



İŞ LEASING
SUPPLEMENTARY ESG DISCLOSURES FOR 2022

1. ENVIRONMENT

POLICY WATER EFFICIENCY

The company makes maximum efforts to prevent waste, save water and reduce paper waste in its operating locations. Our hybrid work model has been changed to include 2 days of remote work per week. This change is aimed at achieving water and energy savings. Our total energy consumption has decreased by 37,8% compared to the previous year. This reduction also includes the energy consumption related to water usage.

WATER WITHDRAWAL TOTAL

In 2022, a total of 1350 m³ of water was consumed.

POLICY ENERGY EFFICIENCY

The building in which İş Leasing operate is managed by ISMER which is a part of Isbank Group. As a part of the renovation works, the lighting systems in our offices have been replaced with LED lighting systems. Moreover, old generation inefficient A/C units have been replaced with new generation-higher efficiency models. The use of energy and water efficient water armatures has started. In 2022 we have decreased our energy consumption by 37,8%. Also, the centralization of printers with a high number of units, resulting in a reduction in their quantity, has led to both the replacement of equipment that has reached the end of its service life and electricity savings.

ENERGY USE TOTAL

In 2022, a total of 3602.09 GJ of energy was consumed.

RENEWABLE ENERGY PURCHASED

In 2022, a total of 286.73 GJ of renewable energy was purchased.

TOTAL RENEWABLE ENERGY

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POLICY EMISSIONS

With the change of our work model, we have decreased our energy consumption by 37,8% compared to 2021.

CO₂ EQUIVALENT EMISSIONS TOTAL

Total emissions for the year 2022: 227.79 tCO₂e.

CO₂ EQUIVALENT EMISSIONS INDIRECT, SCOPE 3

Total Scope 3 emissions for the year 2022: 123.43 tCO₂e.

TARGETS EMISSIONS

In 2021, İş Leasing completed its corporate greenhouse gas inventory calculations in compliance with international protocols and aims to become a carbon neutral financial institution by 2024 by eliminating its carbon footprint resulting from its operational activities.

STAFF TRANSPORTATION IMPACT REDUCTION

In order to reduce our environmental impacts arising from our activities, a vehicle service is offered for employees to use. In addition, İş Leasing employees worked 3 days in the office and 2 days remotely.

E-WASTE REDUCTION

We sent a total of 38 obsolete electronic devices for recycling, which included 17 desktop computers, 1 DLT backup unit, 13 monitors, 1 notebook, 2 servers, 2 switches, and 2 printers. As part of the 'Donate, Don't Dispose' Project, in collaboration with the Association of Information Technology Industrialists, we donated the still functional electronic waste through the The Educational Volunteers Foundation of Türkiye (TEGV), reaching 8 children to ensure they do not miss out on technology in this technological age. Additionally, we contributed to environmental sustainability by preventing electronic devices from becoming waste.

WASTE TOTAL

Paper Waste: 1.67 tons.

ENVIRONMENTAL PRODUCTS

Increasing the rate of use of renewable energy by providing access to sustainable, clean and modern energy is the most effective tool of green development theory that enables sustainability transformation in sectors. Providing funding for renewable energy investments is among İş Leasing's strategic priorities. İş Leasing provided \$86 million in funding to renewable energy projects in 2022. The total installed power capacity of the renewable energy projects that İş Leasing funded reached 335.96 MW in 2022. This funding approach stands out particularly in the solar energy sector.

RENEWABLE/CLEAN ENERGY PRODUCTS

RENEWABLE ENERGY INVESTMENTS

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ENVIRONMENTAL PROJECT FINANCING

İş Leasing has provided financing of \$225.8 million for renewable energy projects until today. The financed renewable energy projects include approximately 257 MW of Solar Power Plants, 63 MW of Wind Power Plants, and 2 MW of Biomass Energy Plants. In addition to these, İş Leasing has financed a cogeneration

project with a total installed capacity of 14 MW. As of the end of 2022, İş Leasing has 98 active projects in its portfolio.

Furthermore, in the upcoming period, there are 13 projects with a capacity of 45.21 MW, and a total allocation of \$29.70 million in funding. In total, İş Leasing has implemented 98 projects with a capacity of 335.96 MW, and by the end of 2022, it has provided funding of \$225.8 million for these projects, including both ongoing and completed projects, with and without associated risks.

GREEN BUILDINGS

İş Leasing Head Office building has a BREEAM In-use Excellent certificate since 2021.

