas or hydrogen) public transportation such as busses, trains, trams, ferries, subways ▪ Low carbon vehicles: Electric, plug-in hybrid electric with direct emissions below 50 gCO2e/pkm for passenger vehicles and below 25g CO2/t-km for freight vehicles or hydrogen passenger, light commercial and freight vehicles such as cars, vans, trucks, vessels ▪ Low carbon transportation infrastructure:	 Environmental Objective: Climate Change Mitigation Substantial contribution to Climate Change Mitigation (1.c): Increasing clean or climate-neutral mobility

¹¹ By incremental benefit, it is meant all benefits gained with the investment project such as raw material savings, labor cost savings, maintenance cost savings, increase in revenues, etc.

¹² In line with the recommendation of the Technical Expert Group (TEG) report on the EU Taxonomy, March 2020.

	Electrified infrastructure: infrastructure related to electric transportation of passengers and freight such as electrified railways and charging stations for electric vehicles ▪ Improvement of transport logistics: promoting urban mass transit, non-motorized transport (e.g. pedestrian mobility) improvement of the general transport logistics to increase energy efficiency of infrastructure and transport	
Green Buildings	• Loans to (re)finance new or existing <i>public</i>, <i>commercial</i> and <i>residential</i> buildings that meet the following criteria: • Buildings rated B¹³ or above in terms of energy performance in the local context, as determined via Energy Performance Certificate (BEP-TR) issued in accordance with Turkish regulation and / or via the Turkish Building Code • Buildings with the following level of environmental certifications: ▪ LEED (min. Gold) ▪ BRE AAM (min. Excellent) ▪ DNGB (min. Gold) ▪ ÇEDBİK Green Building certification (min. Very Good) • Loans to refurbished commercial or residential buildings which achieved at least 30% energy improvement	Environmental Objective: Climate Change Mitigation Substantial contribution to Climate Change Mitigation (1.b): Improving energy efficiency in all sectors, except energy generation using solid fossil fuels, and at all stages of the energy chain, in order to reduce primary and final energy consumption  
Pollution Prevention and Control	• Loans to (re)finance any greenfield, reconstruction, expansion, renovation or refurbishment investments aimed to increase resource efficiency, including but not limited to a reduction in: ▪ water consumption (m3), ▪ non-recoverable waste (tonnes), ▪ raw material/auxiliary chemicals (tonnes) • Research and development or implementation of other low-carbon technology, solutions or processes that demonstrate substantial life cycle GHG emission saving such as; solutions (including hardware or software) for data collection, transfer, storage modelling and use exclusively to supply data and analysis for decision-making on GHG reduction (e.g. systems for monitoring GHG emissions, climate and early warning systems etc.)	Environmental Objective: Pollution Prevention and Control Substantial contribution to Pollution Prevention and Control (1.a): reducing air, water and soil pollutant emissions other than greenhouse gasses 

¹³ At this point in time, an official CBI (Climate Bond Initiative) baseline for the top 15% low-carbon residential and commercial buildings has not yet been established in Türkiye. Only 10% to 15% of the total Turkish building stock is rated in accordance with the Energy Performance Certificate labels system. It is very likely to assume that buildings with EPC label "B" belong to the top 15% low-carbon buildings in Türkiye.

Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes	Eco-efficient products: Loans to (re)finance project for specific products improving renewable energy generation, energy efficiency or GHG emission reduction Circular Economy Adapted Products, Production Technologies and Processes: Loans to (re)finance project for * Technologies and processes reducing virgin raw material use and increasing secondary raw material use in the various sectors * Technologies and processes improving product durability, reusability, upgradability and reparability with a measurable environmental positive impact increasing recycled content in products, while ensuring their performance and safety; * Repairing, refurbishing and remanufacturing of products * Circular design and production projects * Material recovery from separately collected waste	Environmental Objective: Transition to a circular economy, waste prevention and recycling Substantial contribution to Transition to a circular economy, waste prevention and recycling (1.a): improving the efficient use of raw materials in production, including through reducing the use of primary raw materials and increasing the use of by-products and waste; 7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Alternative Maritime Power	Loans to outlets, industrial stations/substations and electrical distribution and control systems for maritime vehicles and ports.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 13 CLIMATE ACTION Environmental Objective: Climate Change Mitigation Substantial contribution to Climate Change Mitigation (1.c): Increasing clean or climate-neutral mobility
Sustainable Water and Wastewater Management	- Loans to (re)finance the development, construction, operation and maintenance of sustainable water and waste-water management projects and facilities¹⁴ that improve water quality and improve efficiency, availability, and conservation of freshwater resources with climate adaptation concerns such as: Water metering, collection, treatment, and improvements to supply systems with improved energy efficiency through either decreasing the net average energy consumption of the system or improving the average leakage in order to handle water related physical climate change risks. Construction, extension and operation of wastewater collection and treatment systems such as centralized wastewater systems, including collection (sewer system network) and treatment, including: - Treatment of wastewater in centralized systems to replace higher-emissions treatment systems (e.g. decentralized/ onsite sanitation)	Environmental Objectives: Climate change mitigation Climate change adaptation Sustainable use and protection of water and marine resources Substantial contribution to Climate change mitigation (1.b): Improving energy efficiency Substantial contribution to Climate change adaptation (1.b): preventing or reducing the negative effects that climate change may pose to the natural and built environment within which the economic activity takes place, which shall be assessed and prioritised 6 CLEAN WATER AND SANITATION

¹⁴The treatment of wastewater from fossil fuel operations (such as produced water from fracking) will not be financed. Desalination plants financed under the Framework will have in place an appropriate waste management programme for the disposal of brine. These plants will be powered by renewables or electricity below 100gCO₂e/kWh.

	• Flood mitigation infrastructure projects supported by a vulnerability assessment to identify potential climate risks and an adaptation plan to address the risks identified by the vulnerability assessment.	using available climate projections Substantial contribution to Sustainable use and protection of water and marine resources (1.d): improving water efficiency, facilitating water reuse, or any other activity that protects or improves quality of Union's water bodies
Environmentally sustainable management of living natural resources and land use	• Loans to (re)finance projects that support terrestrial and aquatic conservation, preservation and enhancement that leads to reduced emissions, improvement of soil fertility, conservation of natural resources and biodiversity or carbon removal. • Projects may include: • Conserving or restoring terrestrial and marine habitats and ecosystems. • Soil remediation • Sustainable agriculture practices, and climate smart farming • Afforestation / Reforestation projects (i) Sustainable forestry projects, including permanent conservation and carbon sequestration plantations, which use tree species that are well-adapted to the site conditions and certified under a credible scheme, such as Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC). (ii) Projects managed by smallholder farmers and covered by a forest management plan or the equivalent instrument covers a period of 10 years or more, and is continuously updated. The activity does not involve the degradation of land with high carbon stock.	Environmental Objectives: Climate Change Mitigation Climate Change Adaptation Protection of healthy ecosystems Substantial contribution to protection of healthy ecosystems (1.b): sustainable land management, including adequate protection of soil biodiversity; land degradation neutrality; and the remediation of contaminated sites  
Sustainable Food System	Loans to finance below systems and technologies to develop the country's economy, promote development of sustainable food systems and minimize food loss and waste: • Drip irrigation systems • Sustainable packaging • Organic chemistry: Research, development and procurement of sustainable and biodegradable fertilizers (i) supported by certification schemes such as IFOAM certified organic fertilizer, Friends of the Earth certified Sustainable Farming Products; and International Fertilizer Association certified Protect & Sustain certification (ii) procured by sustainable agricultural farms supported by certifications such as the IFOAM standard or Farm Sustainability Assessment (Silver and above)	Environmental Objectives: Climate Change Adaptation Substantial contribution to Climate change adaptation (1.b): preventing or reducing the negative effects that climate change may pose to the natural and built environment within which the economic activity takes place, which shall be assessed and prioritised using available climate projections 

Sustainable and Social Infrastructure

As a development and investment bank, TSKB aims to promote sustainable growth and sustainable infrastructure improvements in Türkiye. In the field of health and education, TSKB's agenda particularly includes public-private partnership projects (PPP).

