



**Green Finance Framework
October 2026**

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1. Introduction

1.1. Sustainability Strategy Of İş Enerji

İş Enerji Yatırımları A.Ş. (İş Enerji) was established in August 2022 as part of the İşbank Group. Through a series of strategic partnerships completed since its establishment, the company has built an integrated renewable energy portfolio centered on wind and solar power generation. Leveraging the strength and support of the İşbank Group, İş Enerji aims to become one of Türkiye's leading renewable energy companies. As part of its sustainability strategy, İş Enerji is aligned with the İşbank Group's commitment to achieve net-zero emissions by 2050.

Since its establishment, İş Enerji has continued to expand its project development and construction activities both in Türkiye and internationally through its subsidiaries. With an installed capacity of approximately 1,650 MW, the company seeks to contribute to reducing Türkiye's reliance on imported energy while supporting the country's energy transition through environmentally responsible and efficient investments. İş Enerji's ambition is to become one of Türkiye's leading energy producers while delivering long-term sustainable value.

Türkiye's transition towards a lower-carbon economy is supported by the National Energy Plan, which outlines the transformation of the energy sector through 2035 in support of the country's 2053 net-zero target, including a significant expansion of renewable energy capacity. At the same time, the EU Carbon Border Adjustment Mechanism, which entered its definitive phase in January 2026, is increasing the focus on decarbonization across carbon-intensive sectors with exposure to European markets. Against this backdrop, companies such as İş Enerji play an important role in mobilizing capital towards renewable energy, energy efficiency and other investments that support Türkiye's green transition.

As part of its mission, İş Enerji seeks to support the transformation of the İşbank Group's energy footprint while acting as a leading participant in Türkiye's evolving energy sector. Through its investments, the company aims to contribute both to the Group's sustainability objectives and to the broader transition towards a green economy.



Green Energy Transition

Completion of green energy transition of İşbank Group.



Centralized Management of İşbank Group's Electricity Generation Portfolio

Transitioning the İşbank Group's role in the energy sector from that of a financial investor to a strategic investor and managing its institutional knowledge under a single enterprise.

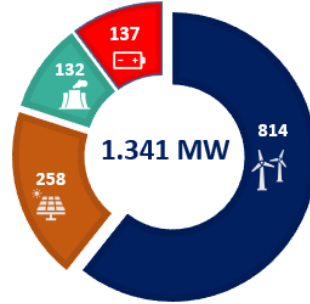


To Become a Strategic Investor in the Energy Sector

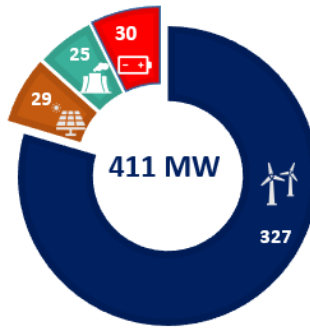
Strengthening the strategic investor position by investing in renewable energy and innovative startups.

1.2. Geographical Footprint

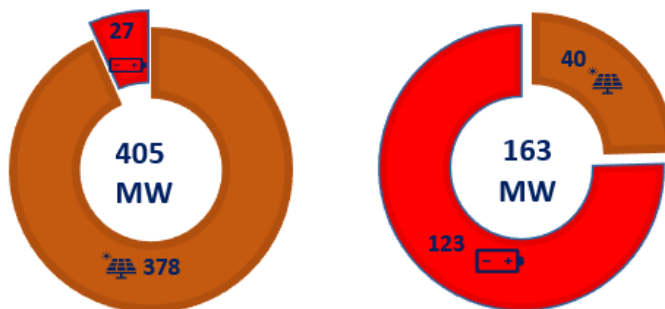
İş Enerji's portfolio can be viewed across three complementary dimensions: operational scale, visible growth and international expansion. In Türkiye, the company operates a diversified 1,341 MW portfolio across 22 cities, anchored by wind and supported by solar, geothermal and battery assets.



A further 411 MW of ongoing and planned investments strengthens this domestic platform, with wind remaining the primary growth driver alongside selective solar, geothermal and storage capacity.



