

SUCCESSING TOGETHER

Together, we will create a sustainable future.

İŞ LEASING 

2022
SUSTAINABILITY
REPORT



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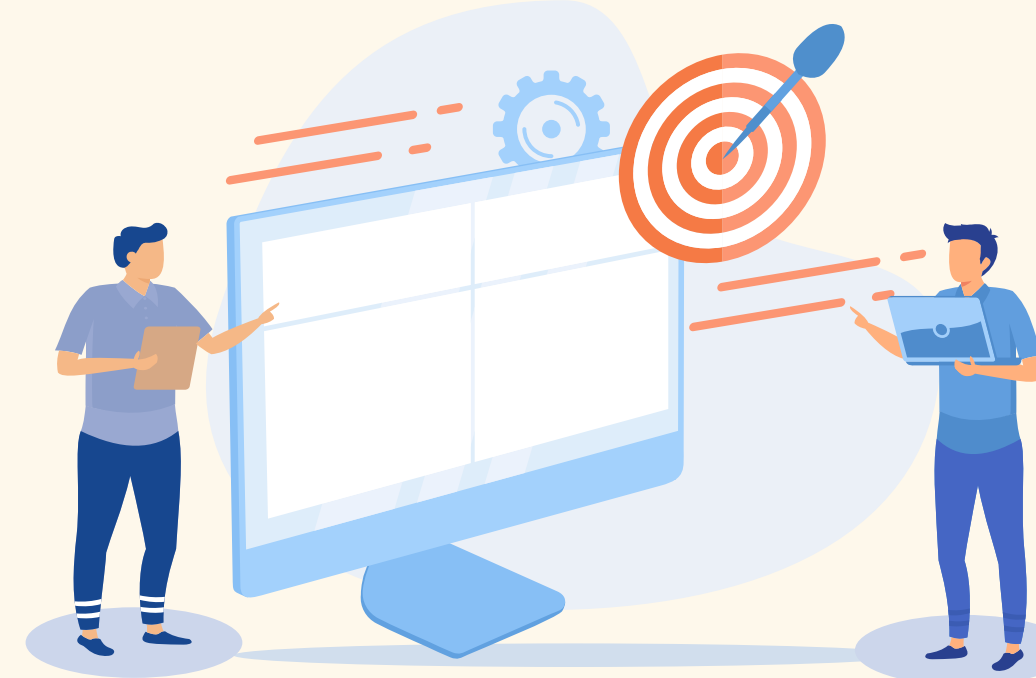
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**SUCCEEDING
TOGETHER**
Together, we will create a sustainable future.

İŞ LEASING
2022
SUSTAINABILITY
REPORT

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REPORT THEME



The building blocks of İş Leasing's business mentality are its vision, values and strategy. The central system that binds them is our belief in succeeding together.

Similar to the unique harmony of the pieces of a jigsaw puzzle, we unite to build a sustainable future **together** with all our stakeholders.

Our jigsaw theme symbolize how we work together in harmony and the colors symbolize our stakeholders.

Our cover page illustrates various projects and corporate social responsibility efforts we implemented throughout 2022. We also bring to our stakeholders attention how we achieved success through these efforts.



ABOUT THE REPORT

WE PREPARE FOR A SUSTAINABLE FUTURE.

We prepared our company's 2022 Sustainability Report in reference to GRI 2021 Standards published by Global Reporting Initiative (GRI). We implemented our sustainability activities in reference to our previous materiality surveys, and in line with our priorities. Our report consists of sections describing our sustainability-oriented policies that shape our corporate governance mindset, our current work, and our understanding of positive impact we strive to create in every process.

We improved our sustainability strategy and priorities, which we established previously with broad stakeholder participation, in order to create a positive impact on leasing processes. We identify

positive impact areas at every step of our leasing processes through risk and opportunity analyses and assessment efforts, and present them to our stakeholders in our 2022 report under the title "Our Positive Impact Chain".

The information in our 2022 Sustainability Report covers the sustainability-oriented activities of our company between 01.01.2022-31.12.2022. In order to share more effective and consistent information, we included data of previous or following reporting periods in the relevant sections on our report. In line with our vision of continuous corporate development, we will continue to share our sustainability efforts and updates annually in the coming periods.

WE WORK FOR THE VISION OF DECARBONIZATION.

Our work in the field of sustainable finance brings a leverage to our sectoral value chain...



Since the day we were founded, we accomplished the first lease syndication, the first aircraft financing, the first sale and leaseback transactions, and the first debt security issuance, thanks to our continuously improving visionary perspective, our product development capabilities and solution-oriented expertise.



We integrated a culture of sustainability into all our processes by placing corporate sustainability at the center of our strategic management approach. We updated our sustainability strategy to align our 2022-2024 targets and improved our Company's sustainable management functions in line with the regulatory developments in the global financial markets and the priorities of our stakeholders.



We act decisively in allocating our resources to promote energy efficiency and renewable energy funding in line with our vision of combating climate crisis, decarbonization and green development. Thus, we will keep creating value for our customers, shareholders, employees and all other stakeholders by playing an essential role in financial sustainability through our ethical approach, diversity and inclusiveness, and positive impact of fair mobility principles on communities and environment.



You can send any questions, opinions and suggestions about İş Leasing's sustainability activities and reporting processes via surdurulebilirlik@isleasing.com.tr e-mail address.

GRI 2021 Standards

In its third sustainability report, İş Leasing shares its governmental approach, performance results, and commitments with a forward-looking perspective on the environmental, social and economic impacts of its activities.



Reporting Period:
01.01.2022 - 31.12.2022

Tips on how to read the report more effectively



Includes e-mail to contact for more information.



The box contains additional explanatory information.



Contains a link to the Company's website or to another external source.



It refers to the coding of the GRI Standards.

JOINT MESSAGE FROM OUR CHAIRMAN AND GENERAL MANAGER

DEAR STAKEHOLDERS,

We started year 2023 with a countrywide sadness due to earthquake that devastated multiple provinces. We believe that we can only overcome these difficult days by unity, and we act with this awareness towards redevelopment of the region. Thus, we once again share our condolences and wish for a speedy recovery across our country.

Volatility in the global economic outlook

Global economy challenges in 2022 went beyond the effects of the pandemic and reached a peak with the supply chain disruptions and increasing energy costs after Russia-Ukraine war. While the devastating effects of geopolitical tensions continue on social and economic order, cost of living has risen in several countries as soaring inflation hit record levels, and the uncertainty prevailed in the business world.

**N. BURAK
SEYREK**
CHAIRMAN



**U. ŞAFAK
ÖĞÜN**
GENERAL
MANAGER
AND BOARD
MEMBER



We continue to increase our transaction volume regularly

Despite the difficulties in the global economy, we regularly continue to increase our transaction volume with our risk-opportunity analysis and effective business management. With our new transaction volume of 560 million USD thanks to meticulous balance sheet management in 2022, we increased our market share to 14.6% and bolstered our leading position in the sector. As a result of our effective credit risk assessment methods, we managed to keep our doubtful leasing receivables below industry average (3.8%) in 2022.

In addition to our favorable operating performance, we have essential and pressing duties to leave a sustainable world to future generations. As İş Leasing, we change our strategies accordingly and strengthen our business models, including economic, environmental and social dimensions, with flexible, adaptable and solution-oriented approaches. We join projects that can positively contribute to the environment.

WITH OUR NEW TRANSACTION VOLUME OF **560 MILLION USD** THANKS TO METICULOUS BALANCE SHEET MANAGEMENT IN 2022, WE INCREASED OUR MARKET SHARE TO 14.6% AND BOLSTERED **OUR LEADING POSITION** IN THE SECTOR.

9.29

CORPORATE
GOVERNANCE
RATING



53%

FEMALE
EMPLOYEE
RATE



**560
MILLION USD**

NEW
TRANSACTIONS
VOLUME



JOINT MESSAGE FROM OUR CHAIRMAN AND GENERAL MANAGER

With our contribution to green projects, we increase our climate combat power every day. We aim to take precautions for effective resource and energy usage to ensure transition to a low-carbon economy, particularly by providing financial services for energy efficiency and renewable energy investments.

We aim to establish more resilient entities with sector-tailored approaches

We improve our decisive influence in transition to a circular economy with our sustainable financing mentality in line with sustainable development goals. We work with comprehensive methods to create a positive impact in all our leasing processes by developing environmental and social risk assessments in project funding. While identifying how we can create a positive impact, we aim to establish more resilient entities with sector-tailored approaches. In order to improve our social and governance performance, we boost our positive impact chain by collaborating with employer stakeholders who have social responsibility and community service awareness. We regard national and international level sustainable financing as a mission, and we regularly improve our projections' quality to serve this mission.

We strive to reduce our environmental footprint aiming to leave a sustainable world to next generations.

We neutralize our greenhouse gas emissions from our operations by supporting renewable energy projects in order to contribute to climate change combat, which is critical for reducing greenhouse gas emissions by 2030 and keeping global warming below 1.5 degrees.

We make every effort to avoid waste, save energy and water, and reduce paper waste in all our service locations.

We recycle all of our company's depreciated electronic waste, including the electronic waste of our employees, and provide quality education and scholarship opportunities for students with the resulting funds.

Within our climate crisis combat and decarbonization vision, we continue our efforts to become the first carbon-neutral company in our sector.

As a result of our performance towards a sustainable future, we were awarded TurSEFF Excellence Award by the European Bank for Reconstruction and Development (EBRD) in 2022.

We elevated our stakeholder interaction approach to a new dimension

We effectively comply with the International Sustainability Standards Organization (ISSB) global responsible investment standards to better contribute and accelerate transition to a green economy. In light of our inclination to increase our memberships in and collaborations with organizations aiming for a positive impact on green transition, we became a signatory of the United Nations Women's Empowerment Principles (WEPs) and the United Nations Global Compact (UN Global Compact) in 2022.

We actively maintain our memberships in Sustainable Development Association (SDA), Corporate Governance Association of Türkiye (CGAT), Association of Financial Institutions (AFI), Listed Partnerships Managers

Association and Istanbul Chamber of Commerce (ICOC), by participating in joint projects and workshops.

We continue our efforts to reduce environmental, social and governance concerns to create robust foundations for the future. We believe that we can win for the future of our world collectively in the journey to a sustainable future.

As İş Leasing, we will continue to take responsibility and initiate strong steps towards ensuring a fair transition to a sustainable financial system in line with Green Development. We would like to thank our Board of Directors, our employees and all our other stakeholders, who we believe will continue to support us and contribute in this process.

Kind Regards,

N. BURAK SEYREK
Chairman

U. ŞAFAK ÖĞÜN
General Manager and
Board Member

AS İŞ LEASING, WE WILL CONTINUE TO TAKE RESPONSIBILITY AND INITIATE **STRONG STEPS** TOWARDS ENSURING A FAIR TRANSITION TO A SUSTAINABLE FINANCIAL SYSTEM IN LINE WITH GREEN DEVELOPMENT.

  **United Nations**
Global Compact

NEW INCENTIVES
NEW PARTNERSHIPS

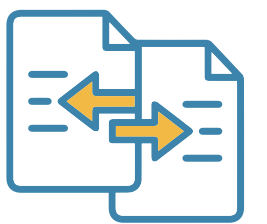
14.6%

OUR
MARKET
SAHARE



3.8%

OUR
NPL
RATIO



OUR MILESTONES

We keep working tirelessly to support a sustainable economy.

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İş Leasing serves more than 4 thousand customers with its 16 branches and 142 employees throughout the country.



OUR JOURNEY OF SUSTAINABLE FINANCE

41.8% OF İŞ LEASING'S SHARES (ISFIN) ARE TRADED ON BORSA ISTANBUL.

İş Leasing was incorporated in 1988 as one of the first leasing companies in Türkiye as a result of Türkiye İş Bank Group's partnership with Societe Generale and IFC, a World Bank institution. In 1995, Türkiye İş Bankası acquired all the shares held by foreign partners and reinvigorated Company's activities. İş Leasing quickly became one of the leading companies in the leasing sector, thanks to the extensive nationwide branch network of Türkiye İş Bankası. İş Leasing is a public company since 2000 and **41.8%** of its shares are traded on Borsa Istanbul (BIST). İş Leasing shares are listed in BIST All, BIST Financial, BIST 100, BIST 50, BIST 30, BIST Corporate Governance, BIST Star and BIST Leasing, Factoring indexes.

