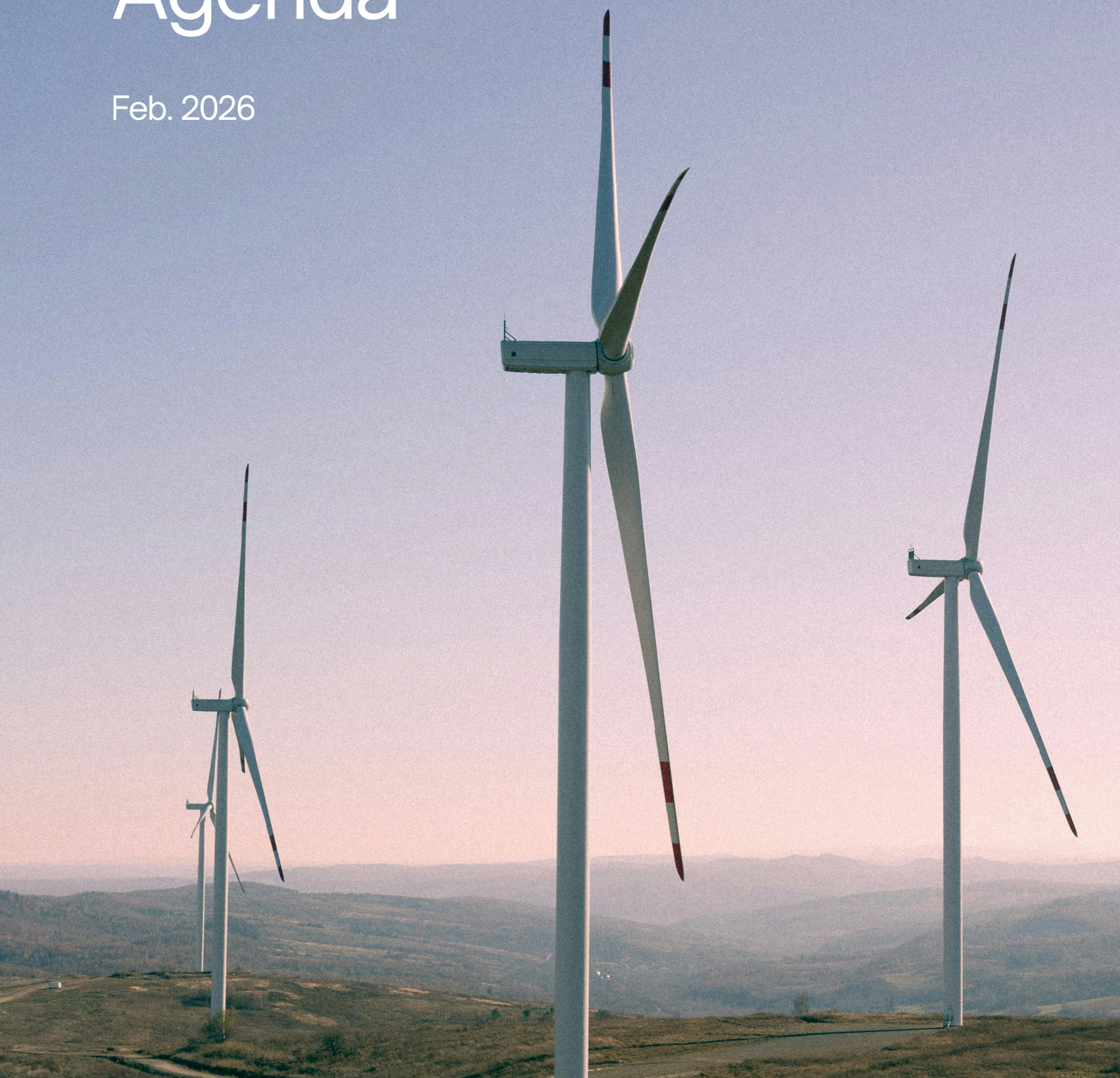


TED University
Sustainable Trade Research Center



Monthly Sustainability Agenda

Feb. 2026



Monthly Sustainability Review

Monthly sustainability news and perspectives


Presented By

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Foreword



Ayça Tekin-Koru

Professor of Economics
Co-Director of TEDUSTRC
Dean of TEDU Graduate School



Nazire Nergiz Dinçer

Professor of Economics
Co-Director of TEDUSTRC
Chair of Economics Department

For me, sTRC has been about framing Türkiye's economic questions within a rapidly shifting global trade and sustainability environment, while remaining firmly grounded in domestic policy realities.

Our work at the center has focused on connecting academic research with public institutions, the private sector, and international organizations, based on the conviction that meaningful policy analysis emerges from sustained interaction across these spheres. sTRC became the institutional space where this multi-actor dialogue could be carried forward.

This first bulletin is intended as a platform to share insights that grow out of this intersection and to make visible the collective conversations we have been part of across academia, policy, and practice. What has defined my engagement with sTRC is the belief that strong analysis is inseparable from how people learn and grow as researchers. From the outset, I have seen the center as a space where empirical rigor, careful methodology, and data work go hand in hand with mentoring and collective learning.

Much of what we do at sTRC involves working closely with students. We help them navigate research questions, develop analytical confidence, and understand how academic work connects to real policy challenges. Over time, this has created an environment where students do not simply assist in projects, but actively shape research agendas and develop a sense of ownership over their work.

This bulletin reflects that shared process of learning, producing, and thinking together. ■

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This foundation has shaped the way we approach research at sTRC, encouraging a culture in which ideas evolve through open discussion, shared exploration, and the willingness to engage with diverse perspectives. It is this environment that enables the center to address complex questions emerging within the interconnected fields of trade, sustainability, and economic policy.

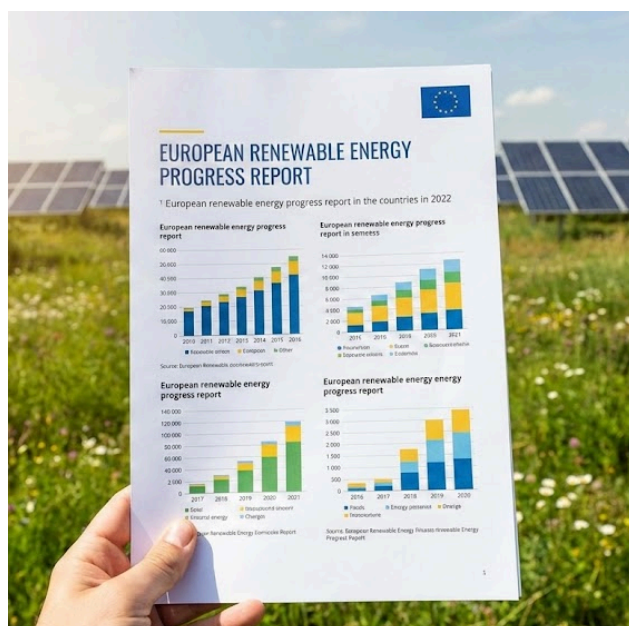
A significant part of this work has taken place alongside students. We support them in navigating research questions, building analytical confidence, and understanding how academic inquiry connects with real policy challenges.

Over time, this has created an atmosphere in which students do not simply assist in projects but actively influence their direction, bringing new insights and developing a sense of ownership that strengthens our collective output. The experience has also deepened our commitment to fostering research capacity through collaboration and continuous learning. This bulletin reflects that ongoing process of learning, producing, and thinking together, and highlights the shared conversations that have become central to the identity of sTRC. ■



EU recalibrates sustainability reporting and due diligence

The European Parliament has approved a provisional agreement to simplify and reduce the scope of sustainability reporting and due diligence obligations for companies as part of the EU's Omnibus I simplification package. Under the revised rules, only companies with more than 1,000 employees and a net annual turnover of more than €450 million will have to do mandatory sustainability reporting, and due diligence obligations only apply to very large companies with more than 5,000 employees and a turnover of €1.5 billion. The rules will take effect from 26 July 2029, and a "transition plan" linking business models to sustainability goals is no longer required. The changes aim to reduce administrative burden while keeping key sustainability goals in mind, with enforcement and liability controlled at national level and fines capped at up to 3% of global turnover.



Microsoft agrees record purchase of soil carbon credits

Microsoft agreed to buy 2.85 million U.S. soil carbon credits from Indigo Carbon over 12 years, which can be considered as a record-sized soil-carbon deal. Pricing is likely \$60-\$80/ton, implying roughly \$171-\$228 million. The credits gets caused from regenerative farming practices such as reduced tilling, cover crops, managed grazing and support Microsoft's goal to be carbon negative by 2030, which is highlighting rising corporate demand for soil-based carbon removal.



EU-India Free Trade Agreement: “Mother of All Deals”



In a landmark economic shift, India and the European Union have officially finalized a pact described by leaders as the "mother of all deals," creating the world's largest free trade zone. Covering nearly 25% of the global GDP and impacting two billion people, this agreement is designed to double trade figures by 2032. It builds on an already massive economic relationship that currently sees €180 billion in annual trade and supports nearly 800,000 European jobs. European Commission President Ursula von der Leyen highlighted the deal as a cornerstone of a "new Europe" strategy, prioritizing partnerships with global growth centers to counter a fractured geopolitical landscape. The agreement delivers sweeping economic changes by slashing tariffs on the vast majority of goods. India has committed to reducing duties on 96.6% of EU exports, a move that includes a drastic cut in automobile tariffs from 110% to 10%, allowing European carmakers to export 250,000 vehicles annually. In return, the EU is eliminating tariffs on 99.5% of Indian goods, granting immediate zero-duty access to India's critical labor-intensive sectors such as textiles, leather, and jewelry, while also opening market access for agricultural products.

Beyond goods, the deal significantly boosts the service sector, with the EU opening 144 subsectors, including IT and education, to facilitate greater labor mobility for Indian professionals. Despite the breakthrough, the deal retains some friction points, particularly regarding environmental regulations. The EU's Carbon Border Adjustment Mechanism remains in force, posing a challenge for Indian heavy industry; however, Brussels has pledged \$590 million to assist Indian steel and aluminum exporters in meeting these new green standards. The finalization of this pact, which had been stalled since 2013 over similar disputes, signals a strong mutual desire to diversify supply chains and uphold rules-based cooperation in an era of global uncertainty.