In Hungary, İş Enerji has established a focused solar and battery-storage platform comprising 405 MW of operational capacity and 163 MW under development.



Together, these assets form a coherent growth framework: a scaled Turkish operating base, a defined domestic pipeline and an expanding international renewables platform.

1.3. Sustainability Governance At İş Enerji

Sustainability initiatives at İş Enerji are overseen by the Sustainability Committee ("Committee") and the Committee provides strategic direction for the company's sustainability initiatives.

Sustainability Department coordinates the implementation of sustainability activities. İŞ Enerji's Sustainability Management System is structured around defined processes and responsibilities and is subject to regular audits, the results of which are reported to senior management. Sustainability action plans are incorporated into İŞ Enerji's business program and strategic plans are regularly monitored.

Building on this sustainability governance structure, the Environmental and Social Management System ("ESMS") provides the overarching framework for İŞ Enerji's ESG vision, core principles and institutional accountabilities.

Key elements include:

- A formal Environmental and Social Policy Statement, approved by board of directors, which articulates İŞ Enerji's commitment to sustainable development, human rights, biodiversity preservation, and inclusive growth.
- Roles and Responsibilities: Defined at both corporate and project levels, including the Sustainability Committee, Sustainability Department and external advisors were needed.
- Internal Escalation Protocols: Guidelines for incident reporting, whistleblower protection, and the authority to escalate unresolved risks to the highest governance body.
- Code of Ethics & ESG Policy Framework: Aligned with the OECD Guidelines for Multinational Enterprises and integrating anti-corruption, gender equity, and worker protection commitments.

This component ensures institutional leadership and internal coherence, serving as the anchor for all downstream ESMS actions.

2. İŞ Enerji Green Finance Framework

İŞ Enerji has established a Green Finance Framework (hereinafter "Framework") to be able to issue Green Finance Instruments to better align its financing needs with its sustainability strategy. The establishment of this Framework supports accountability and commitments with regards to İŞ Enerji's sustainability strategy, as it provides additional transparency around the financing and/or refinancing of projects which enable the transition to a low-carbon economy.

İŞ Enerji believes Green Finance Instruments are an effective tool to channel investments towards eligible green projects that demonstrate environmental benefits and thereby contribute to the objectives of the Paris Climate Agreement and the UN Sustainable Development Goals.

İŞ Enerji is committed to promoting sustainable business activities in the industry and regions where the company operates.

İŞ Enerji has established this Framework under which the company or any of its subsidiaries (hereinafter "İŞ Enerji") can issue Green Finance Instruments, which may include bonds, sukuk, private placements and loans in any currency and/or denomination to finance and/or refinance Eligible Green Projects a positive environmental impact.

The Framework is based on the:

- International Capital Market Association ("ICMA") Green Bond Principles 2025¹

¹ See <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

- Loan Market Association ("LMA"), Asia Pacific Loan Market Association ("APLMA") and Loan Syndications and Trade Association ("LSTA") Green Loan Principles 2025²

In accordance with these principles and guidelines, this Framework is structured around the following core components:

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

İş Enerji may review and update this Framework, from time to time, to reflect changes in its business strategy, technological developments, regulatory changes and/or changes to market standards and expectations.

Any update of this Framework may not apply to Green Finance Instruments issued under previous versions of the Framework.

Material updates to this Framework may be subject to review by an external provider of a Second Party Opinion or another qualified reviewer. Any updated version of the Framework will be published on the company's website and will replace the previous version of the Framework.

2.1. Use of Proceeds

An amount equivalent to the (net) proceeds from Green Finance Instruments issued by İş Enerji will be used to finance and/or refinance Eligible Green Projects which comply with the Eligibility Criteria set out below.

The Eligible Green Projects may include current value of fixed assets ("Assets"), Capital Expenditures ("CapEx"), Operational Expenditures ("OpEx"), investments³, or a combination thereof which comply with the Eligibility Criteria set out below. Assets shall qualify for refinancing with no limitation with regards to look-back period, while CapEx and OpEx qualify with a maximum three-year look back period.