İş Leasing, which steadily increased its business volume under a vision of improvement since its establishment, became one of the **leading** companies in the sector by constantly improving its operations through corporate governance activities.

İş Leasing stood out in competition particularly in customer experience by effective process management, innovative business methods based on corporate governance, rapid decision-making and rapid response mechanisms.

Thanks to its new product development and solution generation capabilities, İş Leasing was a pioneer and a significant growth contributor in leasing industry through fulfillment of the first leasing syndication, the first aircraft financing and the first sale-leaseback transactions, as well as the first debt instrument issuance.

WE STEADILY IMPROVE OUR ECONOMIC PERFORMANCE BY COMPLIANCE WITH SUSTAINABLE FINANCE PRINCIPLES AND OUR EFFECTIVE GROWTH STRATEGY

Constantly working with a mindset focused on sustainable economy and contributing to domestic employment and national economy with renewable energy and sourcing efficiency projects, İş Leasing continues to be **the choice of a wide customer base** who want to evaluate investment projects quickly, accurately and efficiently.

İş Leasing, which instills the vision of Green Transformation, Decarbonization and Sustainable Development at the center of its corporate culture, solidifies its leading position with its sustainable finance approach in line with this vision.

İş Leasing serves more than 4 thousand customers with its 16 branches and 142 employees throughout the country.

İş Leasing maintains stable economic performance with its robust financial structure, effective service model, competent human resources and sustainable and profitable road map for growth.

İş Leasing, which managed to achieve its economic targets through its dynamic balance sheet management structure, bolstered its second place position in the sector by increasing its **market share to 14.6%** with additional transaction volume of **560 million USD** in 2022.

OUR BRANCHES

İstanbul - Kozyatağı	1
İstanbul - Gebze	2
İstanbul - Şişli	3
İstanbul - Avcılar	4
Bursa - Marmara	5
Ankara - Central Anatolia	6
Ankara - Ostim	7
Antalya - Mediterrenian	8
Adana - Çukurova	9
Gaziantep - Southern Anatolia	10
İzmir - Aegean	11
İzmir - Aegean Free Zone	12
Kayseri	13
Konya	14
Trabzon	15
Diyarbakır	16

İş Leasing increases its decarbonization investments and provides significant support to the fight against the daily worsening climate crisis by **336 MW** active installed capacity by the renewable energy investment projects it financed in year 2022.

Thanks to the current methodology and techniques applied in credit risk, effective risk monitoring processes and diverse portfolio structure, the rate of the Company's non-performing leasing receivables remain significantly below sector average. Despite global economic downturn in 2022 and substantial depreciation of Turkish Lira, the rate of **non-performing loans decreased to 3.8%** thanks to the effective risk management approach.

16
16 branches
across the nation



142
total employees



4k⁺
number of
customers served



İŞ LEASING AT A GLANCE

OUR MILESTONES



İŞ LEASING AT A GLANCE

VISION AND VALUES

İş Leasing's vision is to be a leading, dynamic and reliable leasing company that maintains a wide network of activities throughout Türkiye, and to be the most preferred leasing company by customers, shareholders and employees.



The aims of İş Leasing are to be the best managed leasing company that adheres to ethical values, has environmental and social responsibility awareness, offers quality services and acts in line with reliable business partnership principles and sustainable growth-oriented working approach.

Increasing its market share with a focus on profitability and efficiency lies at the heart of the medium-term goals set by the Company to achieve its vision and aims.



STRATEGY COMPONENTS

İş İş Leasing's strategy is to provide **"Sustainable, Quality and Profitable Growth"** in order to achieve its vision and goals. The following principles are deemed necessary in the implementation of the Company's strategy.

SERVICES TAILORED TO CUSTOMER NEEDS 01

INNOVATIVE, FLEXIBLE
PRODUCTS, SERVICE
QUALITY THAT MAKES A
DIFFERENCE

SMART BUSINESS
PROCESSES THAT OFFER
QUICK AND EFFECTIVE
SOLUTIONS

EXTENSIVE AND EFFICIENT
SERVICE NETWORK

EFFECTIVE CUSTOMER
RELATIONSHIP
MANAGEMENT

STRONG CHANNEL
MANAGEMENT STRATEGY



COMPETENT HUMAN RESOURCES 02

PRACTICES THAT IMPROVE
COMPETENCE AND
EFFICIENCY

HUMAN RESOURCES
POLICIES FOCUSED ON
EMPLOYEE SATISFACTION

PRACTICES NURTURED
BY THE IDEAS AND
SUGGESTIONS OF
EMPLOYEES

PERFORMANCE-BASED
OBJECTIVE EVALUATION



BALANCED RESOURCE AND RISK MANAGEMENT 03

RISK-BASED CAPITAL ALLOCATION

HIGH ASSET QUALITY AND EFFECTIVE
CREDIT RISK MANAGEMENT

EXTENSIVE AND DIVERSIFIED
FUNDING STRUCTURE

CURRENCY, MATURITY AND INTEREST
RATE RISK MANAGEMENT ALIGNED
WITH ASSETS



DIGITAL TRANSFORMATION AND TECHNOLOGICAL PROGRESS 04

INFRASTRUCTURE DESIGN INTEGRATED
WITH NEW TECHNOLOGIES

DIGITAL TRANSFORMATION PROCESSES

TECHNOLOGY-DRIVEN DIGITAL
INTERACTION

BUSINESS INTELLIGENCE CREATION
THAT SUPPORTS DECISION-MAKING
WITH ADVANCED DATA ANALYTICS

DATA-BASED AGILE DECISION-MAKING
PROCESSES



İŞ LEASING AT A GLANCE

İŞ LEASING IN NUMBERS

Established in 1988

34
years of experience

Consolidated asset size
36.3
billion TL

Number of branches
across Türkiye
16



Place in the sector on
the basis of leasing
receivables

2nd



The number of
customers

4.451

Market share
in leasing
receivables

12.8%



Market share
in new
transactions

14.6%



NPL
ratio

3.8%



Installed power capacity of
renewable energy projects
financed in 2022

120 MW

Installed power capacity of
financed renewable energy
projects in aggregate

336 MW



Total number
of employees

262

Female
employee rate

53%

Employee
turnover rate

11.35%



Corporate
governance rating
(Over 10)

9.29

Ratio of
public shares

41.8%

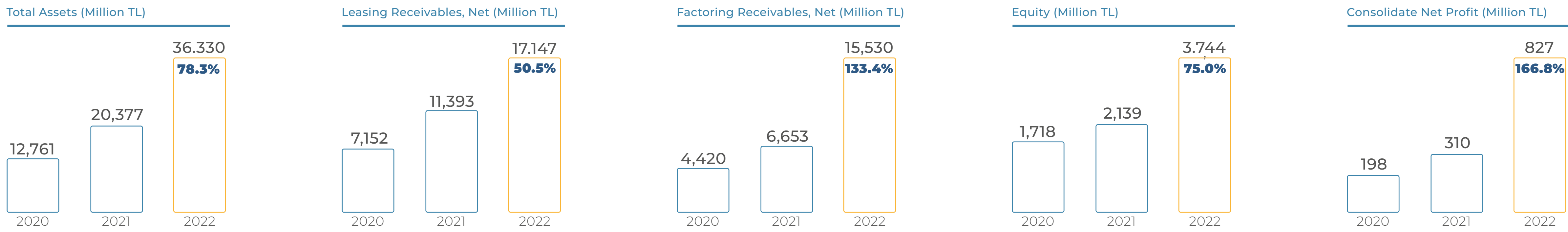


İş Leasing is included in the BIST All, BIST Financial, BIST 100, BIST 30, BIST Star, BIST Corporate Governance and BIST Finansal Leasing, Factoring indexes.

iş LEASING AT A GLANCE

MAJOR INDICATORS

Consolidated	2020	2021	2022	Change
Total Number of the Branches	15	15	16	6,7 %
Total Number of the Employees	138	141	142	0,7 %
Total Number of the Customers	4,585	4,701	4,451	(5,3)%
New Transactions (Million USD)	545	611	560	(8,3)%
Total Assets (Million TL)	12,761	20,377	36,330	78,3%
Leasing Receivables, Net (Million TL)	7,152	11,393	17,147	50,5%
Factoring Receivables, Net (Million TL)	4,420	6,653	15,530	133,4%
Equity (Million TL)	1,718	2,139	3,744	75,0%
Consolidate Net Profit (Million TL)	198	310	827	166,8%
Return on Equity	13.2%	16.1%	28.1%	
Return on Assets	1.8%	1.9%	2.9%	
Cost to Income Ratio	18.5%	12.7%	11.7%	

