

CENTRAL FINANCE AND CONTRACTS UNIT

INSTITUTIONAL SUSTAINABILITY POLICY

INTRODUCTION

The concept of “sustainability”, which can be defined as continuing without interruption and maintaining the ability to be permanent, is based on the broader concept of ‘sustainable development’. Although the concept of sustainable development in response to a growing awareness of the depletion of natural resources was first used in the early 17th century, it became the centre of attention worldwide towards the end of the 20th century and became a global implementation plan with international agreements signed.

Adopted at the UN Sustainable Development Summit in September 2015, the “Transforming our world: 2030 Agenda for Sustainable Development” plan constitutes the agenda of sustainable development all over the world today. Within the framework of this plan, by 2030 17 “Sustainable Development Goals (SDGs)” and 169 sustainable development targets were adopted by UN member states and entered into force in January 2016.

These goals focus on solving social, cultural and ecological problems such as ending hunger and poverty, combating climate change and environmental pollution, accessing clean energy, promoting responsible production and consumption all over the world and are included in the national sectoral action plans of countries and international overarching strategies.

Therefore, sustainability becomes an important goal for all institutions that create an economic order and have positive or negative impacts on key stakeholders and the ecological environment within a life cycle. Under these conditions, it is an inevitable fact that all structures considered within the concept of “institution” have a responsibility to be sustainable.

In this sense, institutional sustainability is the consideration of environmental and social factors as well as economic factors in the activities and decisions of organisations together with institutional governance principles, and the effective management of risks related to these factors.

The Central Finance and Contracts Unit (CFCU; ‘our Unit’) aims to contribute to the sustainable development goal of our country by adopting an institutional sustainability perspective while fulfilling its mission in the best way possible with this responsibility.

Based on this historical perspective, our Unit sees sustainability not only as a responsibility but also as an opportunity. In line with one of our strategic objectives, “Developing institutional capacity for sustainable, impact-oriented and efficient public project management”, and under this objective, “Target 4.13: To establish ourselves as a preeminent public sector institution in sustainability, institutional knowledge and capabilities are to be built in environmental, social and governance (ESG) domains”, we strive to increase our long-term success while reducing our environmental impact by integrating sustainability into all our activities.

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The sustainability vision of the Unit can be summarised as being a *pioneering institution that adds value in the effective and efficient use of national and international funds with a transparent and accountable public administration model in line with sustainable development goals*. In line with this vision, we will work within the framework of the following basic principles:

Environmental Sustainability: To minimise our environmental impact by protecting our natural resources, effective waste management and energy conservation.

Social Sustainability: To contribute to achieving a higher standard of living by supporting social responsibility projects with equitable and fair labour policies that will increase the peace and welfare of our employees and the society we serve.

Sustainability in Governance: To be an innovative, reliable and reputable institution within the framework of transparency, accountability and ethical principles.

As the first Implementation Unit accredited by the EU for the management of Pre-Accession Financial Cooperation funds in Turkey, our Unit plans its activities in line with the global Sustainable Development Goals (SDGs) and implements projects that will make concrete contributions to these goals. As a leading institution in its sector with more than 20 years of experience in the management of international strategic public cooperation projects, CFCU has an internationally certified and experienced team of experts in project management, certified institutional sustainability experts and an active Sustainability Committee.

This policy document has been prepared in order to institutionalise CFCU's practices in this field, which has contributed to the achievement of sustainable development goals with the public value it has provided since its establishment. The policy will be implemented in co-operation with our employees, suppliers, funders, beneficiaries and contractors, local community and all other stakeholders by setting concrete targets for environmental, social and governance sustainability and developing strategies to achieve these targets.

This policy, which adopts innovative approaches that will enable us to assume a pioneering role in the field of sustainability in international public project management, focuses on the contributions that our organisation can make in achieving our country's global sustainability goals.

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A. PURPOSE

With this policy, CFCU reiterates its commitment to environmental, social and governance sustainability and aims to adopt sustainability principles in all stages of its activities. This policy aims to ensure that CFCU contributes to a sustainable future and creates value together with all its stakeholders.

B. SCOPE

This policy sets out the principles of environmental, social and governance sustainability covering all activities of the CFCU. The strategies and targets to be implemented in line with these principles will contribute to the achievement of the CFCU's sustainable development goals.

C. PRINCIPLES AND PRACTICES

Sustainability principles are grouped under five main headings below, and the general outlines of the Unit's approach for each heading are specified.

1. TRANSPARENCY AND ACCOUNTABILITY

a. Open Reporting

Annual sustainability reports will be prepared, presenting detailed environmental, social, and governance performance indicators, and shared with all stakeholders.

b. Data Sharing

The integration of sustainability-related data shared with stakeholders within open data platforms, within the framework of security protocols, will be evaluated.

c. Stakeholder Relations

Regular stakeholder meetings will be held to gather feedback and develop joint projects.

2. SUSTAINABLE FINANCING

a. Green Investments

The Unit supports and takes part in the management of renewable energy projects, energy efficiency practices, sustainable transport, environment and climate change related projects, particularly in the energy sector for which it is responsible, and monitors developments in this field before international funders, particularly the EU, through the Sustainability Committee.

b. Sustainable Supply Chain

The Unit takes care to work with sustainable and local production companies in its purchases and is open to collaborations to create a sustainable supply chain. In this context, the Unit may request reports on the sustainability performance of suppliers and maintain continuous open communication with its employees.

c. Green Financial Instruments

Opportunities to participate in projects and programs that utilize national and international green-themed financial instruments will be evaluated.

