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Technical Assistance for Assessment of Türkiye's Potential on

Transition to Circular Economy

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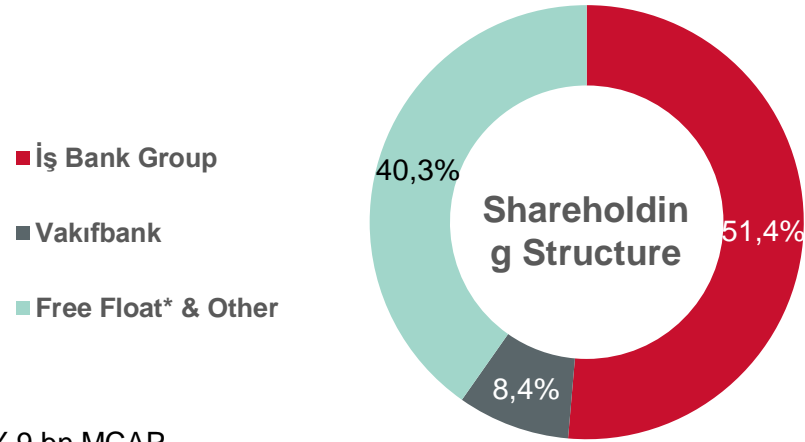
Financing Circular Economy

Recommendations by Banks and IFIs to Accelerate Financing

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Activity 1.2.2 - Circular Economy Workshops
4th of October, Ankara, Türkiye

TSKB at a Glance



TRY 9 bn MCAP
As of September 22, 2022

Ratings	TSKB	Turkey Sovereign
Fitch LTFC	B-	B
Moody's LTIR	B3	B3
SAHA Corporate Governance Rating	9.59/10	
Sustainalytics ESG Risk Rating	13.6 Low Risk	