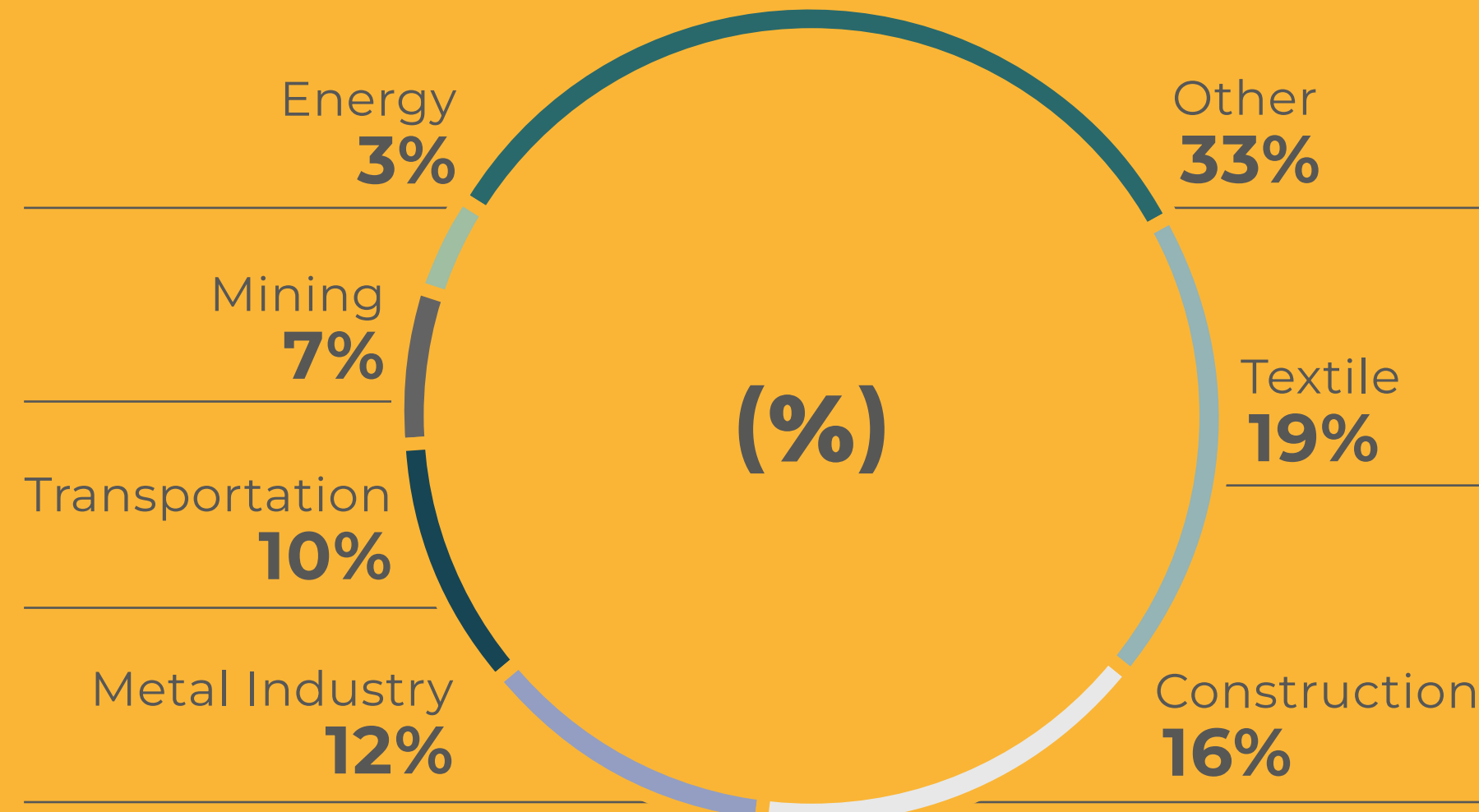
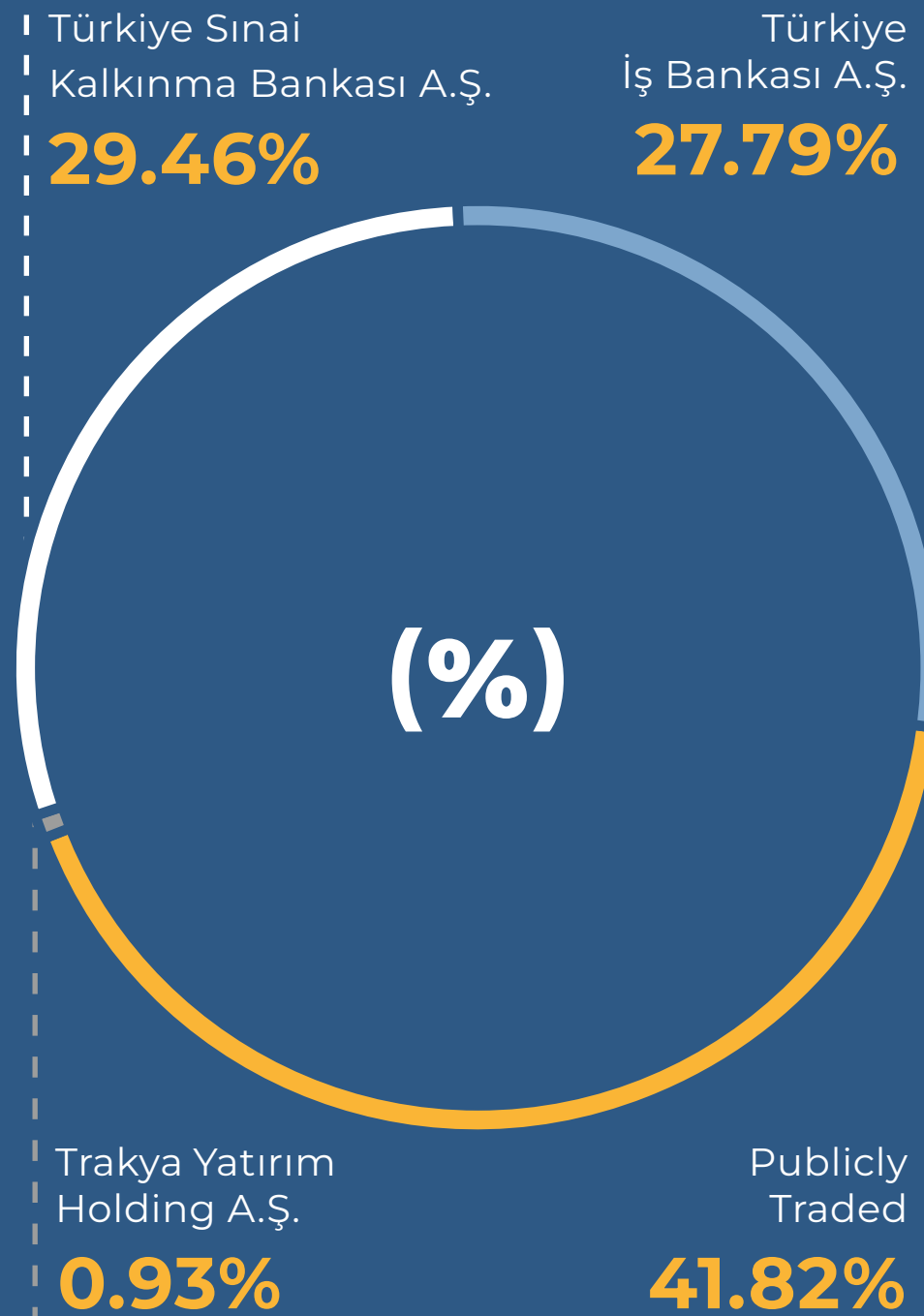


İŞ LEASING AT A GLANCE

DISTRIBUTION OF SECTORS



Consolidated	2020	2021	2022
Textile	16%	20%	19%
Construction	18%	21%	16%
Metal Industry	12%	11%	12%
Transportation	10%	7%	10%
Mining	7%	8%	7%
Energy	5%	4%	3%
Other	32%	29%	33%

SHAREHOLDER
STRUCTURE (%)Trakya Yatırım
Holding A.Ş.

0.93%

Publicly
Traded

41.82%

Outstanding shares ratio of ISFIN stock, which is public and traded on Borsa İstanbul Outright Purchases and Sales Market - (Among Qualified Investors) / Bist Stars Market under the symbol "ISFIN", is 41.8%. As of the end of 2022, the Bank's authorised capital is 1,200,000,000 TL and its paid-in capital is 695,302,645 TL.

SUBSIDIARIES

İŞ YATIRIM MENKUL
DEĞERLER A.Ş.
2.43 %

İŞ YATIRIM

EFES VARLIK
YÖNETİM A.Ş.
2.857143%

EFES VARLIK YÖNETİM

İŞ FAKTORİNG A.Ş.
78.23%

İŞ FAKTORİNG

FITCH - CREDIT RATINGS

(26.07.2022)



Foreign Currency

Long Term B-

Short Term B

Outlook Negative

Turkish Lira

Long Term B

Short Term B

Outlook Negative

National

Long Term A+(tur)

Outlook Negative

Hissedar
Destek
Notu B-

CORPORATE GOVERNANCE RATING

(28.12.2022)

SAHA

9.29/10

OUR SUSTAINABLE DEVELOPMENT VISION

WITH THE RENEWABLE ENERGY PROJECTS WE FINANCE, WE AVOID SIGNIFICANT CARBON EMISSIONS AND INCREASE OUR CONTRIBUTION TO GREEN PROJECTS DAY BY DAY, DEDICATING A SIGNIFICANT PORTION OF OUR EFFORTS TO THE FIGHT AGAINST CLIMATE CHANGE.

We embrace proper management of financial activities and leaving a positive impact on the future of our world as a central element of our responsible corporate culture since our establishment. At İş Leasing, we adopt **a vision of climate crisis combat and decarbonization**, which gradually became a priority of the financial world as part of sustainability efforts. Hence, we accelerated our efforts for a better future with sustainable finance principles together with our stakeholders. In order to leave a more habitable world to next generations, we embraced a sustainable business model in all our processes by considering all economical, environmental and social dimensions. While we aim to be a part of the solution with our steps against climate change and environmental problems, we also **strive to create more sustainable value** for all our stakeholders and continue our efforts to raise public awareness about environmental issues.

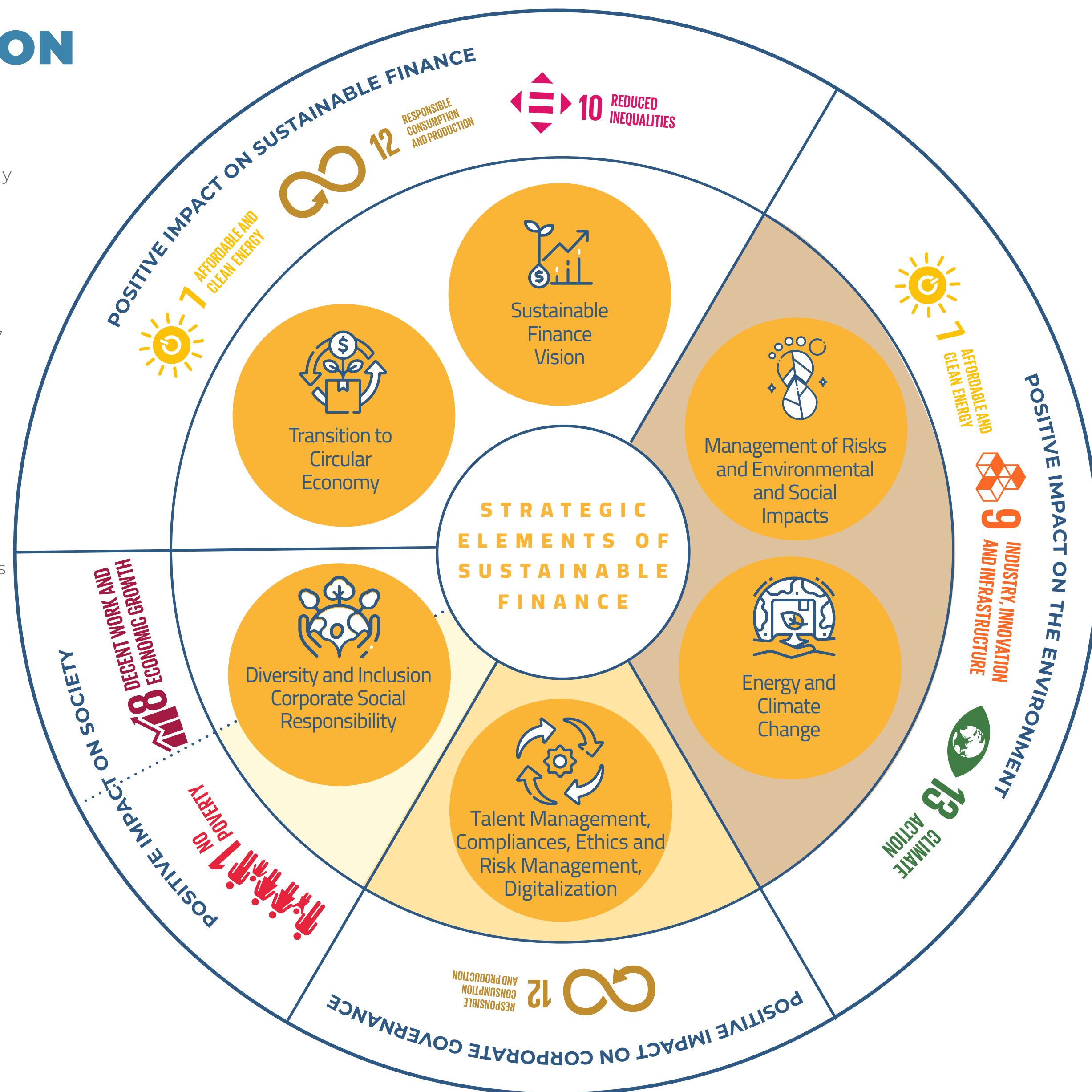
As a company that embraces the principles of constant improvements in customer experience through pioneering mentality, innovative and flexible products, distinctive service quality, smart business processes offering fast and effective solutions, our vision is based

on reaching out far and wide across country. Thus, becoming the most preferred financial leasing company for our customers, shareholders and employees is the basis of our vision with our reliable and dynamic activities.

Our aim is to be a leasing company that respects ethical values, has environmental and social awareness, maintains top quality and customer satisfaction levels, acts as a reliable business partner, and has the best management practices with a coordinated and sustainable growth approach. Achieving **“Sustainable, Profitable and Quality Growth”** plays a key role in our vision and goals.

In a time when climate crisis becomes more of a headline and we are beginning to see adverse consequences of climate change more clearly in our economy and ordinary lives, İş Leasing swiftly continues to work for sustainable development by focusing on climate crisis combat and diverse growth.

With the renewable energy projects we finance, we **avoid significant carbon emissions** and **increase our contribution to green projects** day by day, dedicating a significant portion of our efforts to the fight against climate change.