Any Eligible Green Projects which are financed and/or refinanced by other entities (i.e., multilateral development banks) under green labels are excluded to avoid double counting of the related environmental impacts.

In alignment with İş Enerji's broader sustainability strategy and in support of the UN SDG, the Eligibility Criteria contemplated under this Framework may directly contribute to the achievement of the UN SDGs and EU Environmental Objectives.

² See <https://www.lma.eu.com/sustainable-lending/resources>

³ Investments include investments in joint ventures, majority or minority stakes in pureplay companies generating at least 90% of revenues from activities outlined in the Eligibility Criteria of the Framework.

Eligible Category	Eligibility Criteria	Contribution to UN SDGs	EU Economic Activity
Renewable Energy	Assets, CapEx and/or OpEx for the development, construction, installation, operation and maintenance of facilities: • Solar Power: Photovoltaic plants, concentrated solar power • Wind Power: Onshore projects, offshore projects • Geothermal Power: With life cycle emissions of less than 100g CO2e/kWh • Storage: Facilities that store electricity and return it at a later time in the form of electricity	  	• 4.1 Electricity generation using solar photovoltaic technology • 4.2 Electricity generation using concentrated solar power (CSP) technology • 4.3 Electricity generation from wind power • 4.6 Electricity generation from geothermal energy • 4.10 Storage of electricity

For the avoidance of doubt, Green Finance Instruments will not be used to finance and/or refinance Eligible Green Projects directly associated to:

- exploration, mining, extraction, distribution and/or refining of fossil fuels
- cultivation and/or production of tobacco
- manufacturing of weapons, including controversial weapons⁴
- gambling
- production of alcoholic beverages
- landfill expenditures
- mining

2.2. Process for Project Evaluation and Selection

İş Enerji has established a decision-making process to determine the eligibility of the Eligible Green Projects, in accordance with the Eligibility Criteria outlined in the Use of Proceeds section of this Framework.

Eligible Green Projects will be selected by a dedicated Sustainability Committee set up within İş Enerji. The Sustainability Committee is headed by the CEO and formed by members of Deputy CEOs, Strategic Planning and Business Development Director, Finance Director and highest member of Sustainability Department. The Sustainability Committee functions as a technical and strategic advisory body. It is mandated to:

⁴ Controversial weapons refer to the list of controversial weapons provided in indicator 14 of Table 1 of Annex I of Commission Delegated Regulation (EU) 2022/1288, namely “anti-personnel mines, cluster munitions, chemical weapons and biological weapons”

- Supervise the Sustainability Department and ensure implementation of ESG KPIs across corporate and project levels;
- Track progress toward the net-zero roadmap, including emission reduction milestones and renewable energy integration;
- Review and propose updates to the Environmental, Social, and Governance Policy, ensuring ongoing alignment with:
 - The Paris Agreement,
 - UN Sustainable Development Goals (SDGs),
 - Lender-specific requirements (e.g., EBRD, IFC, and Equator Principles IV).

It also facilitates cross-departmental coordination on ESG matters and chairs biannual performance reviews involving project managers, compliance officers, and external consultants.

Further to the above, the Sustainability Committee is responsible for:

- Evaluating and selecting Eligible Green Projects in line with the Eligibility Criteria, and excluding projects that no longer comply with the Eligibility Criteria or have been disposed of and, when required, replacing them;
- Reviewing the content of İş Enerji's Green Finance Framework and updating it to reflect any potential changes related to the use of proceeds, the selection of Eligible Green Projects, the management of proceeds or reporting, and more broadly to reflect any changes in corporate strategy, technology, market, and regulatory developments;
- Initiating the update of external documents such as the Second Party Opinion, and related documents from external consultants and accountants;
- Overseeing, approving and publishing the allocation and impact reporting, including external assurance statements. İş Enerji may rely on external consultants and their data sources, in addition to its own assessment;
- Monitoring internal processes to identify known material risks of negative social and/or environmental impacts associated with the Eligible Green Projects and appropriate mitigation measures, where possible;
- Liaising with relevant business teams and other stakeholders on the above.