CORPORATE BANKING

Loan products that contribute to sustainable development of Turkish economy

- Corporate Loans
- Project Finance
- Other Loan Products

INVESTMENT BANKING

Products and services that create tailor-made value for its clients

- Corporate Finance
- Money and Capital Markets Advisory Services
- Derivates

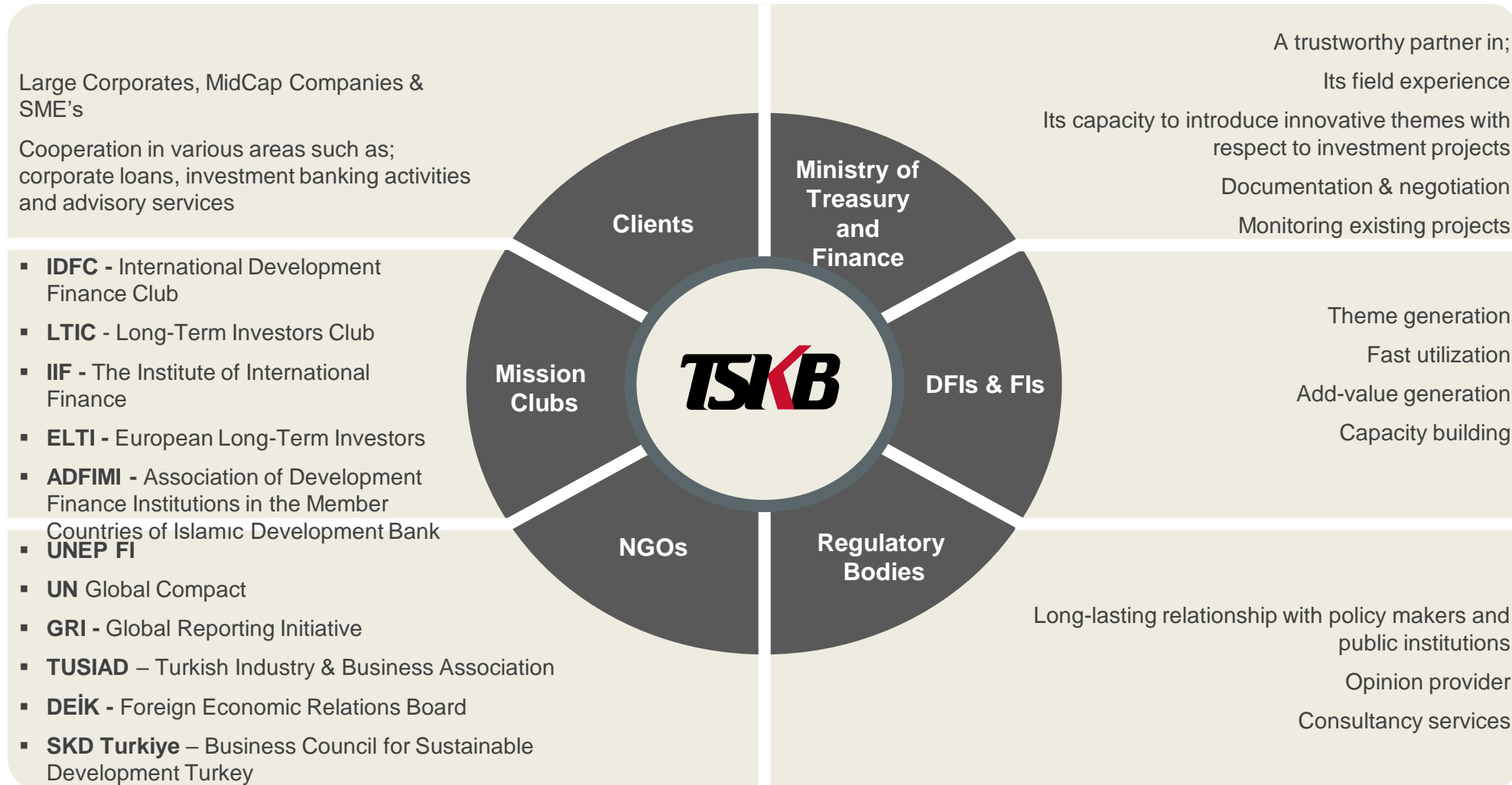
ADVISORY SERVICES

Products and services driven by "Information-based Banking"

- Economic Research
- Financial Advisory Services
- Engineering and Technical Advisory Services



Main Stakeholders of the Bank



Funding Diversification Important Milestones



Medium to Long-Term Targets

Sustainable Financing Targets

- USD 8 billion** SDG-linked financing by 2030
- 90%** Ratio of SDG-linked-loans by 2025
- 60%** Ratio of climate and environment focused SDG-linked loans by 2025

Emissions Targets

Reduce our **Scope 1 (direct) emissions** by
%42 by 2030
%63 by 2035

Maintain offsetting **Scope 2 emission**

In 2021 we started to include **“financed emissions”** in the calculation of greenhouse gas emissions (**Scope 3**)

Strategic Roadmap – Climate Change

- Climate risk management approach fully in line with UNEP FI and TCFD recommendations
- Evaluation of the loan portfolio and integration of climate risk into the loan evaluation and monitoring procedures.
- SBTi** signatory since 2015. **The approval process** for Scope-1 emission targets is underway (planned to approve the relevant targets by the end of the year)
- UN Net-Zero Banking Alliance** – Submission done

Long-term Emissions Targets

- Started to include “financed emissions” into the emission calculation and verification processes
 - 2021 calculation:**
 - Carbon intensive sectors – Non-renewable power generation, cement and iron-steel
 - 7.5% of our loan portfolio which represent 70% of our financed emissions



Most Sustainable Bank of Turkey



Best Turkish Bank for Sustainable Development

1H22 Realization of the Selected Targets

Long-Term Targets	1H Realization
<p>Not to finance greenfield coal-fired thermal power plants and coal mining investments for electricity generation purposes</p>	✓
<p>Keep the ratio of SDG-linked loans in the total portfolio at the level of 90% and above</p>	93%
<p>Provide USD 8 billion and more SDG-linked financing by 2030</p>	~1.5 billion USD
<p>Extend loans of at least USD 150 million to renewable energy projects by the end of 2022.</p>	80 million USD
<p>Maintain offsetting Scope 2 emission by exclusively using renewable energy</p>	✓
<p>Target a ratio of loans contributing to climate and environment-focused SDGs within the total loan portfolio to be at the level of 60%</p>	~%61
<p>Integrate climate risks during loan evaluation, internal rating stage, loan allocation and monitoring processes.</p>	Climate Risk Evaluation Tool
<p>Implement evaluation tools and provide various support mechanisms to at least 75 companies within the scope of its gender equality and women's empowerment loans.</p>	56 companies
<p>As a result of the action plans set for gender equality and women's empowerment, we aim to achieve a 20% improvement in the average score of companies in the next 3 years (2021- 2023).</p>	35% improvement
<p>Planning to increase social investment oriented activities with the employment of experts.</p>	✓
<p>Establish and publish a Sustainable Communication Policy.</p>	✓



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Thanks for your attention.



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