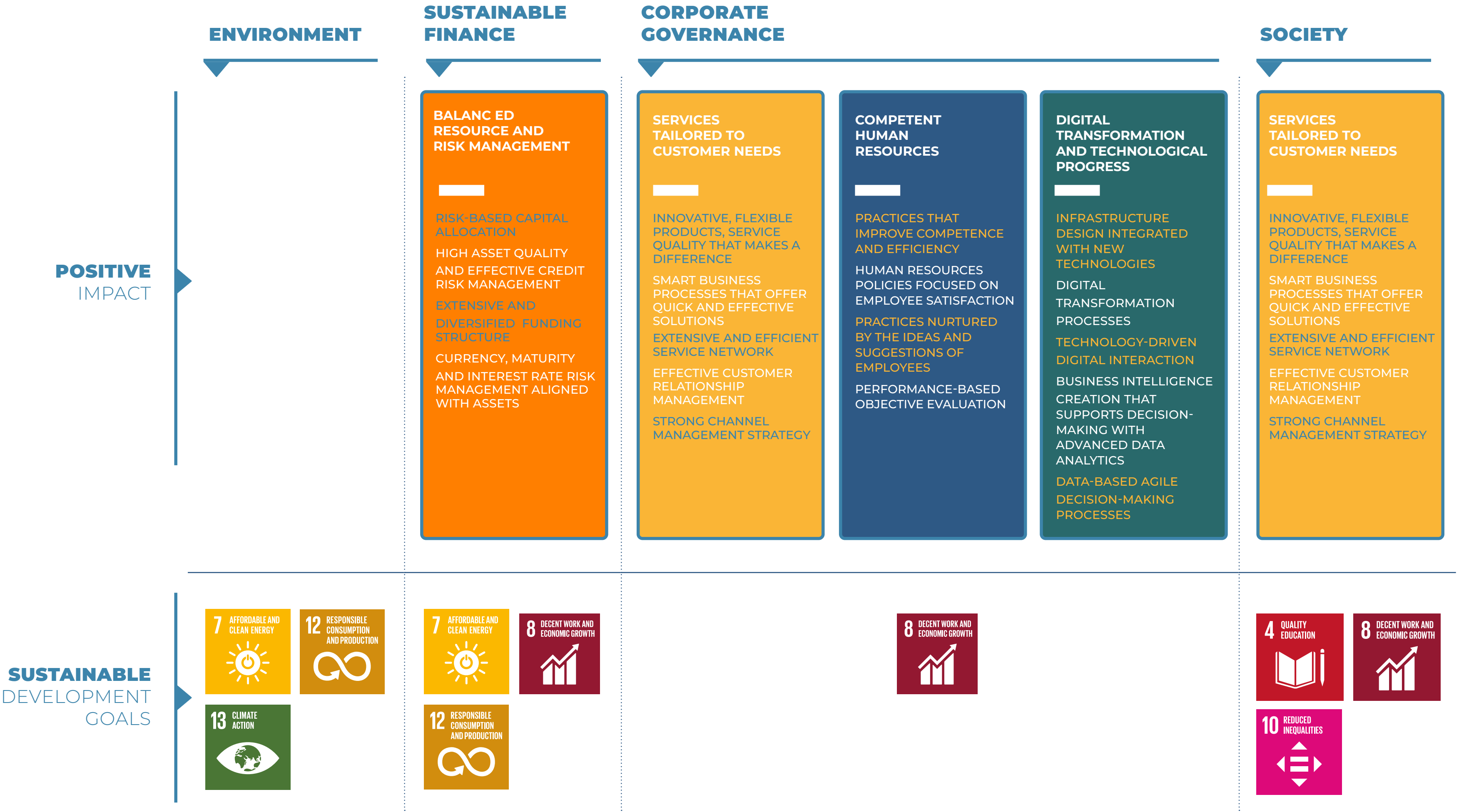
OUR SUSTAINABLE DEVELOPMENT VISION

In 2022, we integrated strategic elements of sustainable finance into our corporate strategies in line with the Sustainable Development Goals. We took the next step on **"Sustainable Development Vision"** by expanding our positive impact areas. We bolstered our sustainable development vision by alingning our strategic framework of positive impact chain on environmental, social and governance with the SDGs we serve.

We increased our efforts to finance the transition to a circular economy through funding support for renewable energy and green projects. We extensively worked to create a positive impact by providing **environmental and social risk assessments** of our leasing projects. We introduced modern practices to strengthen our sustainability-focused corporate integrity and increased our funding volume for sustainable projects.

We continue to digitalize our practices with an innovative approach for sustainable development. We accelerated our workforce and time management activities by putting digital transformation at the center of our business methods. We contributed to our customers' adoption of business processes by sustainable business methods we developed.

We believe that "Sustainable Development" is possible through local and global collaborations, apart from individual efforts. In this context, we share our sustainable development vision globally and promote it with international business partnerships. We will continue our contributions for a more sustainable world by improving our collaborations with various institutions and organizations.



OUR POSITIVE IMPACT CHAIN

WE EXERCISE CORPORATE RESPONSIBILITY IN ALL SECTORS WITHIN OUR SPHERE OF INFLUENCE AND PLACE SUSTAINABILITY AT THE CORE OF OUR BUSINESS MODEL.

In line with our sustainable finance principles, we integrate customized components of the **sustainable development vision** into all our business processes in managing the environmental, social and economic impacts on our value chain.

We aim to go one step beyond fulfilling our environmental and social responsibilities in our sustainable finance journey. We exercise **corporate responsibility in all sectors** within our sphere of influence and place sustainability at the core of our business model.

We provide funding for our customers by designing a leasing process that aligns with our positive impact principles. By receiving ownership title at the end of the investment process, our customers gain a sustainable business model that has a positive impact on the value chain and contribute to the spread of sustainable finance across sectors.

While we analyze all the impacts that may occur in our financial leasing processes, we also meticulously determine the positive impact areas that we can create within our business processes by considering the risk-opportunity balance and using **short-medium-long term financial projections**. We try to create a positive

impact at every step, starting from offer and terms and agreement stages, to the point of conclusion by the transfer of ownership title to lessee.

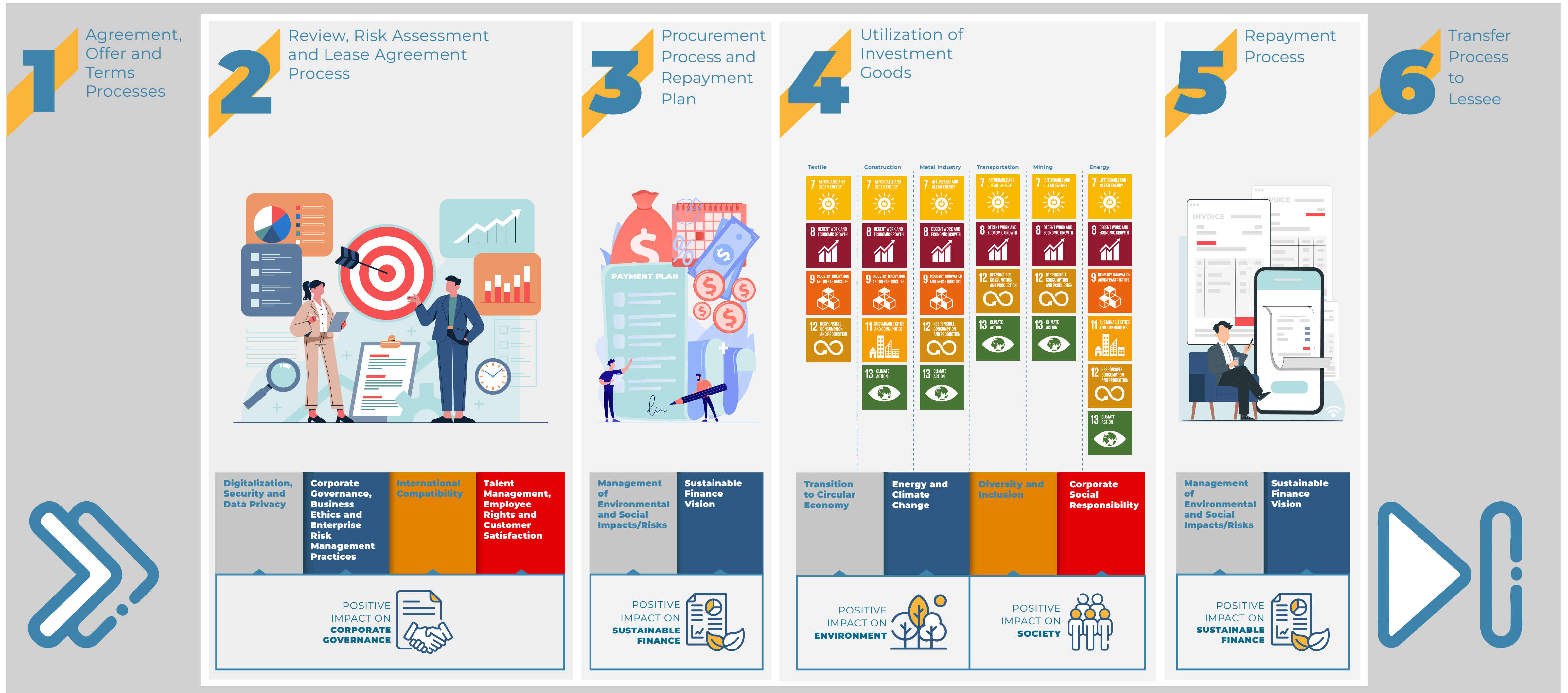
We support corporate governance with our risk assessment efforts during contract process. We separate our **positive contribution** to corporate governance into four stages and draft our contracts within this scope. We recognize the impact of sustainable finance in our business plan, from the contract process to the procurement of investment goods and the repayment process.

We provide financial support to companies with an approach customized for sectors. We examine the environmental risks and the positive impact of each sector. We determine **Sustainable Development Goals** aimed at customized sector contributions and accordingly create our service methodology. While we examine environmental impacts in our sector-specific approach, we also evaluate subtitles that we can contribute to the society. We extend our positive impact chain by financially supporting companies that create employment, have social awareness and serve the needs of society.

We continue to build on our work for a sustainable future by cooperating with our customers, business partners and all our stakeholders. In our sustainability journey aimed at a better world for future generations, our **Positive Impact Chain Approach** serves as an essential commitment for global and national sustainable finance solutions, and we aim to steadily increase the quality of our relevant projections.



OUR POSITIVE IMPACT CHAIN



OUR SUSTAINABLE FINANCE APPROACH

We leverage sustainable finance's revolutionary capacity to create long-lasting business structures.

Our idea of sustainable finance is based on the principles of openness, accountability, responsibility, and equality.

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OUR APPROACH TO BUSINESS ETHICS AND COMPLIANCE

WE AIM TO TRANSFORM ALL OUR CUSTOMERS INTO RISK HEDGING ENTITIES IN THE SECTORS WE OPERATE.

We embraced a corporate culture to become a stronger and more robust entity, with our corporate activities guided by our fair, transparent, ethical and sustainable management approach and sustainable value chain. We implement our enhanced corporate governance model and all our other processes in accordance with the Sustainability Compliance Framework and Corporate Governance Principles of the Capital Markets Board (CMB). Our efforts that aim to permanently raise compliance awareness, positively affects our adaptability.

While determining our corporate future goals and sustainability priorities, we recognize the essential elements of a reliable value chain as supporting ethical functions, assessing potential corporate risks with due care, and analyzing due business ethics compliance.



OUR CORPORATE GOVERNANCE JOURNEY

WE EMBRACED A RELIABLE AND TOP CORPORATE GOVERNANCE COMPLIANCE AS OUR CORPORATE CULTURE.

We place transparency, accountability, responsibility and equality at the heart of our corporate governance approach. We serve our stakeholders, shareholders and customers with this mentality, and accordingly offer our employees a proper working environment. We embraced an effective management and auditing synthesized corporate governance mindset, and a top corporate compliance system to ensure trust through Corporate Governance Principles and audit mechanisms, as an integral part of our corporate culture.

Beyond adherence to local regulations and policies, we conduct our activities in compliance with all mandatory provisions of Corporate Governance Principles, respecting global policies favoring humans and mother nature.

We annually publish **Corporate Governance Compliance Report** to disclose our corporate responsibilities and compliance levels transparently.

Our operational efficiency, reports and activities are audited through the audits and controls carried out by the Internal Audit Department and the Internal Control,

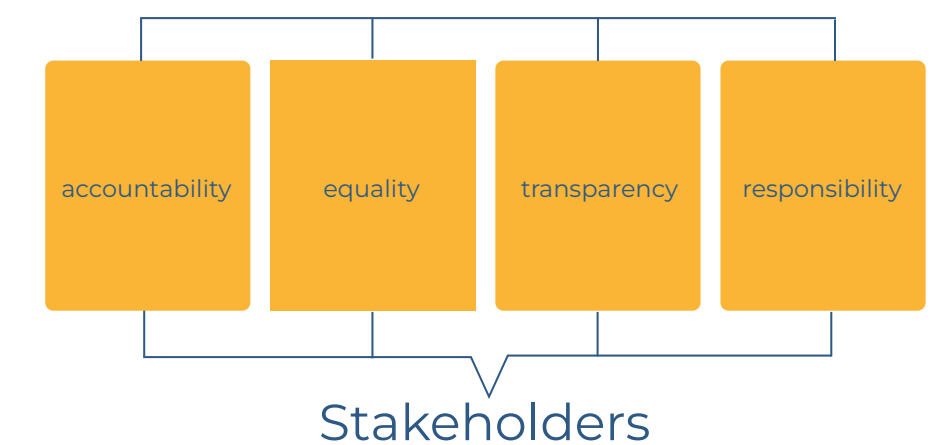
Risk Management, Compliance and Regulations Departments in order to ensure our compliance with laws and regulations. We carry out all auditing and control activities in line with our internal audit standards and our unique evaluation methods.