SBP Category	Eligibility Criteria	UN SDGs
Access to Essential Services (Healthcare)	Loans for activities that support public/free/subsidised health and social care, in Türkiye (e.g construction and equipment hospitals, clinics and healthcare centres for the provision of public/free/subsidised healthcare services, acquisition of medical equipment or provision of diagnostic services, emergency medical response and disease control, programmes for the promotion of health and well-being). Target Population: Eligible projects will service all citizens, including vulnerable population groups such as the elderly, physically or mentally dependent persons and populations with limited access to essential services in Türkiye and emerging countries.	
Access to Essential Services (Education)	- Loans for activities that expand the access to free and/or subsidised primary, secondary, adult and vocational education in Türkiye (e.g. construction of kindergartens, schools, university campus buildings and/or facilities at any public and non-profit university campus, student housing). Target Population: Eligible projects will include all populations, including minority groups (e.g. educational grants, educational and/or professional training)	
Employment generation through SME Companies	- Loans to SMEs¹⁵ supporting employment comprising of women and/or youth labor force¹⁶ - Loans to SMEs facing natural disaster (such as earthquakes, floods, etc.) or health pandemics¹⁷ (such as COVID-19 outbreak, etc.).	  

¹⁵ Defined as companies with number of employees below 250 and turnover or total assets equal to or below TL 500 million.

¹⁶. To be reported as additional or maintenance of respective labor force which will be measured by an assessment tool.

¹⁷ TSKB will make sure to select only loans to SMEs directly linked to the specific event (natural disaster or health pandemic), via identifying loans granted after the specific event.

Disaster Relief	Loans to expand access to basic needs, services and infrastructure in the impacted cities or provinces during a disaster relief: • Financial support for the reconstruction of basic infrastructure (e.g. housing, electricity transmission network, water distribution network, buildings) in areas destroyed by natural disasters • Financial support for commercial activities disrupted by health pandemics or natural disasters	 
Sustainable Food System	Loans to finance below systems and technologies to develop the country's economy, promote development of sustainable food systems and minimize food loss and waste: • Cold air units and frigorific vehicles • Smart storage system	

5. Process for Project Evaluation and Selection

The Bank's Technical Analysis Team, comprising of nominated members from the Engineering Department and Loan Analysis Department, will:

- (i) assess and determine each individual loan's eligibility; and,
- (ii) recommend an allocation of proceeds to Eligible Loans.

TSKB's Technical Analysis Team will then recommend those loans to the Financial Institutions and Investor Relations Department for allocation of the Sustainable Finance proceeds. In the case of the respective internal procedures, including the Credit Evaluation Committee and, if required, Board's approval to have been finalised, the allocation of proceeds will be tracked through the internal systems of the Bank. In identifying Eligible Projects and their non-financial impacts TSKB may rely on external consultants and their data sources.

The loans selection is based on the Eligibility Criteria defined in the section above (Use of Proceeds). For Eligible loans made to high-emitting sectors, TSKB follows the publication processes of sectoral national emission reduction road plans. TSKB seeks for projects that are key components of the client's credible decarbonization strategy through switching to clean technologies and/or improving energy efficiency of the processes and/or products. When relevant publications are made, the selection criteria will be comparison of target companies' emissions with these sectoral road plans. Until then, companies' MRV reports and ISO 14064 certificates will be requested and investment decisions will be made according to the companies' decarbonization plans. Mention decarbonization plans should have at minimum:

- Company transition strategy aligned with national and/or international science-based studies and/or Country net-zero emission target
- Long-term decarbonization target aligned with the Paris Agreement and short and/or mid-term trajectory towards this goal
- Quantitatively measurable and publicly disclosed metrics

During the evaluation process, TSKB could benefit from benchmarks of national and international NGOs and initiatives such as the Transition Pathway Initiative (TPI), Science-based Target Initiative (SBTi), etc., and/or sectoral decarbonization pathways

presented by various authorities of the Republic of Türkiye, including Ministry of Industry and Technology, Ministry of Environment, Urbanization and Climate Change, etc.

