

# **TURK VENTURES ADVISORY LIMITED**

## **Operating Principles for Impact Management**

**April 2026**

### **Disclosure Statement**

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# Disclosure Statement

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# Turk Ventures Advisory Limited

30 April 2026

## RE: Disclosure Statement – Operating Principles for Impact Management

The Disclosure Statement affirms Turk Ventures Advisory Limited's (the "**Signatory**" or "**Turkven**") status as Signatory to the Operating Principles for Impact Management (the "**Impact Principles**").

The \$ value of the total assets under management in alignment with the Impact Principles is equal to \$200m, which is the total size of the Turkish Growth Fund ("TGF") IV LP.

For and on behalf of Turk Ventures Advisory Limited



Neil Harper  
*Chairman*

# Principle 1

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## **Define strategic impact objective(s), consistent with the investment strategy**

*The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.*

Turkven, founded in 2000, is the leading private equity firm in Turkey. The Turkven team is made of investment professionals with unique insights and experiences through dedicated and result-oriented portfolio management. Turkven has a culture of company-building through hands on portfolio management and has consistently partnered with leading firms across industries and have invested over USD 5 billion in 30 companies since 2000.

Strategic impact objectives which are in line with IFC's Performance Standards and Evaluation Guidelines are outlined in Turkven's Limited Partnership Agreements and annually reviewed and reported to its Limited Partners to ensure the portfolio's compliance and progress.

Social & Environmental Annual Monitoring Reports (AMP's) are completed and supplied by each portfolio company of the Turkven portfolio annually to allow Turkven to monitor the adherence to the impact objectives routinely. Each portfolio company has a Social Environmental Management Officer appointed who is ultimately responsible for the Social & Environmental impacts.

Turkven, in its previous funds, has been pursuing investments that impact the lives of Turkish citizens from both a financial inclusion as well as job growth perspectives, guided by SDG #8 and #5. Investments in the past have created jobs for women and underprivileged populations. In addition, improving corporate governance practices across its portfolio has been the other key impact goal of Turkven in line with SDG #16. The current Turkish Growth Fund IV will continue to adhere to the above impact goals and strive to include additional ones.

Turkven makes formal commitments relating to ESG integration in fund formation contracts, Limited Partnership Agreements, or on side letters when requested by investors.

Turkven implements the same rigor and reporting standards for impact in its TGF IV Fund and selected the following UN SDGs to contribute as active portfolio owners: SDG #5 (Gender Equality), SDG #8 (Decent Work and Economic Growth), SDG #13 (Climate Action) and SDG #16 (Peace, Justice and Strong Institutions). Turkven's goal is to drive job creation, promote increasing participation of women in workforce, increase climate awareness, provide tools and resources to report and reduce GHG emissions, and strengthen corporate governance among our portfolio companies.

# Principle 2

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## Manage strategic impact on a portfolio basis

*The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.*

Turkven ensures strong Environmental, Social and Governance (ESG) performance as a key part of its ongoing business management.

Turkven tracks and manages key ESG objectives throughout the lifecycle of their investments through a Social & Environmental Management System (SEMS). It is an integral tool for Turkven to measure and monitor ESG performance on a portfolio basis via a portfolio-wide common set of impact and ESG KPIs as well as tailor-made company specific KPIs.

Turkven, through its Turkish Growth Fund IV, aims to achieve impact on a portfolio company level through its team's hands on involvement with the management. Turkven will track portfolio company progress across these dimensions throughout the investment period, as well as on an annual basis.

Turkven has an ESG Policy in place which describes its approach to identifying and managing ESG factors within the investment and portfolio management processes. The Signatory continually endeavours to ensure effective social & environmental management practices in all its activities. Turkven prepares Annual Monitoring Reports ("AMP") together with portfolio companies, and in the process evaluates them against national regulatory standards, IFC performance standards, and their internal policies.

Turkven requires its portfolio companies to adhere to the relevant Corporate Governance Codes.

In addition to ESG matters, in its TGF IV Fund, Turkven aims to replicate the same rigor on impact and the impact that its investments will create.

As best practices emerge, aligning incentives with impact may also be considered.

# Principle 3

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## **Establish the Manager's contribution to the achievement of impact**

*The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial and/or non-financial channels. The narrative should be stated in clear terms and supported, as much as possible, by evidence.*

Turkven's investment strategy has a systematic process to assess and quantify its expected contribution to investments in the due diligence phase.

The firm collects performance indicators from its portfolio regularly to assess its investor contribution in each investment opportunity from the perspective of impact.

Annual Monitoring Reports are prepared and reviewed annually to highlight contribution opportunities for key positive impact outcomes.

Additionally, Turkven will gather data and present case studies to review its contribution to its investments. These can range from corporate governance to value creation initiatives.