UNCTAD Global Trade Update: Sustainability Trade

Global trade in 2026 is navigating a critical juncture defined by sluggish economic growth of 2.6 percent and intensifying geopolitical headwinds that are reshaping the commercial landscape. Ten key trends highlight a shift toward increased protectionism, with rising tariffs and tightening national regulations creating policy uncertainty and compliance burdens, particularly for smaller economies. While global value chains continue to reconfigure through near-shoring and supplier diversification, a significant structural shift is the "servicification" of trade, where service exports are expanding twice as fast as goods, driven by digitalization. Developing nations are becoming central drivers of export growth, with South-South trade now comprising 57 percent of their exports. However, this growth faces systemic risks, including volatility in agricultural markets essential for food security and instability in critical mineral supply chains caused by oversupply and export restrictions. Environmental sustainability has also moved to the forefront, with new climate-related trade initiatives and carbon pricing mechanisms like the EU's Carbon Border Adjustment Mechanism actively redefining competitiveness. Against this backdrop, the upcoming 14th WTO Ministerial Conference in Cameroon will be pivotal for updating global trade rules and restoring effective dispute settlement mechanisms.

- 1 Global economic and trade growth is slowing, presenting headwinds for developing countries.
- 2 WTO reform is at a crossroads in 2026 as the world seeks to update global trade rules.
- 3 Rising tariffs and increased protectionism may trigger greater policy uncertainty.
- 4 Geopolitics is redrawing trade and investment maps as value chains continue to reconfigure.
- 5 Exports of services are continuing to grow faster than goods, driving the servicification of trade.
- 6 Developing countries are driving global export growth through a surge in South-South trade.
- 7 Environmental sustainability will continue to be a central part of global trade initiatives.
- 8 Oversupply and geopolitics regarding critical minerals may destabilize trade and global value chains.
- 9 Agricultural trade will remain fundamental to ensuring food security for the future.
- 10 Tightening national policies and trade regulations are reshaping global commerce.

In 2026, global trade is being fundamentally reshaped as the environmental agenda moves from negotiation to strict implementation, marked by the enforcement of new international agreements on biodiversity and the full operationalization of the EU's Carbon Border Adjustment Mechanism (CBAM). With COP31 in Antalya prioritizing financing a just energy transition, the "green economy" has become the primary driver of competitiveness, with clean energy technology markets projected to reach \$640 billion annually by 2030. This shift is redefining trade flows through carbon pricing and industrial policies, making market access increasingly dependent on sustainability standards and requiring equal access to green finance and technology for developing economies.

Energy storage buildout causes a volatility in lithium demand and supply-chain stress

After a long downturn caused by oversupply since late 2022, lithium's outlook for 2026 is improving as demand for grid-scale battery energy storage continues to grow, which is helped by China's electricity-market reforms and booming data-center construction. Energy-storage lithium demand grew sharply in 2025 and is expected to grow strongly again in 2026, raising the possibility that the market will switch from a 2025 surplus to a 2026 deficit; which would support prices, although forecasts still vary as supply also grows and alternatives such as sodium-ion batteries and risks remain from any slowdown in EV demand.



EU and EIB announce a grant package to support Tunisia's energy transition

The EU is boosting Tunisia's clean energy transition with €35.8 million in grants under the Global Gateway, signing contribution agreements with the EBRD (€20.4m) and EIB Global (€15.4m) to support large-scale solar projects and electricity grid infrastructure, backed by EFSD+ (European Fund for Sustainable Development Plus) guarantees. The first investments include 400 MW of solar capacity, a 100 MW plant in Sidi Bouzid and a 300 MW portfolio in Gafsa, aimed at attracting further public and private financing. The initiative supports Tunisia's renewable energy programme and its goal of sourcing 35% of electricity from renewables by 2030/2035, while also helping supply renewable power to the ELMED interconnector.

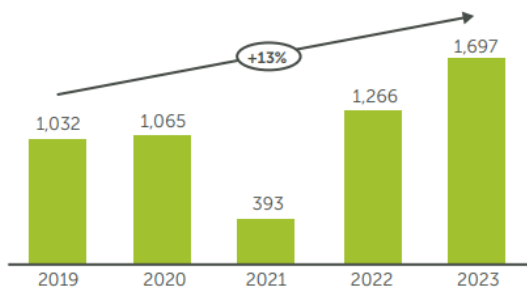


Nigeria launches \$2 billion climate-focused fund; green bonds show strong signs of excess demand

Nigeria's President Bola Tinubu said Nigeria will lean on green finance to speed its energy transition, unveiling plans for a National Climate Change Fund targeted at \$2 billion and a Climate Investment Platform meant to mobilise \$500 million for climate-resilient infrastructure, citing strong investor demand after Nigeria's green bonds were heavily oversubscribed.

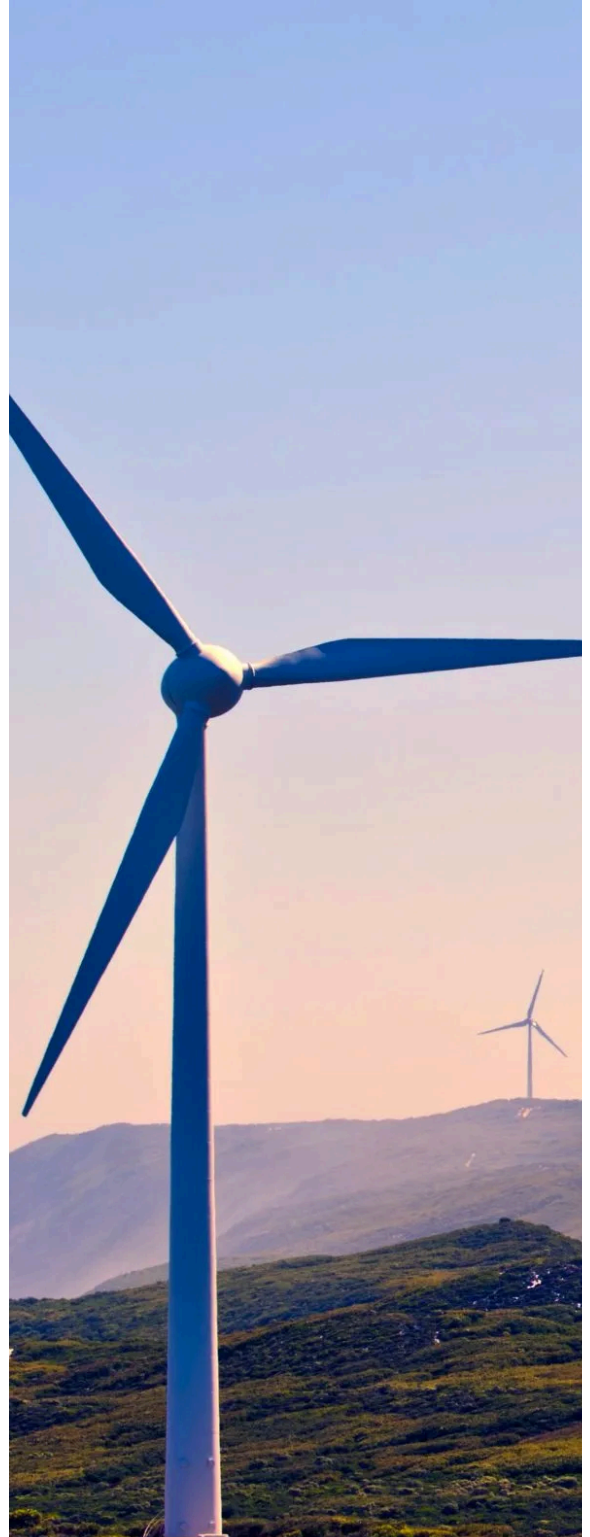
The value of green bonds in Africa has also registered growth with a 13% CAGR between 2019 and 2023

Value, USD Millions, 2019-2023



FSD Africa (2025)

He also announced a Comprehensive Economic Partnership Agreement with the UAE to expand trade and investment including renewables and climate-smart infrastructure, while reiterating Nigeria's goal of net-zero by 2060 and universal energy access, and its push to raise \$25-\$30 billion a year in climate finance via tools like a new investment "playbook," technology partnerships to modernise the grid, and more blended finance rather than sovereign guarantees.



Critical Metals explores Saudi JV to refine rare earths from Greenland for U.S. defence supply chains

Critical Metals Corp. said it has signed a non-binding term sheet with Saudi industrial conglomerate Tariq Abdel Hadi Abdullah Al-Qahtani & Brothers Company to form a 50/50 joint venture to build a rare earth processing facility in Saudi Arabia, aimed at refining minerals from its planned Tanbreez mine in Greenland. The refinery would process a portion of the rare earths, with output intended to supply the U.S. defense sector, and the deal is part of efforts to diversify global rare earth processing capacity beyond China. The companies will work over coming months to finalize the JV details.



U.S. urges allies to move faster on reducing dependency on China for rare earths

The United States is urging G7 countries and other partners including the European Union, Australia, India, South Korea and Mexico to accelerate efforts to reduce dependence on China for critical minerals, especially rare earth elements used in defense technology, renewable energy and semiconductors. US Treasury Secretary Scott Besant said he was disappointed by the slow pace of action since a supply-chain plan was agreed at the G7 summit, and would push for stronger, faster steps when finance leaders meet. China still dominates the processing of critical minerals, and while the US has struck deals with countries like Australia to diversify supply, officials say more work needs to be done to secure alternative sources and boost supply-chain resilience.

Lithium prices rise on China's policy change as battery export incentives are phased out

Industrial policy is now the first-order variable in battery economics, price formation is being influenced not only by supply/demand but also by export regulations. For non-China manufacturers, this may modestly ease price pressures in export markets, but it creates short-term uncertainty for global purchases.



EU is operationalising carbon farming certification

The European Commission adopted Implementing Regulation (EU) 2025/2358 to operationalise the EU's voluntary certification framework for carbon removals and carbon farming, setting transparency requirements for certification schemes plus rules for appointing and supervising certification bodies and audits. It also announced three Bioeconomy Strategy initiatives to scale the market: an EU Buyers' Club to pool demand for certified credits, an EU Carbon Farming Database to make monitoring/reporting/verification cheaper and easier, and a methodology for carbon storage in buildings planned for 2026.



UK's FCA proposes regulation of ESG ratings providers

Following the UK Government's decision to bring ESG rating providers under its regulatory ambit, the FCA has published new proposals to make environmental, social and governance (ESG) ratings more transparent, credible and comparable. The consultation focuses on four key areas, transparency, governance and controls, conflict of interest, and stakeholder engagement/complaint handling, to build confidence in ESG ratings used for investment and risk decisions. The FCA estimates that the reforms could deliver net benefits of around £500 million over the next decade and invites feedback by 31 March 2026, with final rules expected in the fourth quarter of 2026 and the new regime coming into force in June 2028.



BP: divests and its transition-capex signaling

BP has agreed to sell a 65% stake in its Castrol lubricants business to US investment firm Stonepeak in a deal that values the unit at about \$10-10.1 billion. Under the transaction, a new joint venture will be created with Stonepeak owning 65% and BP owning 35%, and BP is expected to receive approximately \$6 billion in net proceeds, including an accelerated dividend on its retained stake. The proceeds will be used to reduce net debt and support BP's broader divestiture and balance-sheet strategy, and subject to regulatory approval, the deal is expected to close by the end of 2026.