In internal audit activities, periodic and risk-based audits are carried out, including anti-bribery and corruption, ethics, and confidentiality aspects. Considering constantly changing regulations, monitoring and assessment of regulatory compliance activities are carried out by the Internal Audit Department and the Internal Control, Risk Management, Compliance and Regulations Departments. Our Internal Control, Risk Management, Compliance and Regulations Department manager, in addition to his duties within the company, serves as an official "Compliance Officer" by exercising his duties and responsibilities mandated by the Law on the Prevention of Laundering Proceeds of Crime within the scope of the **"Company Policy and Compliance Program"**. Our "Compliance Officer" also provides communication and coordination with Crimes Investigation Board "MASAK". Our Company's Internal Audit Department carried out audit efforts in 2022 about the Compliance Program on Prevention of Laundering Proceeds of Crime and Financing of Terrorism. In 2022, Internal Audit and annual MASAK training related efforts were carried out and relevant information and statistics were sent to the Financial Crimes Investigation Board within due periods specified in the Regulations. At the same time, the was also work to prevent the risk of financial crimes and sanctions within the scope of the Masak Compliance Program. **"Impact-Probability Analysis"** and **"Lost Incident Database Analysis"** studies were carried out to measure the risk of bribery and corruption, and information on **"Fighting Bribery and Corruption"** was included in Combating Financial Crimes trainings.

Within the scope of the regulatory foresight, the risks that our company is exposed and its processes are evaluated and implemented in accordance with the policies approved by our Board of Directors and legal regulations. Within the framework of the **"Company Risk Catalog"** that we developed, potential operational risks are considered and updated regularly.

İş Leasing embraces accountability, equality, transparency and responsibility as part of its corporate culture in all activities where it interacts with its stakeholders.

İş Leasing Corporate Culture



OUR APPROACH TO BUSINESS ETHICS AND COMPLIANCE

İş Leasing was added to BIST Corporate Governance Index in 2009 as a result of its effective corporate governance practices. Considering the importance of corporate governance principles to our company, our willingness to maintain this as a continuous and dynamic process, and the relevant improvements made since the assignment of previous rating score, our corporate governance rating score was assigned as **9.29 out of 10 (92.91%)** as a result of 2022 rating study by Saha Corporate Governance and Credit Rating Inc.

Within İş Leasing, all measures are taken meticulously to enable the exercise of shareholder rights in compliance with the Company's articles of association, internal policies and legal regulations. All relations and communications with shareholders are actively carried out by the Investor Relations Department, and the activities carried out by the Investor Relations Department are regularly reported to the Corporate Governance Committee and the Board of Directors.

We have a public profit distribution policy as part of our transparency mentality. Shareholders are not subject to any restrictions regarding share transfer, and we avoid practices that unduly enforce shareholders voting rights. In our policy of public disclosure, policy supervision and development activities are carried out impartially under the nine member Board of Directors, three of whom are independent.

Corporate Governance Committee, Audit Committee and Early Risk Detection Committees serve within the Board of Directors. The Corporate Governance Committee, consisting of three Board members and our Investor Relations Department manager, monitors our company's compliance with Corporate Governance Principles and offers innovative suggestions to the Board of Directors.

Our Audit Committee, which is responsible for internal control and internal audit functions, works to monitor priority affairs and maintain functional audit-control mechanisms. The Internal Audit Department and the Internal Control, Risk Management, Compliance and Regulations Departments, which report to our Board of Directors through our Audit Committee, have an essential role in developing and improving our culture of risk prediction and risk management.

The Internal Audit Department and the Internal Control Risk Management Compliance and Regulations Departments, which are responsible for reporting the effectiveness and activity results of the internal control system to the Board of Directors, evaluate required measures regarding audit findings and present recommendations to the Board of Directors via periodic reports.

All company departments are audited every two years, and our branches are audited every three years, and results are shared with the Board of Directors in the end-of-year report within the framework of regulatory compliance audits and audit plan. The Internal Audit Department and the Internal Control Risk Management Compliance and Regulations Departments, which work according to annual plan, submit periodical reports to the Board of Directors through the Audit Committee and the Early Risk Detection Committee.

Internal audits were carried out thirteen times in 2022 within the scope of prevention of operational disruption and risk management. Resulting reports were presented to the Audit Committee and the Board of Directors. Biannual and quarterly reports of the Early Risk Detection Committee and **twelve risk reports** were submitted to the Board of Directors for evaluation aligned with our sustainable governance mentality.

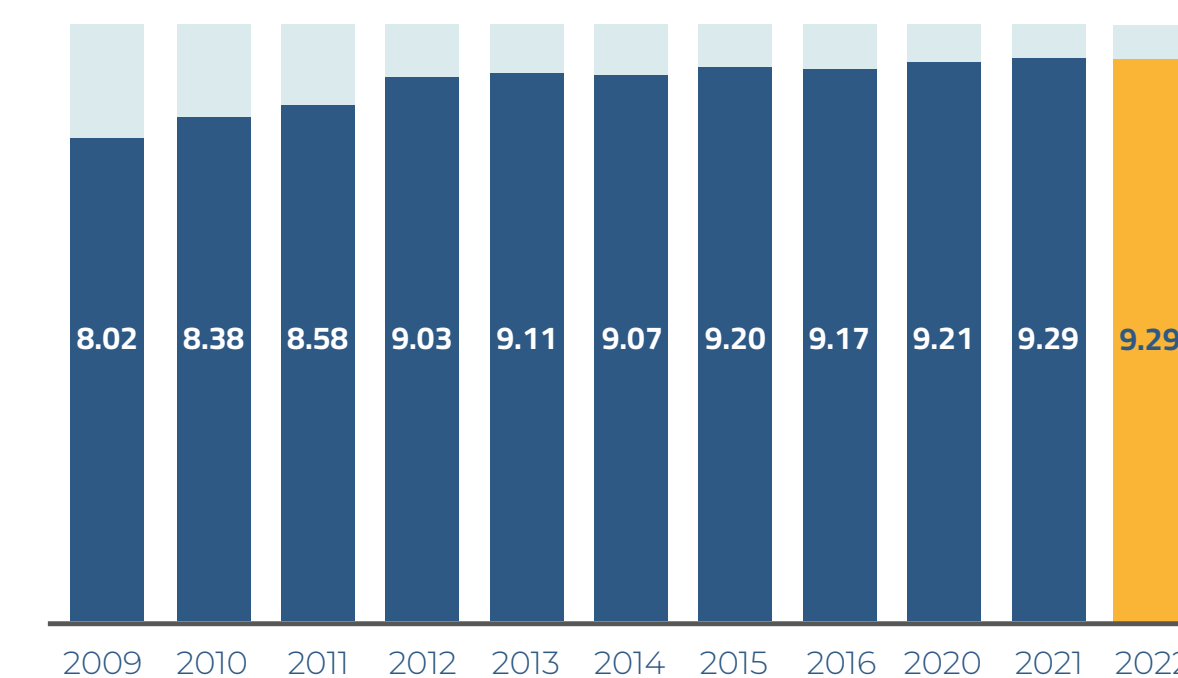
Eight reports, four by Compliance Officer and four by Financial Management Department, were presented to the members at the Board of Directors meetings held regularly four times a year. After effective audits, there were no cases of liability charges against our company by public administrations during the period.

We continue our activities with the aim of advancing beyond **"Sustainability Principles Compliance Framework"** of the Capital Markets Board (CMB), along with our continuous improvement mindset in compliance awareness and liability consciousness.

Our sustainability activities largely overlap with the 2020 principles of "Sustainability Principles Compliance Framework" by CMB. We plan to continue our sustainability activities in 2023 with updated and renewed practices under the supervision of our Sustainability Committee along with our mindset of stability in liability consciousness and sustainable value creation objectives.

Our Corporate Governance Rating (2022)

9.29



As required by CMB's resolution # 2/49 of January 10, 2019, the Corporate Governance Compliance Reporting # II-17.1 was prepared on Public Disclosure Platform (PDP) by using the templates "Corporate Compliance Report (CCR)" and "Corporate Governance Information Form (CGIF)". Relevant reports are available at <https://www.kap.org.tr/tr/sirket-bilgileri/ozet/988-is-finansal-kiralama-a-s>

OUR APPROACH TO BUSINESS ETHICS AND COMPLIANCE

OUR ETHICAL PRINCIPLES

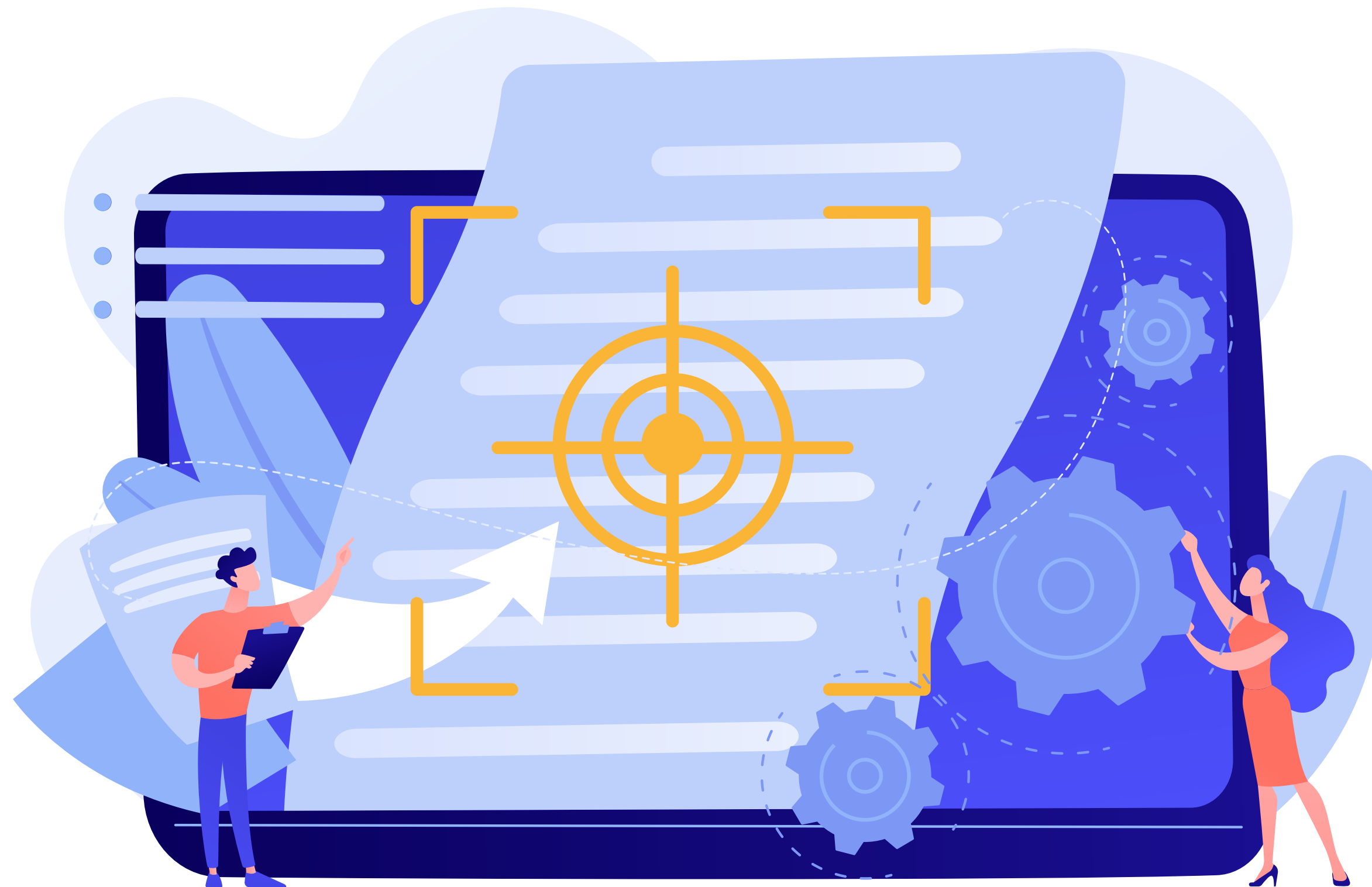
We assume leading and key roles with our ethical business approach in order to transform the vision of a better future through sustainable development in the leasing sector into a lasting environment of stability, and we fulfill all our obligations in this regard. With the transforming power of sustainable finance, we care to develop reliable, lasting, realistic and ethical processes molded our by ethical corporate culture across our value chain.