The current Turkish Growth Fund IV portfolio employs over 6,760 people contributing to job creation with 18% net new hires in 2025. 36% of portfolio company employees are female (vs. Turkey average of 32%)<sup>1</sup>. Of the 78 top executives in the portfolio, 28% are women (vs. Turkey average of 4%)<sup>2</sup>. 56% of TGF IV portfolio companies have at least one female board member.

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<sup>1</sup> Turkstat data as of December 2025

<sup>2</sup> EBRD WFID Partnership Gender Data Diagnostics

# Principle 4

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## **Assess the expected impact of each investment, based on a systematic approach**

*For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact<sup>1</sup> potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact? The Manager shall also seek to assess the likelihood of achieving the investment's expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations. In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.*

Turkven will utilize generally accepted metrics and frameworks to quantify the dimensions of impact each investment will create.

Turkven's goal is to make sure that investments in Turkish Growth Fund IV will address at least one of the 17 United Nations Sustainability Developmental Goals (SDGs) and to track progress through specific indicators identified in line with the UN SDGs framework. (1. No Poverty, 2. Zero Hunger, 3. Good Health and Well-being, 4. Quality Education, 5. Gender Equality, 6. Clean Water and Sanitation, 7. Affordable and Clean Energy, 8. Decent Work and Economic Growth, 9. Industry, Innovation and Infrastructure, 10. Reduced Inequality, 11. Sustainable Cities and Communities, 12. Responsible Consumption and Production, 13. Climate Action, 14. Life Below Water, 15. Life on Land, 16. Peace and Justice Strong Institutions, and 17. Partnerships to achieve the Goal.)

Turkey Growth Fund IV has become a signatory of UNPRI as of April 2022. UNPRI- The Principles for Responsible Investment- were developed by an international group of institutional investors reflecting the increasing relevance of environmental, social, and corporate governance issues to investment practices. The process was convened by the United Nations Secretary-General. In signing UNPRI, we publicly commit to adopt and implement the following principles, where consistent with our fiduciary responsibilities:

Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 5: We will work together to enhance our effectiveness in implementing the Principles.

Principle 6: We will each report on our activities and progress towards implementing the Principles.

We believe this will improve our ability to meet commitments to beneficiaries as well as better align our investment activities with the broader interests of society. As part of this initiative, we prepared our Responsible Investment Policy.

# Principle 5

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## **Assess, address, monitor, and manage potential negative impacts of each investment**

*For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG)<sup>2</sup> risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice<sup>3</sup>. As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.*

Turkven's funds are aligned with the IFC's Performance Standards and Evaluation Guidelines and has an overall approach to integrating ESG issues into their investment decisions. This is the case for Turkish Growth Fund IV.

Turkven negotiates responsible investment standards into the legal documentation where possible and monitors its investments on an ongoing basis to ensure that any potential ESG or reputational issues are quickly identified and properly managed.

Turkven identifies and manages material ESG-related risk and uses ESG factors to create value.

Projects can be rejected due to the materiality of ESG factors raised in the Due Diligence ("DD"). For all projects, a site visit is conducted by the investment team to understand the operations and risks inherent in the business. In addition, international sector experts from developed regions are engaged to conduct peer and ESG-trends analysis which helps identify material ESG topics inherent to the specific sectors and conduct a gap analysis. Then a separate technically qualified environmental due diligence team visits the sites to prepare an E&S DD report. Depending on the results of DD and the materiality of the ESG risks, the project is either rejected as mentioned above or action plans are prepared to address the ESG issues. The ESG DD results are presented, discussed, and documented during the investment committee meetings. The ESG Action Plan is prepared and agreed with the management of the portfolio company, as part of the ESG DD process. Turkven can decide to walk away from the project if the risks identified in the due diligence cannot be mitigated.<sup>3</sup>

Please kindly contact [esg@turkven.com](mailto:esg@turkven.com) to request a copy of our annual ESG reports.

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<sup>3</sup> No rejection of any project based on ESG materiality was observed during the period.

# Principle 6

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## **Monitor the progress of each investment in achieving impact against expectations and respond appropriately**

*The Manager shall use the results framework (referenced in Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action<sup>4</sup>. The Manager shall also seek to use the results framework to capture investment outcomes<sup>5</sup>.*

Portfolio companies are monitored by the Investment and Portfolio Committees in conjunction with the Deal Team during the investment holding period.

All portfolio companies have policies regarding compliance with environmental, health and safety regulations. Both internal teams at companies and portfolio teams of each company at Turkven regularly check companies for compliance with these regulations based on policies of each company. The companies have internal audit departments which report directly to the Board. The follow up of ESG incidents is a key responsibility of this function. The ESG KPIs are regularly measured by the portfolio companies and are reported to the Board. Material ESG issues, if any, are discussed and addressed at the Board Meetings. Having a regular monitoring and reporting in place helps the exit process with regards to ESG considerations. Social & Environmental Annual Monitoring Reports are produced for portfolio companies.