Large divestments are increasingly interpreted as balance-sheet optimisation that can reshape perceived capacity for transition capex and affect investor narratives.



United Kingdom: record offshore wind auction (AR7) awards 8.4 GW

The UK Government has secured a record-breaking 8.4GW of offshore wind capacity in its latest auction (AR7), a significant improvement for the sector and a major step towards the country's clean energy by 2030 targets. This new capacity, enough to power more than 12 million homes, was secured at a price 40% lower than the cost of new gas power plants, which officials say will help lower consumer bills and reduce reliance on volatile fossil fuels. The successful auction is expected to deliver approximately £22 billion in private investment and support approximately 7,000 jobs across the UK, with major projects approved in areas such as the North Sea, the coast of East Anglia and the Celtic Sea.



Egypt: multi-GW solar + multi-GWh storage pipeline announcements

Egypt has signed 25-year Power Purchase Agreement (PPA) with the Egyptian Electricity Transmission Company (EETC) and the renewable energy deals total \$1.8 billion to boost its clean power generation and manufacturing capabilities as part of its goal of getting 42% of its electricity from renewable energy by 2030. The deals include a major contract with Scatec to build a 1.95 GW solar plant paired with a 3.9 GW battery storage system in Minya, described as Africa's largest hybrid renewable project, and an agreement with Chinese company Sungrow to set up a battery manufacturing facility. Suez Canal Economic Zone. These initiatives are designed to provide reliable baseload power, strengthen grid stability, and reduce the country's dependence on fossil fuels.



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Interview

Exclusive interviews directly on sustainability efforts

In a recent interview conducted by research assistants Ezgi Eylem Erdoğan and Arda Akgül, Center Director Prof. Dr. Ayça Tekin-Koru shared the founding story and strategic vision of the TED University Sustainable Trade Research Center (TEDUsTRC). ■

1) What is the purpose/vision of TEDUsTRC?

TEDUsTRC aims to contribute to a deeper, evidence-based understanding of the Turkish economy within the context of global trade and sustainability transformations. While international academic and policy debates are important reference points for our work, our primary policy audience is Türkiye. We see it as essential to analyze global sustainability agendas, trade regimes, and regulatory changes through the lens of Türkiye's economic structure, institutional capacity, and development priorities.

Our vision is to produce rigorous research that speaks directly to Türkiye's policy challenges, such as green transformation, competitiveness, and inclusive growth, by grounding global frameworks in local realities. Rather than importing ready-made solutions, we focus on understanding how international economic and sustainability policies interact with Türkiye's production structure and trade integration.

Equally central to this vision is education. sTRC was designed not only as a research and policy-oriented center, but also as a space for training students. By working closely with undergraduate and graduate students on applied research and policy projects, we aim to cultivate analysts who understand Türkiye's economy deeply and can engage confidently with both domestic and international policy debates. ■

2) What is the story of TEDUsTRC?

TEDU sTRC was originally established in 2015 as the TEDU Trade Research Center (TRC), the first research center of TED University. However, the intellectual seeds of the center were planted earlier, in 2013, during a joint research project at the Turkish Statistical Institute (TÜİK) that I conducted together with Prof. Dr. Nazire Nergiz Dinçer. It was through that collaboration that we first realized how complementary our academic strengths were.

While I brought a stronger micro-level perspective, Prof. Dr. Dinçer contributed deep macroeconomic insight, and we shared a solid background in applied econometrics. This combination proved to be particularly productive for policy-relevant research and highlighted the need for an institutional space where such complementary expertise could be brought together to study Türkiye's economy in relation to global trade dynamics.

Building on this realization, we founded the center with great enthusiasm and a strong sense of shared ownership. Over time, as sustainability issues became increasingly embedded in global trade and development debates (and as our own research agendas expanded accordingly) the center formally incorporated sustainability into its name two years ago. This reflected a natural evolution rather than a strategic rebranding.

From the outset, sTRC has been jointly managed by the two of us -its two founders- with formal roles alternating over time but collaborative leadership remaining constant. The journey has not been easy. The center has grown under significant resource constraints, requiring persistence and collective effort. Yet this process has also shaped sTRC's identity as a resilient, research-driven academic environment.

Beyond research outputs, sTRC has gradually evolved into a learning space where students find room not only to acquire technical skills, but also to explore their academic interests and develop a sense of professional identity. Through close mentoring and active involvement in research and policy-oriented projects, students are exposed early on to real analytical questions and institutional realities. Many come to see the center as a place where learning is experiential and where they begin to understand where they stand as researchers, analysts, or policy-oriented economists. This student dimension has become an integral part of sTRC's intellectual life and one of its most distinctive features. ■



3) In your opinion, what should be Türkiye's role in this global sustainability transformation? How do you locate Türkiye in sustainability efforts?

Türkiye occupies a critical position in the global sustainability transformation, shaped by its level of development, production structure, and deep integration into international trade networks. In the current geopolitical and geoeconomic environment (marked by supply chain reconfiguration, climate-related trade measures, and strategic industrial policies) Türkiye is not only responding to external pressures but also operating within a narrow window of opportunity to shape outcomes.

While adaptation and translation of global sustainability frameworks remain important, we do not see Türkiye solely in a reactive role. Under the right policy choices, Türkiye has the potential to play an agenda-shaping role, particularly in aligning green transformation with industrial competitiveness and regional trade integration. Missing this window would mean locking in higher adjustment costs in the future, both economically and socially.

A critical dimension of this opportunity lies in human capital. The green transition ultimately depends on whether countries can align skills development and workforce planning with structural economic change. At sTRC, we address this dimension by integrating students directly into research on green transformation, labor planning, and trade-related sustainability challenges. In doing so, we contribute not only to policy-relevant analysis, but also to the training of a new generation of economists who understand Türkiye's green transition as a combined economic, social, and policy process. ■



4) What specific role does sTRC play in guiding Turkish policymakers and the private sector?

sTRC plays a facilitating and analytical role in helping Turkish policymakers and the private sector navigate the economic implications of global trade and sustainability transformations. Rather than offering prescriptive solutions, we focus on producing evidence-based analysis.

For policymakers, this involves translating global sustainability agendas, trade regulations, and climate-related policy frameworks into analytically grounded insights that are relevant for domestic decision-making. Our work emphasizes how international developments interact with Türkiye's production structure, trade integration, and development priorities, supporting more informed and realistic policy design.

For the private sector, sTRC provides an analytical bridge between evolving global standards and firm-level realities. We help firms understand not only compliance costs, but also strategic implications and adjustment pathways.

This role is grounded in direct experience. Over the years, we have been involved in a wide range of projects with public institutions, international organizations, and private firms, often working closely with all three simultaneously. These projects have allowed us to engage with policy design and implementation on the ground, confront practical constraints firsthand, and test analytical insights against real-world decision-making processes. As a result, sTRC operates both within academia and in direct interaction with the field, maintaining a continuous dialogue between research and practice.

At sTRC, we prioritize policy-relevant research areas where Türkiye is currently facing binding constraints in its green and trade-related transformation. A central focus of our recent work has been climate change-related economic policies, including the implications of the EU Carbon Border Adjustment Mechanism (CBAM), emissions trading systems (ETS), and sustainability-linked trade regulations for Türkiye's production structure and competitiveness.

In this context, we have contributed directly to national policy processes, including expert input to the Specialization Commissions of Türkiye's 12th Development Plan. Our research and policy notes in these areas aim to clarify economic trade-offs, distributional impacts, and implementation challenges associated with climate and trade policies.

A second priority area is corporate sustainability reporting and institutional capacity building. TEDU and sTRC in particular was among the first six institutions accredited by the Public Oversight Accounting and Auditing Standards Authority (KGK) to design and deliver training programs on corporate sustainability reporting. Through these programs, as well as our ongoing research and teaching activities, we contribute to building analytical and institutional capacity around sustainability disclosure, compliance, and data use in Türkiye. ■

5) Which specific problems or topics does sTRC prioritize in its research and policy recommendations?

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Building on this capacity-building work, sTRC is currently developing a comprehensive sustainability reporting inventory for Türkiye. This effort is based on a large-scale, collective research process involving more than ten students working closely with us. The dataset has been constructed entirely from scratch and traces firm-level sustainability disclosures back to 2016, allowing for consistent longitudinal analysis.

These data form the basis of many undergraduate and graduate theses, our own academic research, and policy-oriented outputs, creating an integrated research-education-policy pipeline.

In the next stage, these datasets will be made available for public use. We see the creation of reliable sustainability data as a public good and a necessary foundation for evidence-based climate and sustainability policymaking in Türkiye. ■

6) How does sTRC envision its partnership with international organizations, the private sector, and other academic institutions?

sTRC approaches partnerships as long-term intellectual collaboration rather than ad hoc project-based engagement. A defining example of this approach is our collaboration with the European University Institute and the World Trade Institute, which began in 2014. Since then, we have co-organized the Empirical Investigations in Services Trade conference every two years, bringing together leading scholars and policymakers to advance empirical research in services trade.

At the international policy level, we have worked on projects with institutions such as the World Bank, the International Monetary Fund, and the World Trade Organization, contributing analytical input on trade, sustainability, and development-related issues. These collaborations allow us to position Türkiye not merely as a case country, but as an economy whose experience can inform broader policy debates.

At the national level, institutional partnerships are equally central to our work. Our formal protocols with the Turkish Statistical Institute and the Public Oversight Accounting and Auditing Standards Authority underpin both our research and capacity-building activities, particularly in areas related to data production, sustainability reporting, and policy design.

Looking ahead, we aim to deepen these partnerships by focusing on co-production of knowledge, expanding comparative research, and strengthening institutional capacity in Türkiye. Our goal is to remain firmly embedded in international research networks while continuing to build durable, practice-oriented collaborations that connect academia, policy institutions, and the private sector. ■

7) What is your ultimate hope for the impact of sTRC in the next 5 years?

Our ultimate hope is that sTRC becomes a trusted reference point for evidence-based analysis on trade, sustainability, and climate-related economic policy in Türkiye. In five years, we aim for our research and policy outputs to be routinely consulted in national policy discussions. Equally important is institutional impact. We want the data infrastructures, analytical tools, and policy frameworks developed at sTRC to outlive individual projects and contribute to Türkiye's long-term capacity for sustainability policymaking. Making high-quality data publicly available and strengthening institutional learning processes are central to this objective.