İş Enerji complies with all applicable environmental and social laws and regulations. Furthermore, İş Enerji's environmental and social risk policies define minimum standards for all its activities, including those financed with the proceeds of Green Finance Instruments issued under this Framework. Application of these policies shall support the monitoring and management of perceived environmental and social risks associated with the Eligible Green Projects. The relevant policies are listed below⁵:

- Sustainability Policy
- Environmental and Social Impacts Policy
- Workers and Human Rights Policy
- Anti-Bribery and Anti-Corruption Policy
- Gender Equality Policy
- Occupational Health and Safety Policy
- Supplier Management Principles

2.3. Management of Proceeds

⁵ See <https://www.isenerji.com.tr/en/>

An amount equivalent to the (net) proceeds from Green Finance Instruments will be managed, tracked, and monitored in an appropriate manner.

İş Enerji shall allocate proceeds to Eligible Green Projects, selected in accordance with the Eligibility Criteria and the Process for Project Evaluation and Selection presented above, within 36 months following the time of issuance of each Green Finance Instrument. Pending full allocation, unallocated (net) proceeds will be managed temporarily in accordance with İş Enerji's treasury principles (in cash, deposits, or other money market instruments), for the repayment of other indebtedness and/or other capital management activities, at the company's own discretion.

If for any reason, an Eligible Green Project is no longer eligible during the allocation period, or in case of any major controversy affecting a project (at the company's own evaluation), the Sustainability Committee will substitute it with another Eligible Green Project for an amount at least equivalent, as soon as an appropriate substitution option has been identified.

2.4. Reporting

İş Enerji will make and keep readily available reporting on the allocation and impact of proceeds from Green Finance Instruments to the Eligible Green Projects annually and at least until full allocation (or until maturity).

The reporting will be based at least on an aggregated category level and will be made publicly available on İş Enerji's website.

İş Enerji will take into consideration the ICMA Handbook – Harmonized Framework for Impact Reporting⁶ during the reporting process.

2.4.1. Allocation Reporting

The allocation reporting will include the following information:

- the total amount of outstanding Green Finance Instruments issued under the Framework
- the total amount of proceeds allocated to Eligible Green Projects
- the share of new financing⁷ and refinancing
- the balance of any unallocated proceeds
- the geographical distribution of Eligible Green Projects, where relevant and feasible

2.4.2. Impact Reporting

The impact report may include the following metrics:

Eligible Category	Potential impact indicators
Renewable Energy	• Estimated annual GHG emissions reduced/avoided (in tons of CO2 equivalent) • Expected annual renewable energy generation (MWh)

⁶ See <https://www.icmagroup.org/sustainable-finance/impact-reporting/green-projects/>

⁷ New financing refers to Eligible Green Projects financed from the year of issuance of each Green Finance Instrument onwards

İş Enerji may appoint specialized consultants to develop a methodology for the estimation and calculation of the impacts that were made publicly available.

2.5. External Review

2.5.1. Second Party Opinion (Pre-Issuance)

İş Enerji has obtained an independent Second Party Opinion from Sustainable Fitch to assess the alignment of the framework with the ICMA Green Bond Principles 2025 and the LMA/APLMA/LSTA Green Loan Principles 2025.

The independent Second Party Opinion will be published on İş Enerji's website.

2.5.2. Verification (Post-Issuance)

İş Enerji may request annually until full allocation (or until maturity), a limited (reasonable) assurance report on the allocation of an amount equivalent to (net) proceeds from each Green Finance Instrument to the Eligible Green Projects, provided by an external auditor.

3. Disclaimer

This Green Finance Framework may include forward-looking statements based on current management assumptions and predictions, as well as other information currently available to İş Enerji and its subsidiaries. Various risks, uncertainties, and other factors may result in significant differences between the company's actual future results, financial status, development, or performance and the estimates provided here. Except as required by law, İş Enerji and its subsidiaries do not plan to update or adjust any forward-looking statements to future events or developments and accept no duty for doing so. This Green Finance Framework is intended only for informative reasons.