Turkven collects and monitors data from the portfolio companies via a number of means:

- Regular dialogue with the management team of portfolio companies;
- Regular site visits; and
- Influence through board positions held.

In addition to the above, Turkven receives and reviews on an annual basis AMPs from the portfolio companies to monitor the performance on environmental and social issues against the Performance Standards and Evaluation Guidelines set out by IFC.

Turkven also monitors and records each investment's expected versus planned impact throughout the holding period on an annual basis with Turkish Growth Fund IV. The team at Turkven works closely with the management to achieve the planned impact, like it has worked in previous funds on ESG matters.

Going forward in Turkish Growth Fund IV, Turkven will use a similar approach in monitoring the impact against expectations as it does in its previous funds for ESG matters.

# Principle 7

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## **Conduct exits considering the effect on sustained impact**

*When conducting an exit<sup>6</sup>, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.*

Turkven has a company-building investment thesis that promotes long-lasting positive impact outcomes. The deal team considers the long-term sustainability impact outcomes as part of the due diligence process to ensure the longevity of impacts is not affected by the sale of the investment.

When reviewing and assessing the exit options, the Investment Committee will review the impact risk assessment before divesting an asset from Turkish Growth Fund IV.

## Principle 8

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### **Review, document, and improve decisions and processes based on the achievement of impact and lessons learned**

*The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.*

Turkven reviews the performance of each portfolio company on an annual basis to assess the adherence to the ESG standards. Additionally, Turkven appoints a Social and Environmental Officer to the Turkven funds to monitor and oversee the analysis of the portfolio companies.

Any improvements and decisions are documented annually in the Environmental Action Plan of the AMPs and Turkven's Social and Environmental Due Diligence Report.

This principle is implemented in the internal documentation of Turkven and processes. For Turkish Growth Fund IV, Turkven will collect and review impact of each investment like the review, documentation rigour it has been applying to its ESG standards. The impact KPIs will be reviewed annually and reported to its investors in the ESG reports.

# Principle 9

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## **Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment<sup>7</sup>**

*The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Impact Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.*

This Disclosure Statement reaffirms the alignment of Turkven's policies and procedures with the Impact Principles and will be updated on an annual basis and posted on the Turkven's website ([www.turkven.com](http://www.turkven.com)).

Turkven will work with an outside party, who will review the impact reporting and Turkven's abidance to the Impact Principles. This outside party will be chosen among either a third-party firm or an independent verification committee.

The first review has been undertaken following 2023 outcomes by PriceWaterhouseCoopers ("PwC"), based in Kılıçali Paşa Mah. Meclis-i Mebusan Cad. No:8 İç Kapı No:301 Beyoğlu/İstanbul, who verified TGF IV's Disclosure Statement. PwC is a global firm providing independent audit, consulting, and tax services. The verification team included professionals trained in sustainability reporting and assurance, in line with international standards such as ISAE 3000. PwC has provided limited assurance services to multiple funds in Türkiye, in accordance with ISAE 3000 (Revised) and ISAE 3410. You may access the Limited Assurance Report from Turkven's website via this [link](#).

The second planned review will take place within the 36 months of the first review.

1 - Impact is considered the material effect(s) on people and the environment resulting from the investment, as outlined in Principle 1. Impacts assessed under Principle 4 may also include positive ESG effects derived from the investment.

2 - The application of good ESG management will potentially have positive impacts that may or may not be the principal targeted impacts of the Manager. Positive impacts resulting from ESG matters shall be measured and managed alongside with, or directly embedded in, the impact management system referenced in Principles 4 & 6.

3 - Examples of good international industry practice include: IFC's Performance Standards ([www.ifc.org/performancestandards](http://www.ifc.org/performancestandards)); IFC's Corporate Governance Methodology ([www.ifc.org/cgmethodology](http://www.ifc.org/cgmethodology)), the United Nations Guiding Principles for Business and Human Rights ([www.unglobalcompact.org/library/2](http://www.unglobalcompact.org/library/2)); and the OECD Guidelines for Multinational Enterprises (<http://mneguidelines.oecd.org/themes/human-rights.htm>).

4 - Actions could include active engagement with the investee; early divestment; adjusting indicators / expectations due to significant, unforeseen, and changing circumstances; or other appropriate measures to improve the portfolio's expected impact performance.

5 - Outcomes are the short-term and medium-term effects of an investment's outputs, while the outputs are the products, capital goods, and services resulting from the investment. Adopted from OECD-DAC ([www.oecd.org/dac/](http://www.oecd.org/dac/)).

6 - This may include debt, equity, or bond sales, and excludes self-liquidating or maturing instruments.

7 - The independent verification may be conducted in different ways, i.e., as part of a financial audit, by an independent internal impact assessment committee, or through a portfolio / fund performance evaluation. The frequency and complexity of the verification process should consider its cost, relative to the size of the fund or institution concerned, and appropriate confidentiality.