Finally, we see human capital as a lasting legacy. By integrating our students into research and policy work, we aim to train analysts who are comfortable operating at the intersection of academia and policy. If sTRC can help shape a generation that approaches Türkiye's green and trade-related transformation with analytical depth, realism, and responsibility, that would be our most meaningful impact. ■

Scope

Sustainability landscape of Türkiye

TED University accredited as one of the pioneer institutions for Sustainability Reporting Certification in Türkiye

TED University has been officially recognized as one of the first accredited bodies in Türkiye to offer training on sustainability reporting.

As major corporations across the country face new compliance requirements under the Turkish Sustainability Reporting Standards (TSRS S1 and TSRS S2), the Public Oversight Accounting and Auditing Standards Authority (KGK) has authorized TED University, in partnership with ANKON, to deliver these essential training programs. This accreditation places TED University among the top six institutions in Türkiye qualified to provide such specialized education. The curriculum is tailored to equip professionals with the expertise needed to prepare comprehensive sustainability reports, emphasizing critical areas such as social responsibility, environmental impact, and economic performance. By enabling participants to accurately identify and report on sustainability-related risks and opportunities, the program seeks to advance professional standards and contribute to a sustainable future for generations to come.

■



Prof. Dr. İhsan Sabuncuoğlu (left), Rector of TED University and Dr. Hasan Özçelik (right), President of Public Oversight Accounting and Auditing Standards Authority. Source: TED University.

TÜPRAŞ's CDP achievement

Tüpraş has been listed in the Carbon Disclosure Project's (CDP) leadership category, a classification determined by the environmental data companies choose to disclose. This ranking follows the company's reported "Energy to the Future" strategy, which outlines a target of reaching carbon neutrality by 2050. In its submission to the CDP, Tüpraş detailed its current operational shifts, specifically referencing ongoing projects in sustainable refining, biofuels, green hydrogen, and zero-carbon electricity generation. ■

Garanti BBVA authorises up to \$2bn foreign funding issuance, including green/sustainable formats

Garanti BBVA has reinforced its sustainable financing capabilities by securing board authorization on January 15, 2026, to issue up to \$2 billion in foreign debt instruments, with a specific provision for green and sustainable bonds. This mandate empowers the bank to tap into international capital markets to fund environmentally responsible initiatives, allowing for the issuance of debt structures, such as green bonds and equity-qualifying sustainable instruments, in various currencies and maturities. By integrating these sustainability-focused instruments into its foreign borrowing limit, the bank creates a direct channel to finance climate-positive projects and support the transition to a low-carbon economy through non-public international offerings. ■

EU CBAM applies

As of January 1, 2026, the EU Carbon Border Adjustment Mechanism (CBAM) has officially entered its definitive regime, mandating that EU importers obtain "authorised CBAM declarant" status to continue clearing goods. Operational data from the first week of the year indicates the system is fully active, with thousands of authorizations and import declarations already processed. Although the primary legal obligation rests with European importers, this shift places immediate commercial pressure on non-EU suppliers, including Turkish exporters, to provide accurate embedded-emissions data, ensuring their partners avoid the use of punitive default values or potential customs delays. ■

Türkiye signs deals for 2GW of solar projects targeted for commissioning in 2026

Türkiye and Saudi Arabia have signed a landmark \$2 billion intergovernmental agreement to develop 2000 MW of solar power in the Turkish provinces of Sivas and Karaman, marking the first phase of a broader 5000 MW renewable energy collaboration. Fully financed through foreign direct investment by Saudi companies, the project mandates 50% local equipment production and secures a 25-year electricity purchase agreement at highly competitive rates, 1.995 Euro cents/kWh for the Karaman plant and 2.3415 Euro cents/kWh for Sivas. With construction set to begin in 2027 and full operation targeted for 2029, the plants will meet the energy needs of approximately 2.1 million households, significantly advancing Türkiye's 2035 goal of 120,000 MW in renewable capacity while paving the way for future grid interconnections between the two nations. ■



Turkish Minister of Energy and Natural Resources Alparslan Bayraktar and Saudi Arabian Minister of Energy Abdulaziz bin Salman Al-Saud.

Source: Directorate of Communications

Arçelik says low-carbon products now generate 71.5% of revenue; cites Global 100 rise and CDP “A/A” scores

Arçelik is framing sustainability as a revenue-driving product mix shift—energy-efficient appliances are increasingly central to competitiveness as energy costs and carbon-related trade pressure (e.g., Europe-facing supply chains) intensify. The combination of third-party rankings (Corporate Knights) and top-tier disclosure scores (CDP) strengthens credibility with global investors, lenders, and corporate buyers, while signaling continued capex commitment to decarbonisation. ■

Hektaş ranks #2 globally in its sector in LSEG’s ESG rating; starts process to enter Borsa Istanbul Sustainability Index

A top-tier LSEG ESG score (78) can improve access to capital by strengthening credibility with international investors that screen for third-party sustainability metrics. For Türkiye’s capital markets, Hektaş positioning itself as the first agriculture-chemicals company to meet the sustainability index entry requirements signals rising ESG pressure on industrial operations, water use, product stewardship, and supply-chain practices. ■

Index rebalancing and constituent change announcements

BIST SÜRDÜRÜLEBİLİRLİK ENDEKSİ					
ALINACAK PAYLAR			ÇIKARILACAK PAYLAR		
1	AKFGY	AKFEN GMYO	--	----	----
2	HEKTS	HEKTAS			
3	KLSEK	KALESERAMİK			
4	OYAKC	OYAK CIMENTO			

BIST SÜRDÜRÜLEBİLİRLİK 25 ENDEKSİ								
ALINACAK PAYLAR		ÇIKARILACAK PAYLAR		YEDEK PAYLAR				
1	OYAKC	OYAK CIMENTO	1	ALARK	ALARKO HOLDING	1	TURSG	TURKIYE SIGORTA
						2	DOHOL	DOGAN HOLDING
						3	ENJSA	ENERJISA ENERJİ

Borsa İstanbul's periodic constituent revisions for two ESG-themed benchmarks. For the BIST Sustainability Index (XUSRD), four stocks are listed as to be added: AKFGY (Akfen GYO), HEKTS (Hektaş), KLSEK (Kaleseramik), and OYAKC (Oyak Çimento). For the BIST Sustainability 25 Index (XSD25), OYAKC (Oyak Çimento) is shown as added, while ALARK (Alarko Holding) is removed; the table also lists reserve (backup) constituents, TURSG (Türkiye Sigorta), DOHOL (Doğan Holding), and ENJSA (Enerjisa Enerji), which can be promoted if vacancies occur.

Sustainability indices are designed to include firms that meet defined ESG and disclosure criteria (and typically liquidity/free-float requirements) under the index methodology; periodic updates ensure the index reflects the latest eligibility and rankings. Such changes matter because they can affect investor perception, benchmarking, and passive fund flows (index-tracking funds may buy additions and sell deletions), which can influence short-term liquidity and pricing in the affected stocks. ■

The World We Live In



What is going on in the world we live in?
The efforts put in, and attentions paid are what matter
in this case. Sustainability and the data blend here to
show a worse picture of our world.

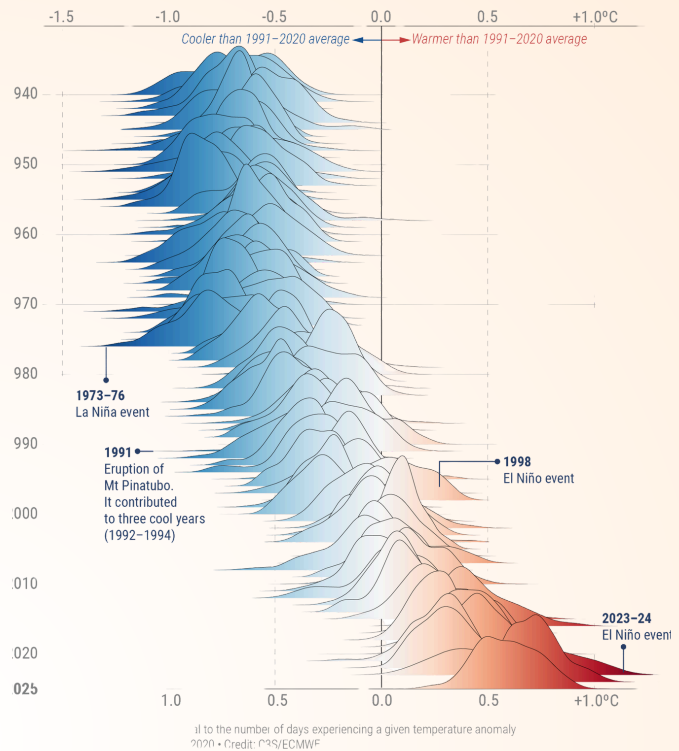
The world we live in witnesses the third-warmest year on record, according to
ECMWF recordings.

2025: The Third-Warmest Year on Record

According to the Global Climate Highlights 2025 report, 2025 was the third hottest year on record, with a global average temperature of 14.97 degrees Celsius. This was 0.59 °C above the 1991-2020 average and 1.47 °C above pre-industrial levels (1850-1900), slightly below the limit of 1.5 °C annually. While 2025 was slightly cooler than 2023 and 0.13°C cooler than the record-breaking 2024, the three-year average for 2023-2025 ended 1.5°C above pre-industrial levels for the first time in the instrumental period. Regional disparities were significant; While tropical regions saw low anomalies due to neutral ENSO or weak La Niña conditions, polar regions experienced extreme warming, with a record high anomaly of +1.06 °C in the Antarctic and the second highest anomaly of +1.37 °C in the Arctic. Ocean temperatures remained historically high, making 2025 the warmest La Niña year on record for sea surface temperatures, while February 2025 recorded the lowest global sea ice extent ever recorded for that month. These conditions contributed to large-scale extreme events, with 50% of the global land area experiencing more days of intense heat stress than average, as well as significant wildfires and flooding in various areas in Europe and North America.