TSKB ensures that all Eligible Loans comply with official national and international environmental and social standards and local laws and regulations on a best effort basis. It is part of TSKB's transaction approval process to ensure, that all its activities comply with internal environmental and social directives. TSKB takes into account minimum environmental and social requirements for all lending businesses, including those financed with the proceeds of the Sustainable Finance Instruments. These eligibility criteria and minimum requirements and ESG related matters are continuously developed and renewed via TSKB's Policies and Guidelines. TSKB's Environmental and Social Policies can be found on: <https://www.tskb.com.tr/en/services/sustainable-banking/our-policy/tskb-sustainability-policy>

The Eligible Projects are required to align with TSKB's related internal Sustainability Policy ¹⁸that sets forth the fundamental principles that inform TSKB's activities, including Environmental and Social Impact Management Policy, Climate Change Mitigation and Adaptation Policy, Occupational Health and Safety Policy, Equal Opportunities and Inclusion Policy, Human Rights Policy, Gender Equality Policy, Anti-Bribery and Anti-Corruption Policy, Gifts and Hospitality Policy, Sustainable Procurements Management Policy, Responsible Corporate Communications Policy and other policies addressing social, environmental, and corporate governance issues.

6. Management of Proceeds

The net proceeds of Sustainable Finance Instruments issued under this framework will be managed by TSKB in a portfolio approach.

TSKB intends to allocate the proceeds from the Sustainable Finance Instruments to a portfolio of loans that meet the use of proceeds Eligibility Criteria and in accordance with Project Evaluation and Selection Process presented above, the Eligible Loan Portfolio.

TSKB intends to designate sufficient Eligible Loans in the Eligible Loan Portfolio to ensure that the size of the Eligible Loan Portfolio matches or exceeds the total balance of all outstanding Sustainable Finance Instruments. When necessary, additional Eligible Loans will be added to the Eligible Loan Portfolio to ensure the sufficient and timely allocation of the incremental net proceeds.

During the life of the Sustainable Finance Instrument, and upon becoming aware, if a loan ceases to fulfil the eligibility criteria, TSKB will remove the loan from the Eligible Loan Portfolio and replace it, when necessary, as soon as reasonably practicable.

¹⁸ <https://www.tskb.com.tr/en/services/sustainable-banking/our-policy/tskb-sustainability-policy>

Pending the full allocation to the Eligible Loan Portfolio, TSKB will hold and / or invest the balance of net proceeds not yet allocated, at its own discretion, in its treasury liquidity portfolio (in cash or cash equivalents, money market funds, etc.).

7. Reporting

Throughout the term of any Sustainability Bonds issued, TSKB commits to publishing an annual report on the allocation of the proceeds and impact of projects that have received allocations. This report will be published on the bank's website (<http://www.tskb.com.tr/en/investor-relations/financial-information>). Report can be presented on aggregated basis for all the Sustainable Finance Instruments issued under this framework.

a) Allocation Reporting

TSKB commits to publishing an annual report detailing the aggregate allocation of the proceeds. To the extent practicable, TSKB also intends to report the allocation to eligible projects at category level and some geographical guidance without referring to client names. Allocation reporting will be available to investors within one year from the date of the Sustainability Bond's issuance and annually thereafter until the proceeds have been fully allocated to eligible projects. The allocation report will provide, on an aggregated basis, on indicators such as:

- the size of the identified Eligible Loan Portfolio;
- the total amount of proceeds allocated to Eligible Loans;
- the balance (if any) of unallocated proceeds;
- the amount or the percentage of new financing and refinancing;
- the geographic allocation of the assets (at country level).

b) Impact Reporting

TSKB commits to publishing annual updates on the environmental and social impacts of the projects funded with Sustainability Finance Instruments. Impact reporting may provide:

- A description of the Eligible Green, Transition and Social Projects;
- The breakdown of Eligible Green, Transition and Social Projects by nature of what is being financed (financial assets);
- Where relevant, metrics regarding projects' environmental and social impacts as described below:

GBP / GLP Eligible Category	Potential impact reporting indicators
Renewable Energy	• Annual renewable energy installed capacity (MW/year) • Annual electricity generation amount (MWh/year) • Estimated annual CO₂ emissions avoided (in tCO₂ eq./year)
Energy efficiency	• Energy Efficiency Projects: ▪ Estimated annual CO₂ emissions reduced/avoided (in tCO₂ eq./year) ▪ Estimated annual energy savings (MWh/year) • Smart Technologies: ▪ Number of smart grid components installed ▪ Estimated annual energy savings (MWh/year) ▪ Energy distribution network and renewable energy transmission ▪ Total number of renewable energy projects connected to the network ▪ Total instalment capacity ▪ Annual production amounts
Clean transportation	• Low carbon public transportation and vehicles ▪ Number of vehicles (#) ▪ GHG savings (in tCO₂ eq./year) • Low carbon transportation infrastructure ▪ GHG savings (in tCO₂ eq./year) due to the installed technology (direct), by transferring freight or passenger transport from road to e.g. railway (indirect) or both (as applicable) ▪ Number of unites installed (#)
Green Buildings	• Estimated annual CO₂ emission reduction (in t CO₂eq.) • Estimated annual energy savings (MWh) • Overview of sustainable labels and certificates for Green Buildings
Pollution Prevention and Control	• Annual savings of relevant resource amounts (e.g. kWh/year and/or m³ water/year and/or ton raw material/year and/or ton CO₂/year)
Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes (Indirect Mitigation)	• Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes (Indirect Mitigation)
Sustainable Water Management and Wastewater Management	• Number of investments related with water metering, collection and treatment improvements (Indirect climate change mitigation) • Net average energy consumption (kWh/m³ treated water) and avoided average leakage (m³) • Annual absolute (gross) amount of wastewater treated, reused or avoided before and after the project in m³, or in % • Narrative reporting on vulnerability assessment
Environmentally sustainable management of living natural resources and land use	• Maintenance/increase of protected area/habitat in km² • Area reforested in km² • Absolute number of predefined organisms and species per km²/m² before and after the project
Sustainable Food System	• Environmental benefits (reduction in water consumption, reused packaging materials, etc) • Number of resilient agriculture projects and manufacturing companies financed • Annual crop production/cultivated area (m²) before and after the project • Food waste reduced/avoided

Eligible Social Bond Category	Potential impact reporting indicators
Access to Essential Services (Healthcare)	Number of hospitals, nursing homes, rehabilitation centers, patients or beds, and/or population of regions where hospital projects are located per country
Access to Essential Services (Education)	Number of public education schools (including kindergarten, primary and/or secondary schools and universities) supported; and/or number of individuals benefiting from these schools per country
Employment generation including through the potential effect of SME financing	- Number of loans to SMEs - Number of SMEs affected by natural disaster/ health pandemic financed
Disaster Relief	- Amount of loans provided for disaster relief and emergency aid - Number of beneficiaries - Number and types of buildings reconstructed - Number of jobs created
Sustainable Food System	- Number of resilient agriculture projects and manufacturing companies financed - Annual crop production/cultivated area (m²) before and after the project - Food waste reduced/avoided

Impact reporting for loans to pure players, will be done via output figures and if possible, via impact figures¹⁹.

8. External Review

a) Second party opinion

TSKB will obtain an independent Second Party Opinion (SPO) from Sustainalytics to confirm the validity of TSKB Sustainable Finance Framework. The SPO provider will review TSKB's Sustainable Finance Framework and confirm its alignment with the ICMA Green/Social Bond Principles as well as the LMA Green and Social Loan Principles. The SPO will be published on the TSKB website at: <http://www.tskb.com.tr/en/financial-institutions/publications>.

b) Verification

TSKB may request on an annual basis, starting one year after issuance and until maturity (or until full allocation), a limited assurance report of the allocation of the Sustainable Finance Instruments' proceeds to Eligible Loans, provided by its external auditor.

¹⁹ For instance, if TSKB provides lending to a monoline company only involved in Renewable Energy Production with X renewable energy assets on the balance sheet, TSKB will be able to provide impact figures at asset level, which will be aggregated per category level (in this case Renewable Energy).

Appendix: Exclusionary Criteria

TSKB commits itself not to knowingly be involved 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 forms 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 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 sea fishing
- Any project involving forced labour, any project related to the production that involved the exploitation of child labour 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 can be taken
- Any green-field coal-fired thermal power plants and coal mining investments for electricity generation purposes

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