The green transformation and just transition process in the real sector requires constant guidance and inspection with reliably genuine ethical behaviors. We are committed to fulfill our institutionalization obligations by spreading our corporate culture molded by ethical behavior across our value chain, and to be fair, transparent and impartial in all our activities throughout our financial service network. Since our incorporation, we recognize ethical business processes and business ethics among the governing elements of investments in our sector, as we embraced reliability, transparency, fairness and consistency in our relations with all our stakeholders as a basis for our ethical mindset.

By keeping our ethics hotline functional, we reveal our primary ethical rules in our relationships with all our stakeholders and other institutions. By revelation of our ethical principles, we keep the right to impose sanctions in case of any unethical behavior and provide the basis for improvement. In order to protect the our sound corporate culture, we share our ethical corporate approach with our entire value chain, particularly our employees.

We ensure employee compliance with ethical principles and constantly monitor ethical obligations. We also explain our ethical culture to our new colleagues in İş Leasing family, and help them embrace our ethical principles and fully comply with our ethics mentality through comprehensive presentations during orientation training.

We launched the **Ethics Hotline** application in 2021, where our customers and other stakeholders, particularly our employees, can report any encountered cases of non-compliance or violation of our company policies and ethical principles. The Ethics Hotline, which was launched to enable a more transparent and fair institution and support sustainable management functions, allows us to find solutions to all concerns and problems of our relevant stakeholders who want to report cases of non-compliance and ethical violations.



İş Leasing Ethics Hotline

Reporting to İş Leasing Ethics Line is possible via phone or e-mail. Incognito reporting is also available. Our Environmental and **Social Risk Management System (ESMS)** managers are responsible for evaluating, investigating and settling Ethics Hotline reportings. Confidentiality rule is exercised when reporting to Ethics Hotline with good will and no sanctions are imposed.



The Ethical Principles are published on the Company's corporate website (www.isleasing.com.tr) and the Company's internal publications and are followed by all stakeholders.



Notifications can be made to the Ethics Hotline at **+90 (212) 350 74 00 / 7421-7409** or through the ethics e-mail address (etik@isleasing.com.tr) between 9:00 a.m. and 05:00 p.m. from Monday to Friday.

We are committed to fulfill our institutionalization obligations by spreading our corporate culture molded by ethical behavior across our value chain, and to be fair, transparent and impartial in all our activities throughout our financial service network.

OUR APPROACH TO BUSINESS ETHICS AND COMPLIANCE

TAXES

All our stock exchange related financial activities, our records and taxes are impartially audited regularly by independent audit firms in light of our transparency and accountability vision.

Independent audit firms perform quarterly compliance audits to help with our regulatory compliance mindset. We also receive consulting and Full Certification services from these audit firms to ensure accuracy of our taxes. Our tax returns are checked regularly, corporate and quarterly tax returns are filed timely to the Revenue Administration after audit firm's approval.

With our law-abiding awareness, all our taxes payable are paid in full to authorities. In order to ensure right payment of taxes, digital web applications, e-mail and telephone connections are used; If necessary, hands-on solutions are developed and online and face-to-face meetings are held with customer representatives of relevant institutions.

ANTI-BRIBERY AND ANTI-CORRUPTION EFFORTS

Along with our business ethics principles, the cornerstone of our corporate culture, we acknowledge our social responsibilities beyond our business responsibilities. In this context, we are regarded in the sector among leading financial institutions that could completely instill business ethics and make it our corporate culture.

The principles of our detailed **Anti-Bribery and Anti-Corruption Policy** are implemented in accordance with the regulations. In addition to local procedures, every global business ethics serving practice is reviewed and utilized. All of these efforts stem from our sensitivity to ensure that no practice is contrary to business ethics.

Our Anti-Bribery and Anti-Corruption Policy aims to ensure that not only the İş Leasing family but also all our business partners who serve our company or are in contact at any point comply with our policy. In line with these goals, we aim to spread our ethical and corporate culture by integrating our sustainable finance vision into our value chain.

We meticulously take all necessary precautions to combat bribery and corruption in all our operations. We maintain our stamina by instructing all our employees through awareness building regular trainings and presentations at certain intervals.

All our employees have completed Anti-Bribery and Anti-Corruption training. Our company acts deliberately and within acceptable international norms and domestic regulations in terms of representation and hosting activities.

Anti-Bribery and Corruption Policy compliance audit is regularly implemented annually as part of internal audit plan. We maintain a delicate balance in our corporate culture in light of our belief that auditing is one of the most effective control mechanisms.

Thanks to this perspective, we did not encounter any cases of corruption or abuse during the reporting period that would harm our ethics mentality.



COMMUNICATION WITH STAKEHOLDERS

WE RAISE THE POWER OF OUR SUSTAINABILITY JOURNEY WITH OUR EFFECTIVE STAKEHOLDER COMMUNICATION APPROACH.

Ensuring honest, transparent and solution-oriented communication processes is one of our corporate principles that bolsters our sustainability journey.

In order to communicate sustainability, we receive opinions and suggestions from every person and entity in our network through different communication channels. We carefully examine the feedback from our stakeholder interactions and use it as a guide in setting strategies and launching policies. Thanks to **the inclusive power of stakeholder interaction** and experience sharing, we can confidently start new projects and practices.

We carry out regular reporting activities annually that ensure stakeholder interaction. In addition to our sustainability and annual reports, we provide comprehensive and transparent disclosures and updated information to all our stakeholders via our corporate website, social media and Annual General Meeting.

EMPLOYEES 	
Communication Platform	Frequency of Communication
Websites	Continuously
Social Media	Continuously
News Bulletins - Sustainability, Human Resources, General Announcements	Continuously
Department Meetings, Executive Meetings, Focus Group Meetings	Continuously
Training Activities	Continuously
Employee Loyalty and Satisfaction Survey	At certain intervals
Performance Assessment	At certain intervals
Ethics and Compliance Audits	At certain intervals
Internal Communication Platforms	Continuously
Investor Presentations	Quarterly

PUBLIC INSTITUTIONS (Governments, Local Institutions, Financial Institutions and Rating Agencies, Regulatory Authorities, International Organizations and Initiatives, Universities) 	
Communication Platform	Frequency of Communication
Websites	Continuously
Periodic Disclosures (PDP)	At certain intervals
Annual Reports, Sustainability Reports	Once a year
Meetings, Capacity Improvement Meetings	At certain intervals
Official Letters	Continuously
Audits	At certain intervals
Memberships	At certain intervals
Regular monitoring of regulatory reporting liabilities and other information flows	Continuously
Career Days, Events of University Clubs and Groups	At certain intervals
Thematic Seminars, Conferences and Panels	At certain intervals
Investor Presentations	Quarterly

CUSTOMERS 	
Communication Platform	Frequency of Communication
Customer Satisfaction Survey	At certain intervals
Websites	Continuously
Annual Reports, Sustainability Reports	Once a year
Interim Reports	Quarterly
Branches	Continuously
Customer Representatives	Continuously
Meetings	At certain intervals
Social Media	Continuously
Investor Presentations	Quarterly

BUSINESS PARTNERS (Suppliers, Banking Industry, Service Providers, Consulting Firms, Branches, Analysts, Affiliates, etc.) 	
Communication Platform	Frequency of Communication
Websites	Continuously
Investor Meetings, Investor Presentations	At certain intervals
Executive Meetings	At certain intervals
Meetings	At certain intervals
Meetings under Memberships of Sector Associations	At certain intervals
Audits	At certain intervals
Annual Reports, Sustainability Reports	Once a year
Interim Reports	Quarterly

SOCIAL STAKEHOLDERS (Local Communities, NGOs, Media) 	
Communication Platform	Frequency of Communication
Websites	Continuously
Media, Social Media	Continuously
Annual Reports, Sustainability Reports	Once a year
Boards of Directors	At certain intervals
PDP and Bulletin Communication	When necessary
Joint Projects	At certain intervals
Investor Presentations	Quarterly

SHAREHOLDERS (Stockholders and Investors) 	
Communication Platform	Frequency of Communication
General Assembly and Investor Meetings	At least once a year
Board Meetings	At least once a year
Websites	Continuously
Annual Reports, Sustainability Reports	Once a year
Interim Reports	Quarterly
Social Media	Continuously
Special Disclosures, Financial Reports, Periodic Disclosures (PDP)	When necessary
Investor Presentations	Quarterly

OUR MEMBERSHIPS

WE INCREASE OUR MEMBERSHIPS TO NATIONAL AND INTERNATIONAL ORGANIZATIONS TOWARDS A MORE EFFECTIVE ROLE EACH YEAR IN ORDER TO CONVERGE INTO A SUSTAINABLE WORLD TARGET.

While we aim to further our compatibility with sustainable finance constantly, we accept green transformation and sustainable development vision as a ideal guide to reach a sustainable world. Taking the next level in corporate development and sustainability vision efforts through robust stakeholder interactions is at the heart of our company's sustainability action plan. Our aim in turning our stakeholders an important contributor in our decision-making mechanism is to spread sustainability awareness and efforts, to better analyze risks and opportunities, and to integrate the society and environmentalism with our corporate governance approach. In order to offer more effective services in line with our goals and principles, we care to serve for a sustainable world and support spreading novel practices by becoming a member of several associations, unions and sectoral initiatives and actively taking part in development activities.

In 2022, we became a member of the United Nations Women's Empowerment Principles (WEPs) and the United Nations Global Compact. In the last quarter of 2021, we became a member of the Business World and Sustainable Development Association (BCSD Türkiye). Our memberships in the Association of Financial Institutions (AFI), the Association of Listed Partnership Managers and the Istanbul Chamber of Commerce (ICOC) continue actively.

We aim to increase our efforts by becoming a member of associations and organizations that try to develop solutions in different areas aligned with our sustainability priorities in 2023-2024 period. In this context, we plan to increase our active role in sustainability activities by completing our 30% Club, SDG Map Türkiye and UNGC - CEO Water Mandate memberships swiftly in 2023.



OUR DIGITAL TRANSFORMATION PRACTICES

WITH OUR DIGITALIZED APPLICATIONS, WE REDUCE OUR TIME AND COST RISKS AND ENCOUNTER POSITIVE CHANGES IN CUSTOMER EXPERIENCE BY PROVIDING EFFICIENCY IN DECISION-SUPPORT PROCESSES.

With the innovations offered by our digitalization journey, we are advancing our experimental field insight and digital efforts in order to produce quick and analytical answers to the ever-changing customer needs. We embraced the strategic goal of entirely benefiting new technological infrastructures rendered available by digital transformation, and we continued to actively employ digital innovations in our processes in 2022.

In today's world where digital transformation is gaining momentum, we act competitively with technology savvy, and we swiftly integrate novel technologies with our business processes as a pioneer in leasing sector. We consider a comprehensive digital transformation vision as a sustainability element that navigates our business strategy into the future and supports our pioneering image.

As a company that constantly provides financial support to manufacturing sector with our substantial resources, we closely follow all innovative Information Technologies (IT), integrate them into our operations, and improve employee and customer efficiency. While integrating developments in Information Technologies, we plan our business by considering all potential risks.

Our company, which envisions maintaining high service quality as one of its most important goals, increases its efficiency by faster and cost-efficient quality services


using digital technology and offers more effective customer support. As a result of integrating novel technologies into our business processes, we create simplified models in our leasing processes and enjoy positive developments in customer experience.