2025 continues the shift towards higher global temperatures

Distribution of daily global surface air temperature anomalies (°C) from 1940 to 2025



related to the number of days experiencing a given temperature anomaly
2020 • Credit: Copernicus/ECMWF



PEAN UNIO

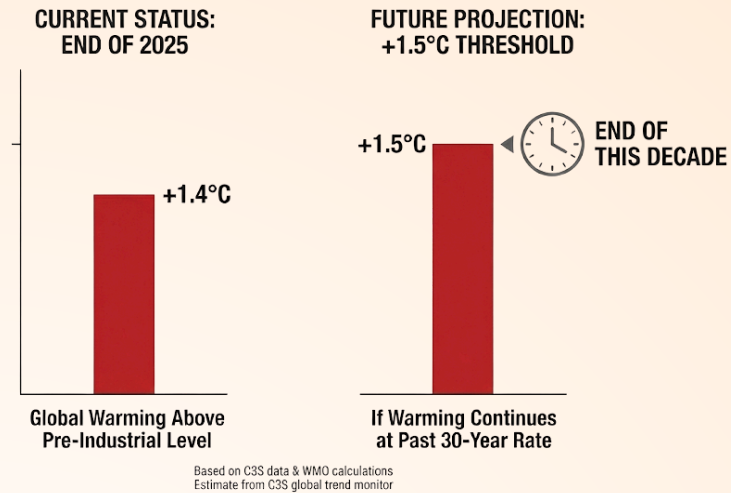


doi.org/10.24381/b3nm-p354

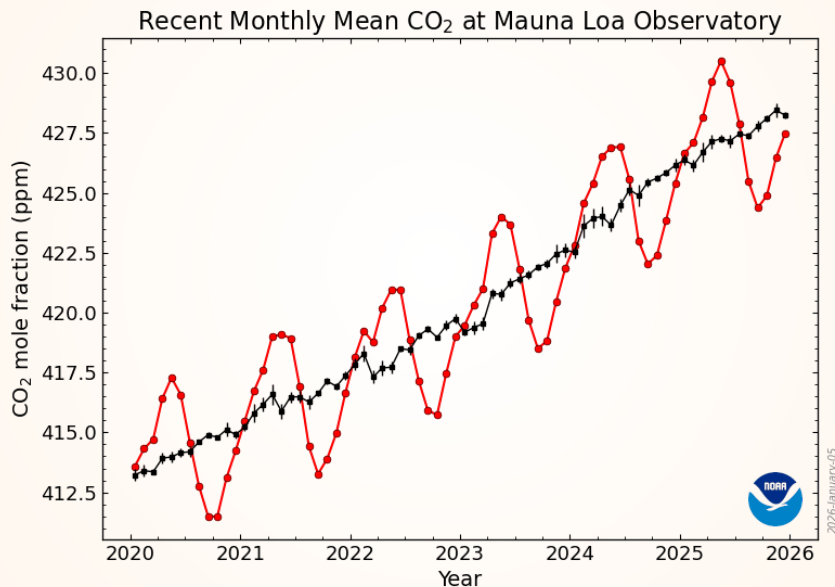
Global climate highlights. Copernicus. (n.d.).
<https://climate.copernicus.eu/global-climate-highlights>

To answer the question of where our climate stands in simple terms, data shows that by the end of 2025, the Earth has warmed by about 1.4°C compared to the time before factories and major industry existed. This figure isn't just a single guess; it is the result of three different ways of checking the data to make sure it is accurate. Scientists used information from the Copernicus Climate Change Service and followed the official rules set by the World Meteorological Organization to do this math. ■

Even though the last three years alone (2023 - 2025) were unusually hot and averaged just over 1.5°C for the first time, the long-term trend is still sitting at 1.4°C, which means we haven't officially failed the Paris Agreement goal yet, but we are on track to permanently cross that 1.5°C line around 2029 if the current warming speed continues. ■



2025: Atmospheric Red Alert



NOAA (National Oceanic and Atmospheric Administration)

Despite commitments to reduce emissions, atmospheric carbon dioxide (CO₂) concentrations continued to break records in 2025.

Data from NOAA's Mauna Loa Observatory shows the atmospheric carbon dioxide concentration from 2020 through early 2026. The red line represents monthly averages, reflecting the seasonal cycles of vegetation, while the black line indicates the steady upward trend driven by human emissions. In a historic first, the peak concentration breached the 430 ppm threshold in the spring of 2025.

This represents the highest level in human history. The atmosphere continues to thicken like a heat-trapping blanket. ■

Cutting-Edge Publications

A summary of what's published in sustainability field.

Climate Change Through the Lens of Macroeconomic Modeling

Fernández-Villaverde, J., Gillingham, K. T., & Scheidegger, S. (2025). Climate change through the lens of macroeconomic modeling. *Annual Review of Economics*, 17, 125–150. <https://doi.org/10.1146/annurev-economics-091124-045357>

This study shows how modern macroeconomic models can treat climate change as a macro-critical shock and evaluate mitigation/transition policy in a disciplined general-equilibrium framework, where climate and carbon become state variables and uncertainty is deep (fat tails, learning, ambiguity). It organizes the main transmission channels' productivity and sectoral disruptions, disaster-driven capital destruction, transition investment/reallocation, and climate risk premia in asset pricing and argues that nonlinearities and high dimensionality make advanced computational methods (including ML approximation) essential for credible policy experiments. On policymaking, it stresses that the social cost of carbon is a GE shadow price sensitive to damages, discounting, and uncertainty, with Knightian uncertainty adding a “robustness premium” (e.g., \$162/tCO₂ in 2020 dollars plus \$1.41-\$25.89/tCO₂), and that politically feasible carbon pricing hinges on distribution and intergenerational transfers (e.g., OLG results where \$70/tCO₂ rising 1.5% can raise welfare by ~5% under high damages, p. 17). Finally, it frames climate transition as a macro-financial regime shift: optimal tax rules may be state-dependent and cyclical, and heterogeneous-agent results suggest net-zero pathways can increase the financially constrained share by 6-10% by 2050 despite long-run welfare gains, implying the need to coordinate carbon pricing, fiscal recycling, and climate-risk financial regulation.

Technology and policy options for achieving net zero steel manufacturing in the United States

Li, F. G. N., Bataille, C., Stiebert, S., Jafari, T., Balyk, O., & Glynn, J. (2026). Technology and policy options for achieving net zero steel manufacturing in the United States. *Energy Policy*, 211, 115124.

Li et al. argue that getting US steel to net zero by 2050 is technically feasible but hinges on policy timing and trade design: the late-2020s relining/renovation cycle is a key “investment lock-in” window to shift away from coal BF-BOF (~2.8 tCO₂/t steel) toward pathways like clean-power EAF, H₂-DRI, and DRI + high-capture CCS (gas DRI roughly 0.5–1.1 tCO₂/t, depending on setup). They stress that the IRA alone won't deliver the scale and speed required, so policymakers need a stack—capital grants/cheap finance, production credits for “clean iron,” and demand creation via procurement/standards—to make projects bankable. Because steel is traded, they emphasize anti-leakage measures (e.g., border adjustments or harmonized performance standards) as essential to prevent dirtier imports from undercutting clean domestic production, and they present carbon-price-plus-trade alignment scenarios showing that ambitious, coordinated regimes can approach ~90% sector emissions cuts by mid-century.

Moving to sustainable servitization: categorisation and analysis of underlying approaches

Benedettini, O., & Adrodegari, F. (2026). Moving to sustainable servitization: Categorisation and analysis of underlying approaches. *Journal of Cleaner Production*, 545, 147716. <https://doi.org/10.1016/j.jclepro.2026.147716>

Benedettini and Adrodegari clarify “sustainable servitization” for policy and practice by building a taxonomy from a structured review (199 records, 24 core studies, and 44 sustainable services) that classifies manufacturer services along two dimensions: service orientation (lifecycle management vs. operational efficiency) and business model scheme (ownership-based vs. access-based), yielding four non-exclusive categories with different environmental mechanisms and capability needs. A key implication is that access-based/product-as-a-service is not automatically greener; ownership-based service models can also deliver circularity and efficiency, while access-based approaches often face higher organizational and resource barriers. For policymakers, the paper’s main message is that effective circular-economy policy should be targeted by service type and paired with bundled enablers (e.g., repair/remanufacturing incentives, right-to-repair and reverse-logistics infrastructure, data/monitoring standards, and procurement rules) to reduce the “core rigidities” (capability constraints and customer expectations) that block adoption especially for more complex access-based models.

Resilience Pays: Financing and Investing for our Future

United Nations Office for Disaster Risk Reduction. (2025). *Resilience pays: Financing and investing for our future* (Global Assessment Report on Disaster Risk Reduction 2025).

UNDRR’s GAR 2025 argues that disaster risk is systematically mispriced and undercounted, so countries underinvest in resilience and overbuild in exposed assets; it highlights that average direct losses rose from roughly \$70-80B/year (1970-2000) to \$180-200B/year (2001-2020), while total costs including cascading and ecosystem impacts, exceed ~\$2.3T/year. The report reframes disasters as a macro-fiscal and macro-financial issue and pushes a policy package that combines risk reduction, risk retention, and risk transfer to break debt and “uninsurability” spirals, operationalized through a five-step national DRR finance strategy (a flow of quantifying losses, mapping the finance system, identifying needs, matching instruments, and implementing strategy). It stresses that resilience investment can deliver high returns (e.g., infrastructure resilience yielding approx. 4:1 net benefits in low- and middle-income settings) and ends with actionable reforms: open/standardized risk data, risk-informed budgeting and regulation, incentives that keep insurance viable, mobilizing private capital (noting that approx. 75% of investment is private), scaling anticipatory finance, and redesigning international finance so disasters don’t trigger long-run development reversals.