<https://www.isleasing.com.tr/Sites/1/upload/files/Sertifika-1016.pdf>

ENVIRONMENT MANAGEMENT TEAM

An Environmental and Social Risk Management Working Group was created to carry out activities in line with İş Leasing's sustainability goals, to develop an environmental and social risk management approach, to identify and manage environmental and social risks and impacts caused by leasing activities, to ensure effective communication across departments and to convene regularly to control and manage the Company's direct economic, environmental and social impacts. The Environmental and Social Risk Management Working Group is chaired by the Environmental and Social Management System (ESMS) Manager. The Working Group reports its activities directly to the ESMS Manager. The Working Group includes representatives of İş Leasing's Loans, Corporate Sales/Commercial Sales, Treasury and Financial Institutions, Asset Management, Investor Relations, Financial Management, Procurement, Human Resources and Administrative Affairs Departments and the ESMS Correspondents.

SELF-REPORTED ENVIRONMENTAL FINES

No fines were paid in 2022 due to environmental obligations.

ENVIRONMENTAL PARTNERSHIPS

By assuming responsibility along with its stakeholders, İş Leasing became a member of Business World and Sustainable Development Association (BCSD Türkiye), regional partner of the World Business Council for Sustainable Development (WBCSD) in Türkiye, since 2020. Membership aim was to make contributions to support economic growth, ensure social welfare, and ensure continuous development at national and international level. In this context under the leadership of BCSD Türkiye, İş Leasing involved in the activities of:

- Sustainable Agriculture and Access to Food Working Group, in order to ensure that the principles of sustainable agriculture are improved and expanded with good practices.
- Sustainable Industry and Circular Economy + Plastics Working Group, on raising awareness in the business world about circular economy, enhanced cooperation and interaction.
- The United Nations (UN) Global Compact, the world's largest corporate sustainability initiative that started its operations in the year 2000, encourages collaboration among organizations with over 15,000 companies and more than 5,000 non-business participants in 160+ countries. It aims to create a sustainable and inclusive global economy and to lead the business community towards

achieving the Sustainable Development Goals. İş Leasing aspires to be a part of the solution in addressing all environmental and social issues, especially the climate crisis. By joining the UN Global Compact, it commits to align its sustainability strategies with the ten universally accepted principles and support sustainable development goals in accordance with these objectives.

CLIMATE CHANGE COMMERCIAL RISKS OPPORTUNITIES

COMBATING THE CLIMATE CRISIS AND DECARBONIZATION

İş Leasing aims to create a positive ecological impact with its decarbonization plans. The negative effects of climate change have hit the level of a global crisis, regardless of country, region, sector or economic market, and are constantly expanding to a risk level that can destroy the global economy. İş Leasing is aware that the reality of climate change has turned into an existential problem with negative effects on all lifestyles and needs urgent solution. Being aware of the fact that its activities and services have an impact on climate change, İş Leasing prepares its decarbonization plans with the aim of managing this impact accurately and creating a positive ecological impact on our world for the future.

Our country became a party to the Paris Agreement in 2021 and marked its determination to fight the climate crisis with the 2053 net-zero emission target. With the enforcement of the Paris Agreement, the preparations for the Climate Law, which will improve the national targets on combating climate change on a legal basis, are in motion.

ENVIRONMENTAL MATERIALS SOURCING

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

İş Leasing aims to expand its corporate sustainability and green transformation approach throughout the entire value chain, and acts responsibly in its procurement processes, as it does in all other activities. Accordingly, it focuses on responsible and sustainable management of economic, environmental and social impacts in the supply chain.

Prioritizing business partners who value the environment and people, İş Leasing acts with the aim of meeting environmental and social risk criteria and standards in its relations with suppliers. It also strives to minimize the negative environmental and social impacts of its suppliers and to maximize the positive impacts. Adopting the principle of constant supplier improvement, the Company encourages its suppliers to make sustainability-oriented investments in order to accelerate the transition to a low-carbon economy.

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TARGETS EMISSIONS

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ENVIRONMENTAL RESTORATION INITIATIVES

Under the slogan "Contributing Significantly to the Green Transformation with Our Sustainability Approach," an event was organized where over 40 employees of İş Leasing and their children received training from Turmepa. Following the training, waste was sorted and collected along the shoreline. As a result, a total of 29 kg of waste, including 12 kg of plastic, 3 kg of metal, 2 kg of paper, and 1 kg of glass, as well as 11 kg of non-recyclable waste and 1,200 cigarette butts, was removed from the seas and handed over to municipal teams.