We value strengthening our technological infrastructure with artificial intelligence, which recently left its imprints on the technology world, and we integrate this technology into our processes.


With the help of our novel technologies, we process data faster, improve and facilitate our operations. We continue to increase our operational capacity, including strategic decisions, and create a technology-centered culture with our meticulous and perceptive approach to every issue.

Dutifully maintaining customer service approach from the intial offer stages to after-sales-lease support, our company has designed all processes end-to-end and added functionality to protect the digital sales chain.

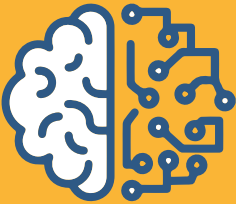
In addition to novel systems for operational sustainability, we completed our efforts to position our system maintenance and updating infrastructure in a **"Private Cloud"** data center, and procured all equipment necessary for infrastructure integration. In 2022, we moved our Emergency Center from Istanbul to Ankara.

DATA SECURITY


Value-Creating Factors	Indicators
Establishing strong and reliable technology infrastructure	Training hours to create information security awareness
	Informative activities to raise awareness
	Participation rate in information security trainings
	Increasing the level of security through use of self-service passwords, disk encryption and OTP
	Infiltration/breach testing activities
	Business continuity and redundancy activities
	Raising awareness through phishing attack exercises

DIGITALIZATION

Value-Creating Factors	Indicators
Increasing efficiency through digitalization in daily operational processes	Expanding the use of electronic signature
	Soft copy signing of documents
	Electronic transmission of insurance policies
	Using robotic processes for reconciliation
	Using electronic document archive

EASY AND QUICK SOLUTIONS

Value-Creating Factors	Indicators
Expediting solution processes by employing technological infrastructures to increase efficiency in corporate governance	Usage of robotic processes in production
	Usage of business intelligence for accurate reporting and quick analyses
	Usage of online services for customer requests
	Automatic reporting through the Business Intelligence Platform for departments
	Automatic reporting through the Business Intelligence Platform for business partners

FINANCIAL HEALTH

Value-Creating Factors	Indicators
Working to minimize financial risks	Using the Early Warning System on the Business Intelligence Platform
	Providing decision-making support with financial rating agencies
	Supporting lending decisions with robotic processes

OUR DIGITAL TRANSFORMATION PRACTICES

WE CONTINUED TO BE AMONG THE MOST PREFERRED COMPANIES IN OUR INDUSTRY IN 2022 WITH OUR DIGITAL SERVICE MODEL THAT CONSTANTLY IMPROVES CUSTOMER EXPERIENCE.

We conduct multi-dimensional digital transformation efforts, and maximize our technological infrastructure security by our efforts to reduce information privacy risk and financial risks, as well as practical and fast information technology solutions we implement.

It is very important for us that our security culture is up to date. We assist our security culture with awareness trainings and aim to ensure the continuity of our employees' commitment to our security culture. We value our secure access to information systems through firewalls, data backup, file encryption software and authentication steps at the top of our information security practices. We report the results of our information security practices on a daily and monthly basis, thus we strengthen our problem-fighting mechanism against possible problems.

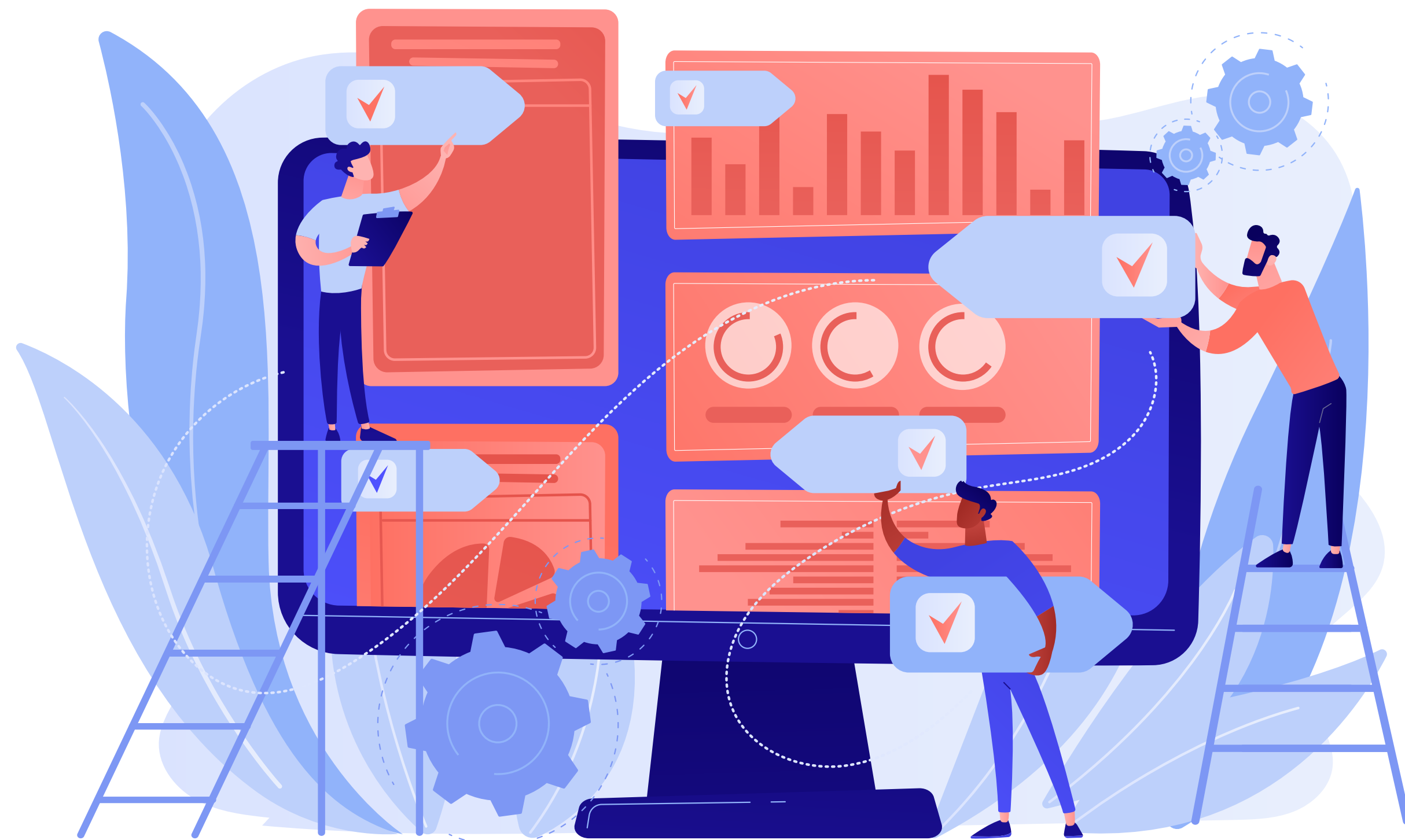
Our compliance audits regarding the BRSA's **"Communiqué on Information Systems Audits of Leasing, Factoring and Financing Companies"** application were implemented and concluded successfully in 2022, just as every previous year. İşbank Control Objectives for Information and Related Technologies (COBIT) audits are subject to consolidated audit by objective and independent audit companies, and the audit results are regularly reported to our company.

We continued to be among the most preferred companies in our industry in 2022 with **our digital service model** that constantly improves customer experience.

We are aware that customer satisfaction matters. Our After-Sales Services Unit and Emergency Situation Center continue actively working to provide high quality service to our customers. Our After-Sales Services Unit, which features a Call Center infrastructure, aims to support our customers after sales and actively works to ensure customer satisfaction.

We develop **effective measures** against all risks including cyber threats and attacks that may hinder safe and uninterrupted service.

In order to provide remote work security, we completed updating disk encryption applications of our employee devices in 2022. Thus, we enhanced the security of the corporate devices used in activities and ensured protection. We improved our application firewalls thanks to remote device management. Through "Private Cloud", we completed steps to run our systems centered around data in 2022 and added customization and control options.



OUR SUSTAINABILITY JOURNEY

Sustainability is at the core of our business strategy.

We continue to strive to limit the effects we have on the social, environmental, and financial fronts.

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OUR MANAGEMENT APPROACH

We continue our efforts to manage our environmental, social and economic impacts with our sustainability mindset, which is at the heart of our business strategy.

We firmly continue our sustainability journey along with our customers, shareholders, employees and stakeholders to leave a habitable world for future generations. In line with our corporate culture, we consider sustainability with its environmental and social dimensions, we care about our impact on the economy and our value added on the environment and social life, and we operate in **compliance with national and international obligations**.

We are accelerating the **Green Transformation Vision** with our sustainable finance practices. We boost our resources to ensure transition to a low-carbon economy by regularly increasing our financial support for green projects. We facilitate funding access for our customers who want to invest in green projects through our efforts to create new resources and **expansion of our sphere of influence**.

In order to ensure effective funding for sustainable projects, we **vigorously implement** our audit and control mechanisms during project phases in addition to the initial risk assessment process.

We demonstrate **an integrated perspective** to realize our long-term growth targets along with economic, social and environmental solutions and positive impact principles in all our practices.

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for Reconstruction and Development



TURSEFF **GGEFF**
Where financial and green technologies meet



We contributed to combat against the climate crisis thanks to the green projects we funded in 2022.

As a result of our performance towards a sustainable future, we were awarded the TurSEFF Excellence Award at an event organized by the European Bank for Reconstruction and Development (EBRD) in 2022.



OUR STRATEGIC PRIORITIES

WE IMPLEMENT OUR STRATEGY WITH GREAT CARE, MAKING SURE IT ALIGNS WITH OUR PRIORITY MATRIX THAT WAS BUILT THROUGH COLLABORATION WITH STAKEHOLDERS AND NATIONAL AND INTERNATIONAL RESEARCH.

Very High Priority Topics

We created our **"Positive Impact on Society and Environment"** strategy as part of **Management of Environmental and Social Impacts / Risks**, which is among Very High Priority Affairs. We identified the points where we could create a positive impact through risk assessment efforts across our leasing processes and guided our work accordingly.

We contributed to **"Positive Impact on the Environment and Sustainable Finance"** by funding renewable energy within climate change combat. Aware of the gravity of the issue, we continue to increase our renewable energy installed power capacity and investments exponentially.

In order to reach and maintain a highly qualified employee portfolio within Talent Management and Employee Rights Satisfaction, we regularly conduct trainings and gradually increase our training hours. We conduct employee meetings regarding their career and skills management and continue our efforts to improve working conditions.

We strive to integrate **Risk Management, Corporate Ethics and Corporate Governance practices** into our strategies, to improve our corporate governance principles, and to take a more resilient stance in combating bribery and corruption. We identify our risks and turn them into opportunities in order to protect and develop our sustainable corporate culture along with our strategies.

We exercise strong compliance with the global responsible investment standards of the **International Sustainability Standards Board (ISSB)**, which has a transformative role into a green economy. We put green transformation aiding international compliance at the heart of our strategy and increase our memberships in collaborating organizations for positive impact.

High Priority Topics

We started accelerating efforts for **Transition to a Circular Economy**, among High Priority Topics for us. In addition to our waste reduction efforts, we aim to support water usage efficiency practices to protect natural resources and reduce water stress.

In order to increase our contribution to **Sustainable Finance Vision**, we are boosting funding available for green projects by creating national and international resources. We closely follow the processes that transform our resources into installed power and try to make them sustainable.

We improved our digital communication with our customers through the digital transformation applications we developed for **Digitalization, Security and Data Privacy**. We built more resilient entities in terms of data privacy and data security through practices we introduced.

We increase the number of our branches gradually aiming to bring financial services to all segments of society within **Diversity and Inclusion**. We plan efforts to support women empowerment and vulnerable groups and continue our efforts to ensure social equality.