DATA CORNER

Taking a look at metrics

FIGURE 1 | S&P 500 vs S&P 500 ESG



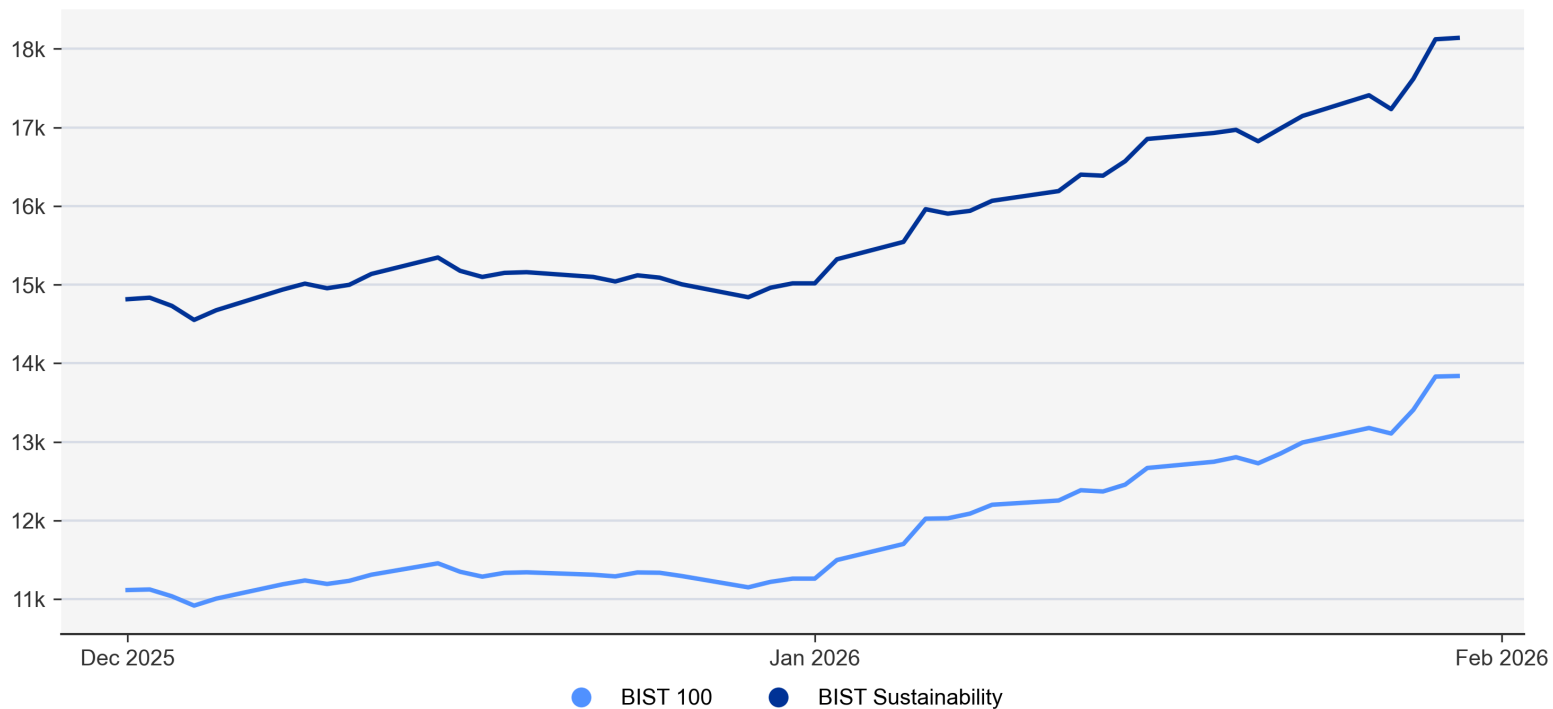
Source: Yahoo Finance

S&P 500 ESG is constructed to be a close “market-like” version of the S&P 500 (same universe with ESG screens/reweights), so the dominant driver is still US equity beta reasons such as Fed/rates expectations, earnings sentiment, risk appetite; yet there may be some ESG-premium or moderation.

DATA CORNER

Taking a look at metrics

FIGURE 2 | BIST 100 vs BIST Sustainability



Source: BIST Data via CSV

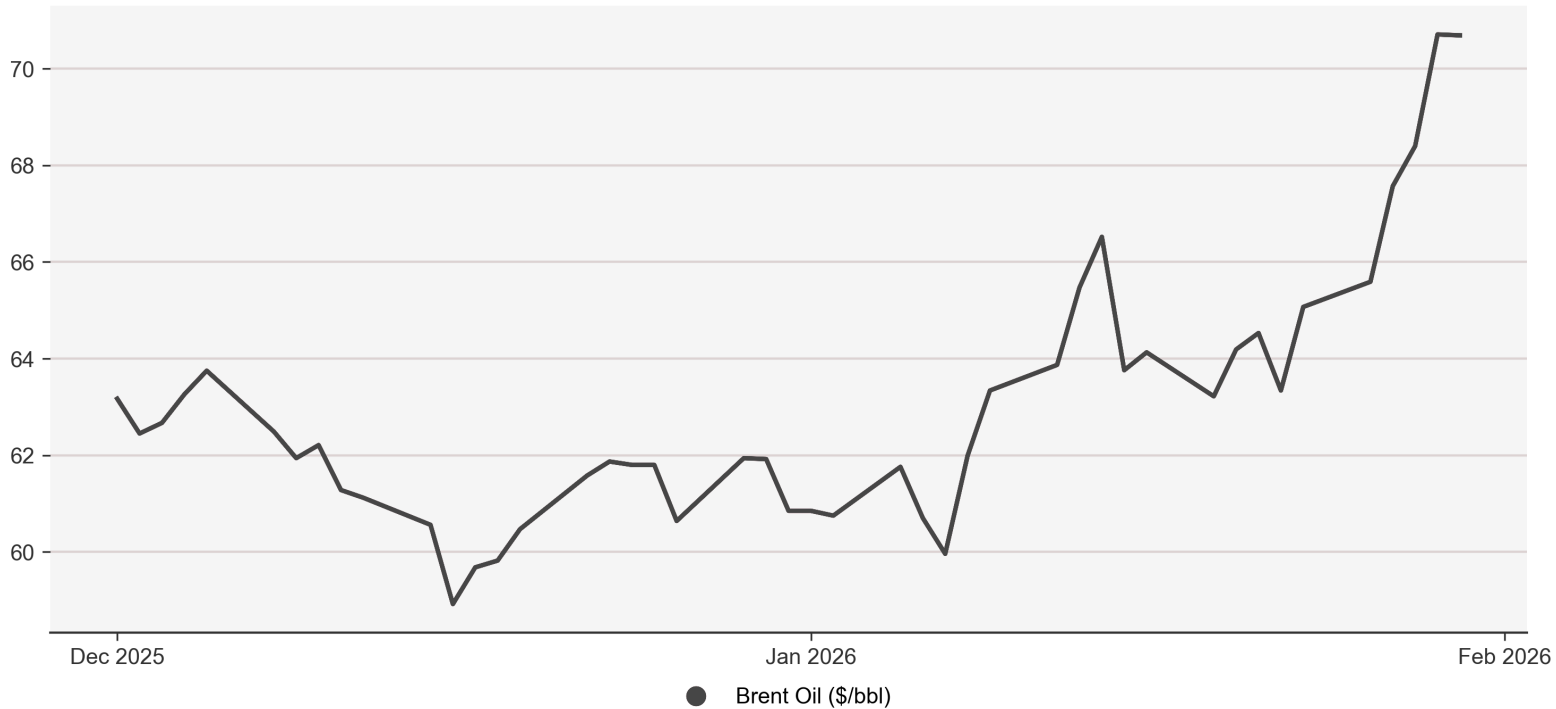
Both indices trend upward into early Feb, but they are not directly comparable by level because they are different index constructions with different base values, what matters is that they rise in the same direction and the sustainability index appears to keep pace (and at times looks slightly stronger in slope), consistent with the idea of Türkiye's equity market up and sustainability subset participating.

These are used as domestic equity benchmarks in Türkiye: BIST 100 for broad market exposure and derivatives/portfolio benchmarking, and BIST Sustainability for ESG-screened allocation, institutional reporting, and products aimed at investors needing sustainability criteria (fund mandates, pension/insurance screens, stewardship narratives).

DATA CORNER

Taking a look at metrics

FIGURE 3 | Brent Oil Futures



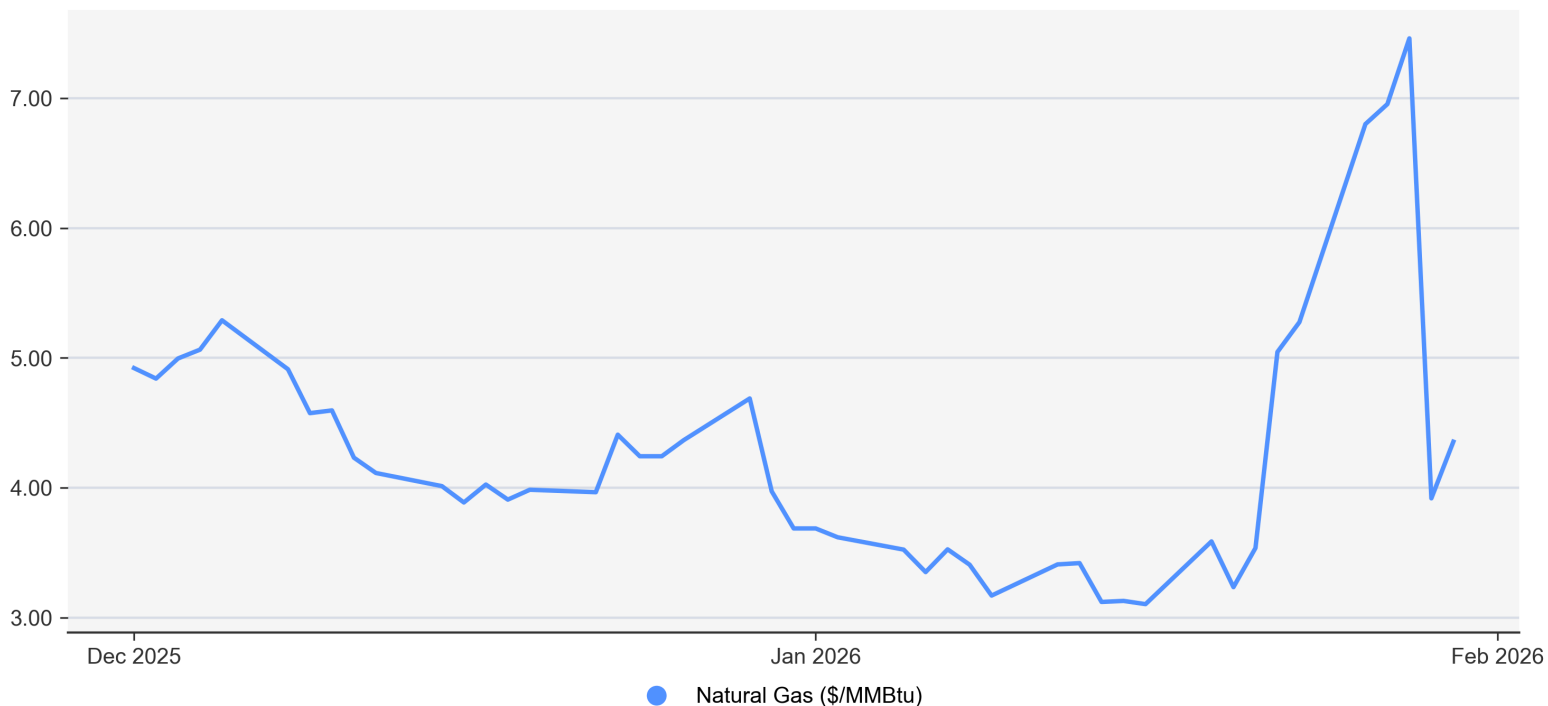
Source: Investing.com CSV

Brent dips from the low-60s into mid-Dec (demand/growth fears or easing supply risk), then shifts into a decisive uptrend from early Jan, accelerating into late Jan/early Feb toward the low-70s, typical of either tightening supply expectations, rising geopolitical risk premium, or a rebound in demand sentiment. Brent futures are used globally as the primary pricing/hedging benchmark for crude oil, especially for Europe/Africa-linked crude; by producers, refiners, airlines/shippers, and macro traders; they also feed into inflation expectations, energy-equity performance, and FX/terms-of-trade analysis for economies related to oil.