3. ENVIRONMENTAL PROTECTION

a. Carbon Footprint Reduction

Targets will be set to reduce the carbon footprint, and energy efficiency projects will be developed, transitioning to renewable energy sources, and optimising business travel.

b. Water Management

Necessary measures will be taken to reduce water consumption and make improvements.

c. Waste Management

Encourages waste management practices such as recycling and reuse to reduce the amount of waste in line with zero waste targets.

d. Biodiversity Conservation

Measures will be taken to minimize the negative impacts of activities on biodiversity.

4. SOCIAL JUSTICE

a. Employee Satisfaction

Efforts will be made in the areas of employee health and safety, training, and development opportunities. Online platforms are created to receive employee feedback.

b. Social Equality

Diversity and inclusion principles are adopted without compromising a fair and equitable approach in recruitment processes.

c. Social Contribution

Social responsibility projects are implemented on our behalf; awareness-raising trainings are organized on social issues.

5. INNOVATION

a. Idea Management System

There is a platform where employees can develop sustainability ideas. Training and development programs are organized to develop innovative sustainability ideas, and opportunities are provided for employees to develop their creative thinking skills.

b. Open Innovation

New sustainable solutions will be developed in collaboration with universities, research institutions, and other stakeholders.

c. Digital Transformation

Digital tools and platforms will be used for sustainability management.

D. SUSTAINABILITY GOALS

The following targets have been set in line with the sustainability principles in order to guide both the Sustainability Committee of our Unit and the sustainability efforts of the whole organisation:

1. SHORT-TERM GOALS

- Reduce energy consumption and improve energy efficiency.
- Reduce water consumption and conduct regular maintenance to prevent water leaks.
- Reduce waste generation and increase recycling rates.
- Consider sustainability criteria in purchasing processes ,
- Provide sustainability training as part of orientation training for employees.
- Publish a monthly newsletter to keep employees informed about developments in the field of sustainability and to instil the sustainability philosophy.

2. MEDIUM-TERM GOALS

- Develop a roadmap to reduce our carbon footprint.
- Establish a sustainable supply chain.
- Measure employee satisfaction through annual surveys and increase satisfaction rates.
- Participate in community service projects on a regular basis.
- Maintaining the representation of female employees at management levels, which is above the sector average, and supporting the employment of disabled people.
- Prepare regular sustainability reports.

3. LONG-TERM GOALS

- Fully comply with the zero-waste policy by digitising business processes.
- Build knowledge about sustainability indices in the public sector, especially regarding non-financial sustainability reporting. Develop a knowledge and application base with this acquired knowledge and establish strategic partnerships.

E. STRATEGIES

1. SUSTAINABILITY LEADERSHIP

Encourage a sustainability culture in the workplace and the wider community by playing a positive and proactive role in sustainability leadership.

2. RESEARCH AND PARTICIPATION

Support research and increased participation in sustainability. This includes:

a. Sector Monitoring

Follow the latest developments in sustainability and adopt best practices in the sector.

b. Sector Collaborations

Support sustainability projects by collaborating with relevant ministries, universities, and research institutions.

c. Sector Event Participation

Share information by participating in conferences, seminars, and fairs related to the sector.

3. INTEGRATION OF SUSTAINABILITY PRINCIPLES

Ensure that sustainability principles are embedded in the organisation's management and decision-making processes. To this end:

a. Strategic Planning

Integrate the sustainability principles into the organisation's strategic plan.

b. Decision-Making Mechanisms

Evaluate the sustainability impacts of all decisions.

c. Performance Evaluation:

Consider the employees' contributions to sustainability goals in their performance evaluations.

4. MEASURABLE TARGETS

Set specific, measurable, achievable, relevant, and time-bound (SMART) performance indicators for each sustainability goal. Progress is monitored through data collection and analysis systems. Prepare regular sustainability reports to inform stakeholders.

5. SUSTAINABILITY CULTURE

An institutional sustainability culture is created by encouraging the inclusion of staff at all levels in the sustainability process. For this purpose,

a. Training Programmes:

Sustainability trainings are organised for all employees.

b. Communication Channels

Internal communication channels (e.g. intranet, newsletters) are used effectively to share information on sustainability.

c. Appreciation Systems

Employees who contribute to sustainability goals are appreciated and recognised.

6. EFFICIENT USE OF RESOURCES

Ensure the effective and efficient use of the organisation's financial resources in line with sustainable activities.

7. EFFECTIVE SOLUTIONS

Implement effective, long-lasting solutions that integrate the environmental, social, and governance dimensions of sustainability and reflect sustainability impacts in institutional behaviours and policies. To this end, pilot projects are designed to test new sustainability practices; cooperation is established with other institutions, non-governmental organisations and academia; industry best practices are followed; and these practices are adapted and adopted by the Unit.

8. MONITORING AND EVALUATION

Use the organisation's infrastructure most effectively to monitor, evaluate, and continuously improve sustainability activities. Ensure the involvement of the Internal Audit department in the regular auditing of sustainability activities.

F. ROLES AND RESPONSIBILITIES

1. SUSTAINABILITY COMMITTEE

Responsible for the implementation of the policy, setting targets, and monitoring progress. The committee meets regularly, reviews the policy, and updates it according to new developments.

2. ALL PERSONNEL

Obligated to act in accordance with sustainability principles in their respective areas of work. They shall participate in sustainability training and may volunteer for sustainability projects.

3. SENIOR MANAGEMENT

Allocates necessary resources for sustainability efforts, supports the policy, and regularly evaluates sustainability performance.

G. REVIEW AND EVALUATION

This policy is reviewed annually by the Sustainability Committee, and necessary updates are made. Sustainability performance is regularly evaluated based on the defined indicators, and the results are shared with stakeholders. During the review process, feedback from internal and external stakeholders is considered, and the policy is adapted to changing conditions and new developments.

H. EFFECTIVE DATE

This policy enters into force on the date of approval by the CFCU Director.