2. GOVERNANCE

CSR SUSTAINABILITY COMMITTEE

SUSTAINABILITY GOVERNANCE STRUCTURE

Established with diverse participation from across departments, the Sustainability Committee is directly responsible for setting sustainability strategies and targets, managing and supervising sustainability activities, and providing flow of information. The manager of Sustainability Committee is the Assistant General Manager for Investor Relations who is appointed as Chief Sustainability Officer and has ultimate responsibility for management of economic, environmental and social impacts.

EXECUTIVE RETENTION POLICY

İş Leasing applies a competitive and market-sensitive remuneration policy for executives in order to attract, retain and motivate qualified human resources.

COMPENSATION IMPROVEMENT TOOLS

Every year, a compensation survey report is purchased to ensure that employees' wages are in line with the sector.

SHAREHOLDERS VOTE ON EXECUTIVE PAY

Article 16

Wages, bonuses and premiums may be paid to members, providing that such are determined by a decision of the General Assembly of Shareholders. Principles of waging of members of Board of Directors and top managers are determined in writing by the Board of Directors, and are presented to the shareholders as a separate agenda topic in a meeting of the General Assembly, and shareholders are allowed to express their opinions and comments thereon, and the principles are discussed by the General Assembly. Fees payable to the members of Board of Directors are decided by the General Assembly. Waging policy prepared for this purpose is published also in the internet website of the Company. In waging of independent members of the Board of Directors, share options or other payment plans relied upon performance of the Company cannot be used. Remunerations paid to independent members of the Board of Directors should be adequate enough for them to protect and maintain their independence.

SHAREHOLDER APPROVAL SIGNIFICANT TRANSACTIONS

Yes, according to the securities regulations, significant transactions such as M&As, issuance of golden or preferred shares, sale of a significant portion of company assets etc. should be decided in the general assembly meeting, where supermajority rule (2/3 affirmative votes out of total) applies. The shareholders who attend the meeting and cast negative votes for the transaction are entitled to appraisal right. Please see Capital Markets Board's Communique no II-23.3 for detail. (<https://mevzuat.spk.gov.tr/>)

FAIR PRICE PROVISION

Articles 24 and 27 of the Capital Markets Law have assured the shareholders' right to sell shares for a fair price in the event of a change in control of the company. shareholders are entitled to a fair price for their

shares in the event of change in control given that they oppose and get their opposition recorded at the General Assembly. Source: [1.5.6362.pdf \(mevzuat.gov.tr\)](https://www.mevzuat.gov.tr/Mevzuat/MevzuatListesi.aspx?ID=156362)

EXTERNAL CONSULTANTS

Article: 25 The announcements regarding the Company that are legally required to be made are published in the Turkish Trade Registry Gazette, the Companys Internet website, and on the Public Disclosure Platform; and the announcements that are required to be published only in the Internet website are published in the Companys website. The announcements related with notice of General Assembly meeting should be published at least three weeks before the actual date of meeting excluding the announcement and meeting dates. The provisions of the article 474 of the Turkish Commercial Code shall apply for the announcements regarding decrease of issued capital; and the provisions of the articles 532 and 541 of the Turkish Commercial Code shall apply for the announcements regarding termination and liquidation. Regarding the announcements required to be made as per the Capital Market Legislation, the provisions of the related laws shall be complied with.

3. SOCIAL

POLICY DIVERSITY AND OPPORTUNITY

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

PRINCIPLES COMPLIANCE STATUS EXPLANATIONS

C. SOCIAL PRINCIPLES C1. Human Rights and Employee Rights

It provides equal opportunity in recruitment processes. Considering the impacts on its supply and value chain, it includes fair labor, improvement of labor standards, women's employment and inclusiveness (such as avoidance of discrimination against women, men, religious beliefs, language, race, ethnicity, age, disability, refugees, etc.) in its policies. Yes

WOMEN EMPLOYEES

Women Employee Ratio: 53%

WOMEN MANAGERS

Women Managers Ratio: 39%

EMPLOYEES WITH DISABILITIES

Disabled Employees ratio: 2.11%

Disabled Employees			
	2020	2021	2022
Female	2	2	2
Male	1	1	1
SOCIAL PERFORMANCE INDICATORS			
Workforce	2020	2021	2022
Direct Employment (Female)	70	71	74
Direct Employment (Male)	67	68	67
Contractor Employees (Female)	1	1	1
Contractor Employees (Male)	0	1	0
Total	138	141	142

POLICY SKILLS TRAINING

HUMAN RESOURCES PRACTICES

İş Leasing's human resources strategy is to efficiently manage its human resources, which it regards as its most important asset, in line with its vision, mission and goals; to form an elite, dynamic, creative, difference making, effective, and highly competitive and valuable team; to attract qualified labor through improvement and change; to continuously support the development of professional knowledge, skills, and organizational and personal abilities of the team; and to motivate and develop practices in order to raise employee performance to the top.