DATA CORNER

Taking a look at metrics

FIGURE 4 | Natural Gas Futures



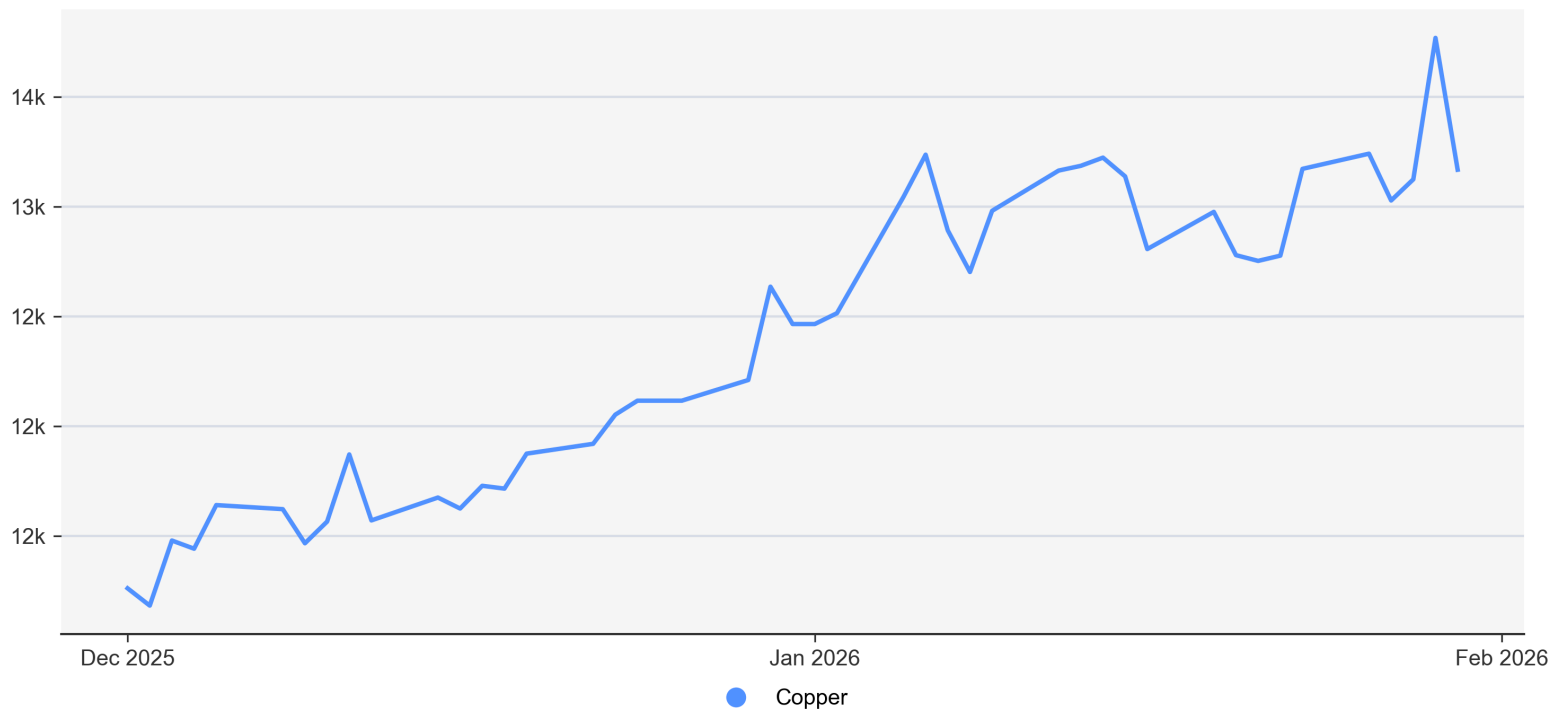
Source: Investing.com CSV

Gas sells off steadily from Dec into early Jan (milder weather, high storage, strong supply), then becomes extremely volatile in late Jan: a sharp spike above 7 followed by a violent drop and partial rebound, this profile usually reflects weather shocks, storage surprises, LNG flows, or short-covering in a tight prompt market. Natural gas futures are used heavily for utility and power hedging (generation fuel costs), industrial procurement, and seasonal risk management; they also matter for electricity price formation (spark spreads), inflation components, and stress-testing energy-intensive sectors because gas markets can gap abruptly.

DATA CORNER

Taking a look at metrics

FIGURE 5 | Copper Futures



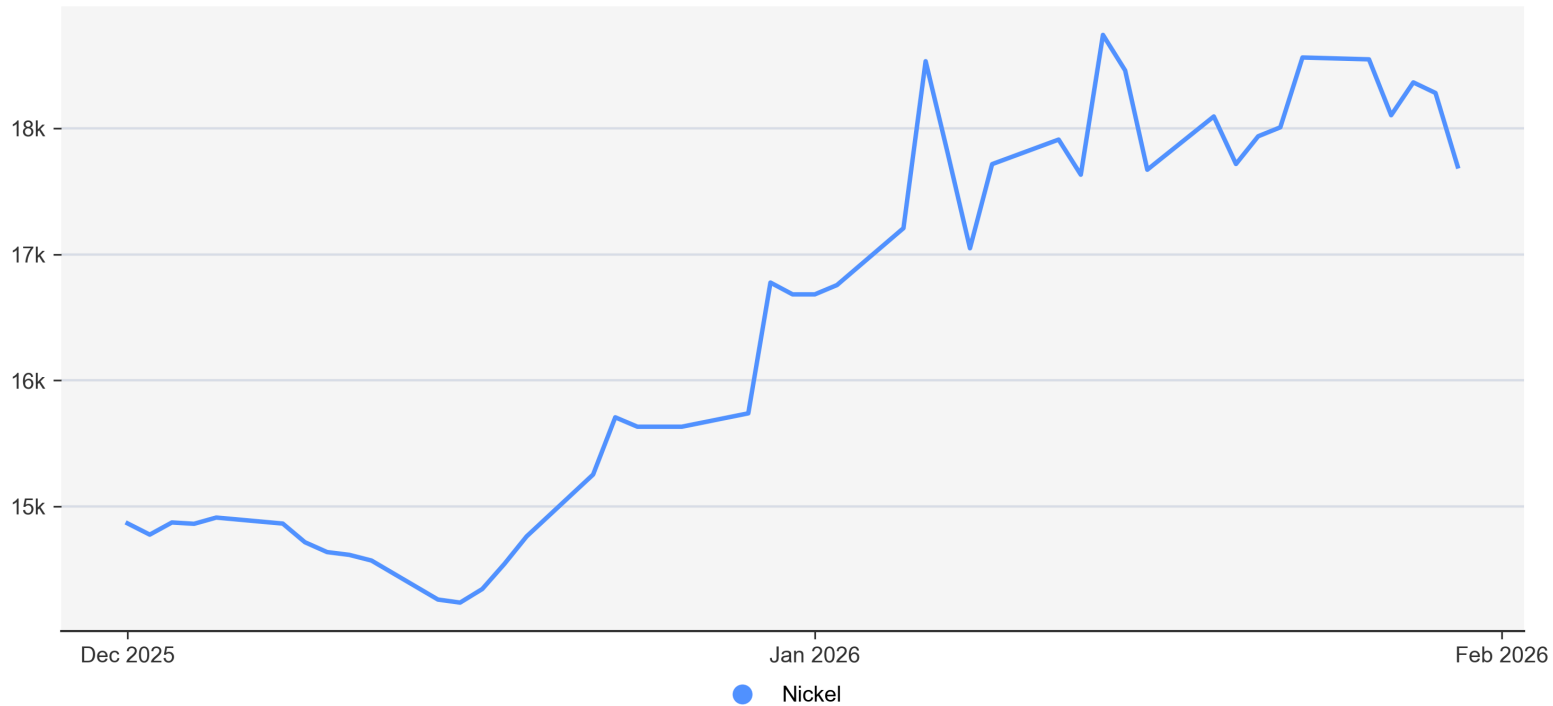
Source: Investing.com CSV

Copper trends higher almost the entire window with step-like breakouts and pullbacks, finishing near local highs, this reads as improving expectations for industrial demand (global manufacturing cycle, China impulse) and/or supply tightness, with the late-period spike and retracement showing typical commodities momentum and profit-taking. Copper futures are used as a macro growth sign (“Dr. Copper”) and as a hedging tool by miners, smelters, and cable/equipment manufacturers; they’re also central to the electrification/energy-transition theme (grid, EVs), so investors use it to express views on both cyclical growth and structural green demand.

DATA CORNER

Taking a look at metrics

FIGURE 7 | Nickel Futures



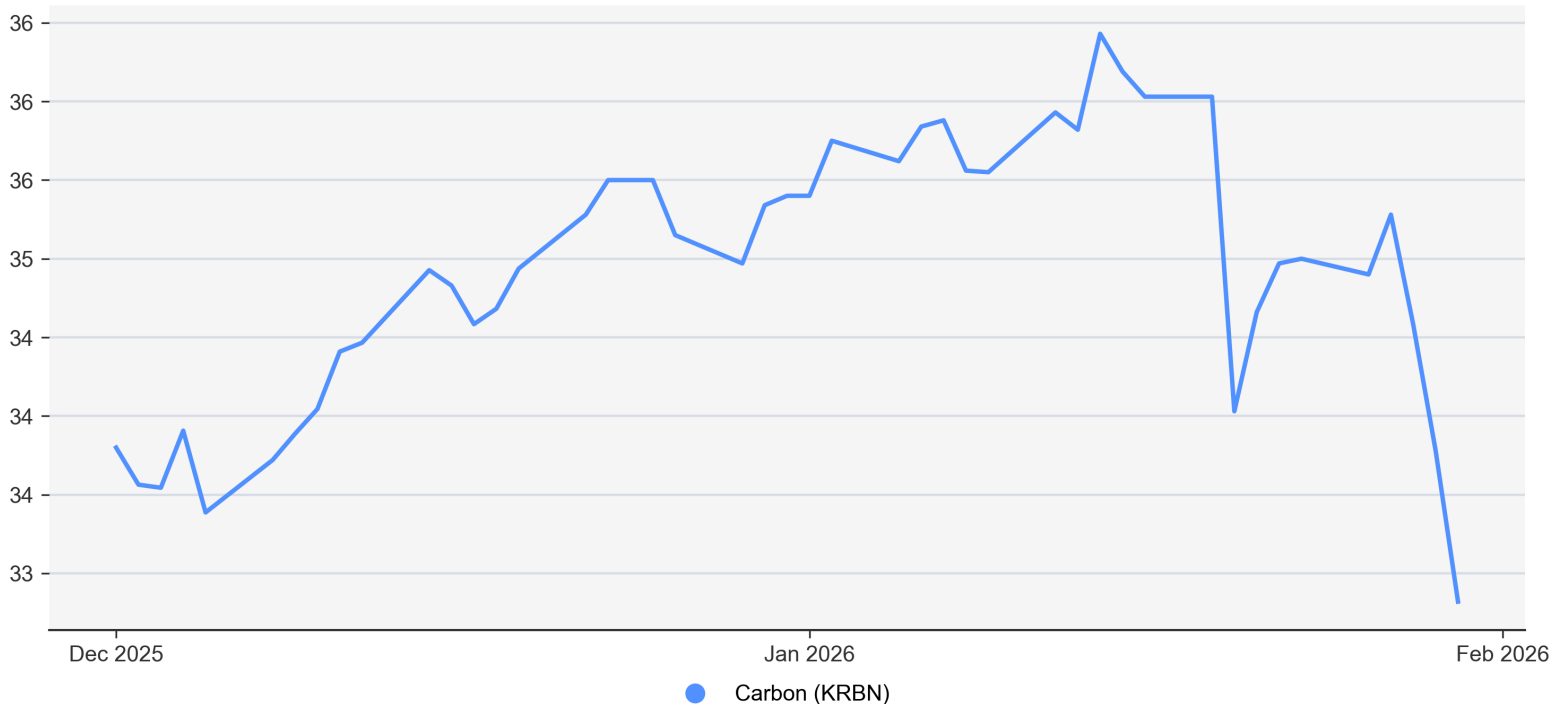
Source: Investing.com CSV

Nickel falls in early Dec, then reverses hard and rallies into mid/late Jan with sharp spikes and choppy consolidation near the highs; typical of a market where supply news, inventory dynamics, and positioning drive sudden jumps (nickel is notoriously volatile). Nickel futures are used for hedging in stainless steel supply chains and increasingly for battery-material exposure in EV themes; traders also use it as a high-beta industrial metals expression, but risk management is crucial because nickel can move discontinuously on supply disruptions, export policy, or inventory shocks.

DATA CORNER

Taking a look at metrics

FIGURE 6 | Carbon Emissions (KRBN ETF)



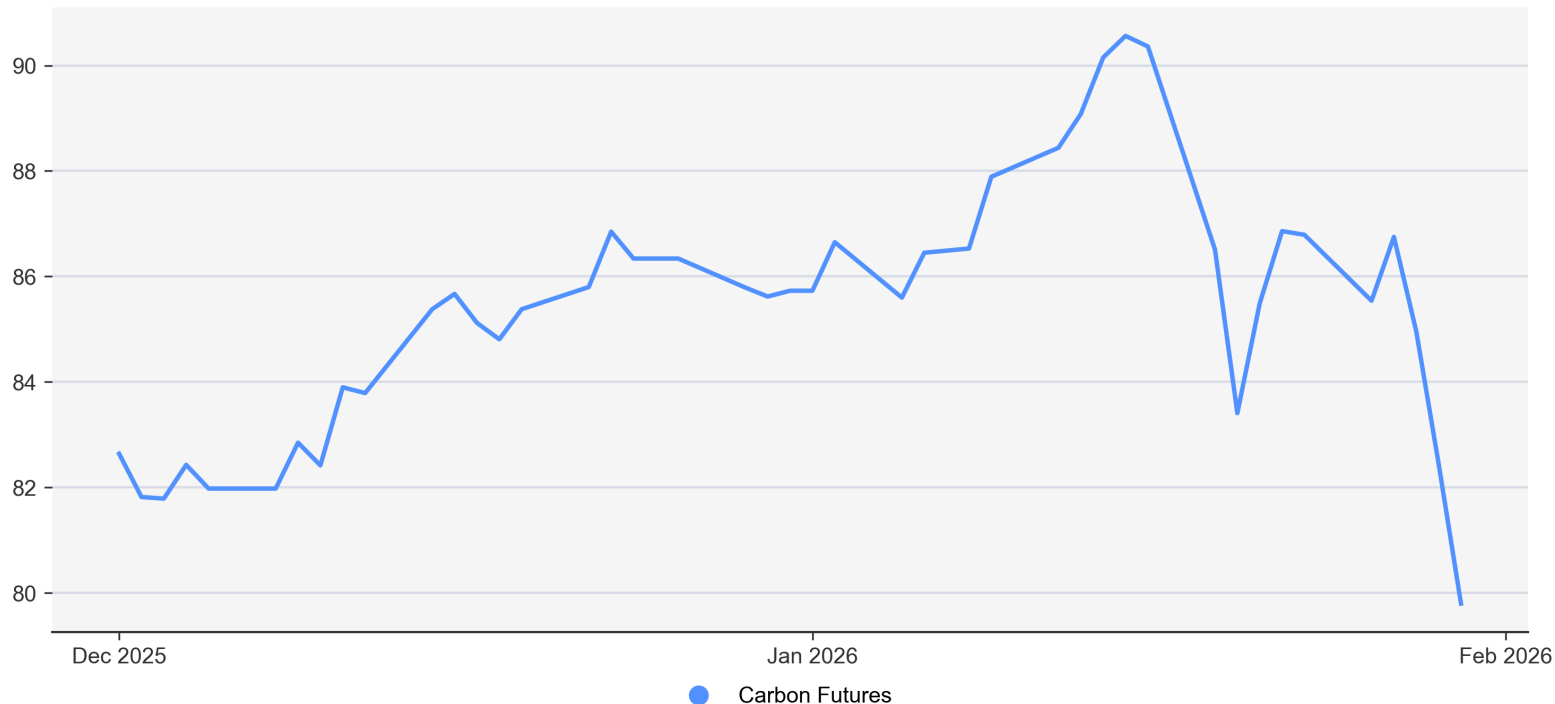
Source: Yahoo Finance

KRBN climbs from Dec to mid-Jan (carbon prices strengthen as compliance demand/tightness is priced), then takes a sharp drawdown in late Jan and a larger slide into early Feb, consistent with a sudden shift in macro/risk sentiment, policy expectations, or a drop in energy/industrial activity assumptions that reduces near-term allowance demand. KRBN is used by investors as a liquid, exchange-traded proxy for carbon allowance exposure (multi-market basket), for thematic ESG allocations, diversification, and hedging “carbon price risk” in portfolios exposed to regulated emitters (utilities, cement/steel), though it introduces ETF mechanics (roll, basket composition) that can differ from a single carbon futures contract.

DATA CORNER

Taking a look at metrics

FIGURE 8 | Carbon Emissions Futures - Mar 2026



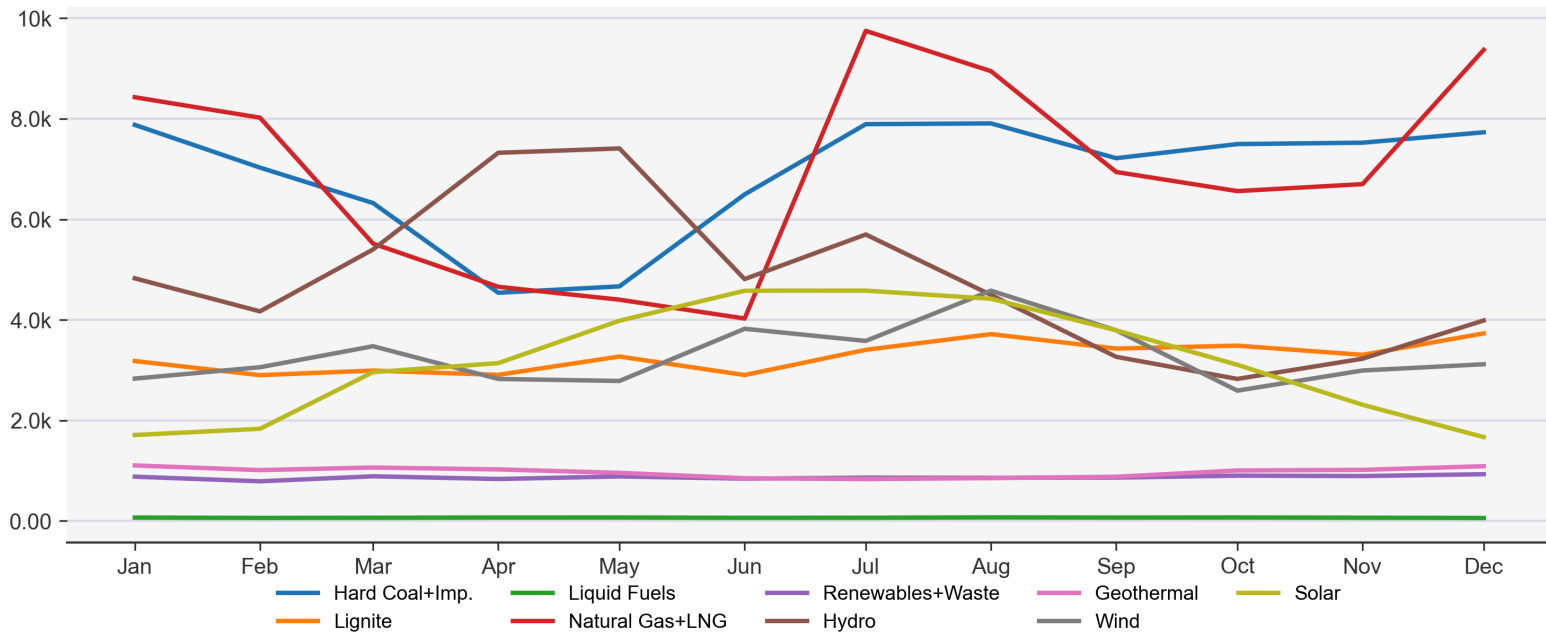
Source: Investing.com CSV

The contract rises from the low 80s to above 90 into mid/late Jan (tightening/tighter future compliance conditions being priced), then reverses sharply with a fast drop and ends near 80, implying a material repricing of expected demand for allowances or policy/energy assumptions, often driven by growth expectations, fuel switching (coal vs gas), and risk-off deleveraging in carbon. Carbon futures are used primarily by compliance entities (utilities and heavy industry) to lock in the future cost of emissions and by financial participants to trade policy stringency/decarbonization cost; they also matter for power markets because carbon prices directly affect marginal generation costs and electricity price dynamics.

DATA CORNER

Taking a look at metrics

FIGURE 9 | Electricity Generation by Source (2025)



Source: TEİAŞ (Dec 2025 Report)

Data from 2025 highlights Türkiye's accelerating shift towards sustainability, with renewable energy sources, led by hydro (15.8%), wind (10.9%), and solar (10.5%), collectively accounting for 43.3% of total electricity generation. While fossil fuels remain dominant at 56.7%, the combined strength of wind and solar power (21.4%) now rivals natural gas, underscoring a resilient and diversifying energy mix that is progressively reducing reliance on conventional carbon-intensive sources.



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TEDUsTRC
works to improve
trade outcomes
by promoting
sustainability-
focused research
and multi-
stakeholder
collaboration.