POLICY CAREER DEVELOPMENT

HUMAN RESOURCES PRACTICES

At İş Leasing, integrated and professional systems are used in all human resources processes, from the recruitment process to performance management, from talent development to wage policy, and from career planning to job termination. In order to place the right person for the right job, the Company actively applies brand new methods, designed upon competencies, reinforced with objective, multidimensional measurement and evaluation tools tailored for the position. Training activities at İş Leasing are planned and implemented considering business plans, necessity analysis and performance results in a way that will provide technical capabilities and talent development to all employees.

EMPLOYEES HEALTH & SAFETY TEAM

The units responsible for OHS at İş Leasing are Human Resources and Administrative Affairs and report to İş Leasing General Manager.

LOST WORKING DAYS

Lost Working Days: 0

EMPLOYEE LOST WORKING DAYS

Employee Lost Working Days: 0

OCCUPATIONAL DISEASES

Occupational Diseases: 0

POLICY COMMUNITY INVOLVEMENT

CORPORATE SOCIAL RESPONSIBILITY

While advancing to achieve its goals in line with its "Sustainable, Quality and Profitable Growth" strategy, and sustainable finance and green transformation vision, İş Leasing carries out various activities to contribute to social life and the environment within the framework of its corporate social responsibility approach. In this context, the Company has embraced the goal of maximizing contributions to social life across all communities and fulfilling exemplary investments with tangible benefits for all its stakeholders. Corporate social responsibility affairs at İş Leasing are handled by the Human Resources and Marketing Departments. Believing that social and national benefit cannot be realized without social welfare, İş Leasing also transfers its pioneering role in the sustainable finance into corporate social responsibility activities and firmly marches towards a sustainable future with the support of its stakeholders. In order to support and accelerate sustainable development and green transformation, it aims to add permanent value in the society by adopting a model of cooperation with the business world, public and civil societies in its projects. In this respect, it considers İş Leasing capitalizes on its pioneering role in sustainable finance by transferring it into corporate social responsibility activities.

supporting those in need with donations and aids whenever obliged by social solidarity, as a basic principle of social responsibility approach.

DONATIONS TOTAL

Total Donations in 2022: 112,000 Turkish Liras.

POLICY CHILD LABOR

Child labor, forced labor, abuse of employee rights or situations that may even insinuate these practices are not allowed within İş Leasing activities.

POLICY FORCED LABOR

Child labor, forced labor, abuse of employee rights or situations that may even insinuate these practices are not allowed within İş Leasing activities.

POLICY HUMAN RIGHTS

Child labor, forced labor, abuse of employee rights or situations that may even insinuate these practices are not allowed within İş Leasing activities.

TURNOVER OF EMPLOYEES

Turnover of Employees: 11.35%

In 2022, 1 employee resigned from İş Leasing. The number of employees who left their jobs voluntarily due to different reasons is 10 and it corresponds to 7% of the total employees. The employee turnover rate in the Company was 11.35%.

Workforce 2020 2021 2022

Total 138 141 142

NUMBER OF EMPLOYEES FROM CSR REPORTING

İş Leasing has 142 employees.

TOTAL INJURY RATE TOTAL

Total Injury Rate: 0

TOTAL INJURY RATE EMPLOYEES

Total Employee Injury Rate: 0

TRAINING COSTS TOTAL

Training costs for 2022: 73,511 Turkish Liras.

POLICY EMPLOYEE HEALTH & SAFETY

OCCUPATIONAL HEALTH AND SAFETY

For İş Leasing, the health and safety of its employees have top priority and can never be compromised. The Covid-19 pandemic has made it imperative that all institutions make OHS practices more comprehensive and integrated in the 2020-2022 period.

HEALTH & SAFETY TRAINING

OCCUPATIONAL HEALTH AND SAFETY

In order to increase the OHS awareness of the employees, İş Leasing switched to online environment after pandemic for OHS trainings, which were carried out face to face before. Additionally, the online trainings organized by the Ministry of Labor and Social Security, Center for Labor and Social Security Training and Research (CASGEM) were assigned to the Company employees with the guidance of the Company's OHS Specialist. In 2022, 69 employees of İş Leasing received average of 13 hours of OHS training. OHS trainings are compulsory for new employees upon recruitment and renewed every 3 years for existing employees.

AVERAGE TRAINING HOURS

Technical Trainings: 1155 Hours

OHS Trainings: 675 Hours

Total Number of Employees: 142

Average Training Hours: $1830/142 = 12.89$