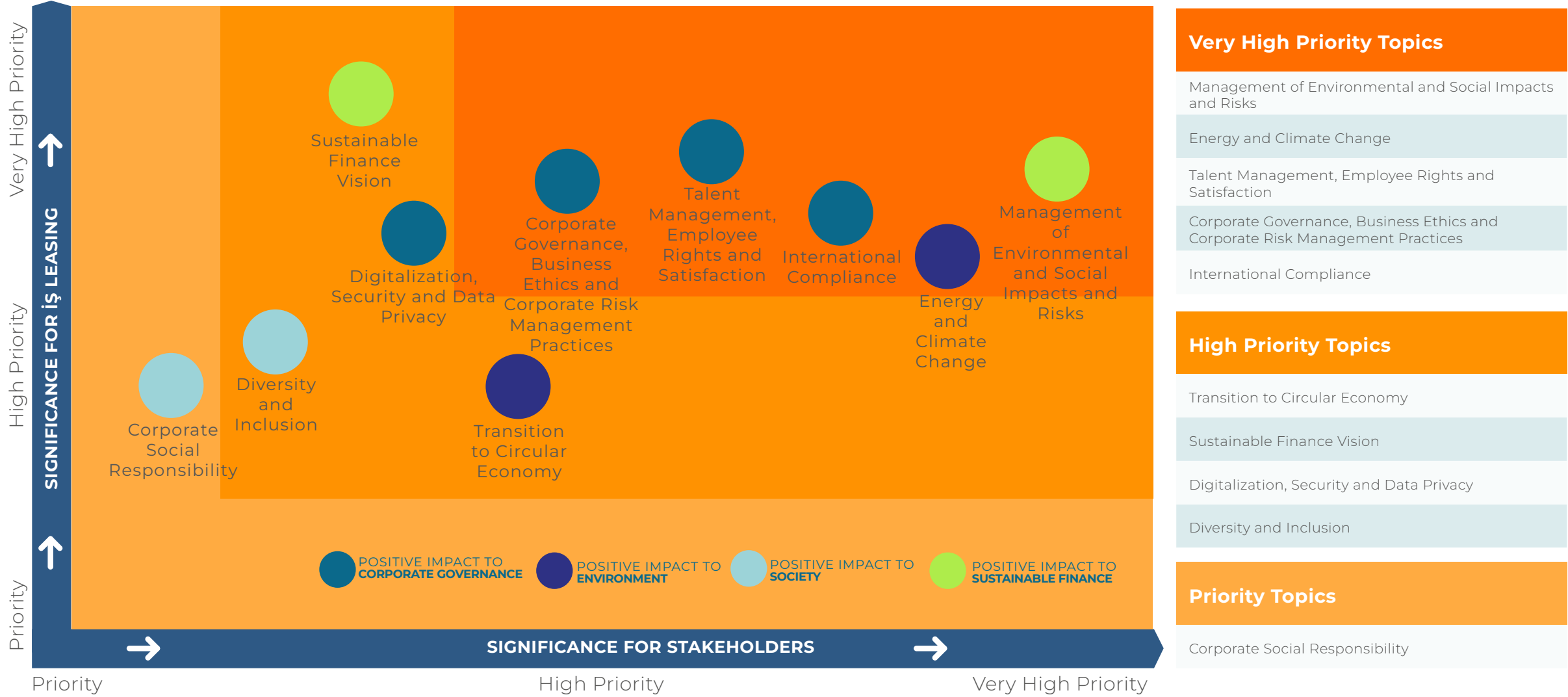
Priority Topics

We continue our support for education, art-culture, volunteering, etc. projects within **Corporate Social Responsibility**, which is among our Priority Topics. We continue our plans to create funding support specifically for developing corporate social responsibility projects.

We want to improve our efforts to identify our performance and long-term goals through internal

materiality analysis, which focuses on understanding the impact of sustainability factors on our company's operations and management. We aim to determine our strategies accordingly to meet expectations and manage risks considering external materiality analysis asking **"Why and How?"** for our remote stakeholders, and sustainability expectations and priority assessment of stakeholders.

By incorporating the dynamic materiality analysis approach into our medium-term program, we plan to incorporate new practices into our corporate culture to better manage risks and opportunities and continuously improve our sustainability performance. We believe that ever changing priorities, monitoring and reporting process, and a flexible and adaptable approach can grow into a more sustainable form with dynamic materiality analysis.



OUR SUSTAINABLE FUTURE PLAN

IN ORDER TO BUILD A SUSTAINABLE FUTURE, WE EMBRACE BUSINESS MODELS IN WHICH GOVERNANCE, ENVIRONMENTAL AND SOCIAL DEVELOPMENT ARE DECISIVE ON OUR DECISION-MAKING MECHANISMS.

We believe that we owe our success in the finance sector to our business mindset that takes the right steps at the right time and enables us to plan the future with every innovation. We adjust our company's decision-making mechanism in line with dynamic sustainability vision in order to develop sustainable financial products with the advantage of our successful experiences in the leasing sector.

We develop our strategies together with our business models with the aim of building the future considering risks and opportunities posed by global economic changes and sustainable finance mindset.

We review and manage our sustainability efforts every year with **a dynamic approach in full compliance** with the **2030 Sustainable Development Goals** and sustainable finance principles, which are decisive in the future of our world.

We started to implement our short-medium-long term plans along with strategies aligned by our priorities and materiality analysis. By taking **our decarbonization vision** one step further in 2023, we are advancing our efforts to become **the first Carbon-Neutral leasing company in our industry**.

We continue our industrial development journey by increasing our funding for renewable energy, which is among key factors in making sustainable future vision possible. With the **new funding volume we raised** from global markets for national projects, we increased the national installed capacity from renewable energy investments every year. By continuing this increase in the future, we will mobilize our financial potential and undertake vital missions to ensure national energy independence through transition to clean energy.

One of the main goals of our company is to closely follow the digital transformation in global financial markets and adopt future technologies by updating our sustainability strategies. We aim to accelerate the integration of modern digital skills into our business processes by revising our digital transformation efforts with innovative and analytical practices enhanced with **artificial intelligence** modules.

In order to be ready for a sustainable future vision, we will accelerate our efforts in 2023 to identify our priorities, which impact our decision-making mechanism, on a more flexible and adaptable basis. We believe that we will enhance our strategies and expand our sphere of influence in line with the **double materiality approach**, which is gaining grounds in sustainability literature, and **multi-dimensional dynamic analysis process**.

In addition to renewable energy investments, we aim to improve our financial support options and facilitating process designs for our customers who carry out visionary work in circular economy, sustainable product development, green transformation projects and other sustainable services.

We plan to increase our assessment and awareness efforts across our sphere of influence, and to turn sustainability culture, which we enhance every year together with our employees, into the genetic code of our company.

We aim to better contribute to a sustainable future through joint projects by increasing our stakeholder interaction practices and our collaboration with all our customers, non-governmental organizations and official institutions in our value chain.



SUSTAINABILITY LEADERSHIP AND GOVERNANCE

WE PLACE A HIGH VALUE ON MONITORING, CONTROLLING, AND AUDITING THE FINANCIAL, SOCIAL, AND ENVIRONMENTAL IMPACTS WITH AN EMPHASIS ON SUSTAINABLE FINANCE.

We meticulously conduct all our processes, together with our sustainability committee liable for development and implementation of our sustainability activities, our sustainability management and policy based upon the framework of ESMS.

In order to pivot sustainability at the heart of our corporate culture; we expect our employees at all levels to conduct their duties and responsibilities with our sustainability-oriented business mindset.

Our Sustainability Governance Structure

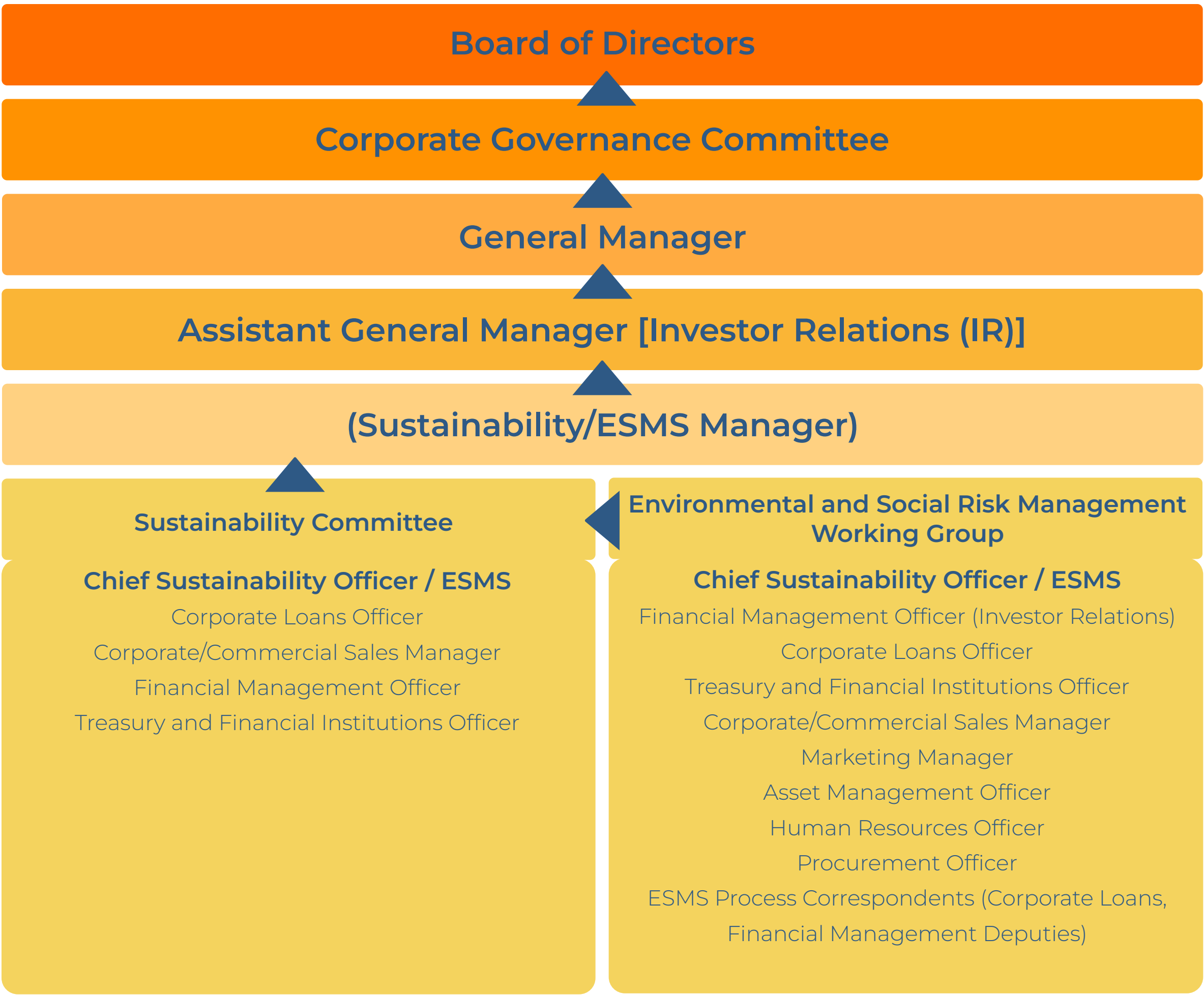
Measuring, auditing and managing economic, environmental and social impacts of our sustainable finance in the light of our "Contribution to Sustainable Development and Green Transformation" goals, is crucial for our company. We carry out risk analysis, monitoring and auditing of the economic, environmental and social impacts caused by the projects we funded, beyond our own in-house activities, by our committee and management staff.

Our sustainability committee, which we founded with diversity and inclusion mindset, is responsible for our corporate sustainability strategy, goals and practices.

Our Deputy General Manager responsible for Investor Relations, who was appointed as both the ESMS Chair and our Sustainability Committee Chair, is top authority responsible for the management of sustainability and economic-environmental-social affairs.

Our ESMS officers, comprised of Corporate Credits Manager, Corporate/Commercial Sales Managers, Financial Operations Manager, Treasury and Financial Institutions Manager together govern internal and external impacts of our operations. Main duties of our ESMS officers are to ensure effective management of our company's external and social risks, to monitor internal and social impacts, to continuously improve ESMS, and to represent the ESMS in the Credit Committee and at İş Leasing Senior Management.

Our Environmental and Social Risk Management committee, which we founded to implement efforts towards our sustainability goals, to develop environmental and social risk policies, to identify and manage the economic, environmental and social risks and impacts from leasing activities, to create effective communication means within the company, and to control and manage the direct and indirect economic, environmental and social risks, keeps working under the Chairmanship of the ESMS Manager. Our ESMS committee reports directly to the ESMS manager. Our ESMS committee consists of representatives from our company's Loans, Corporate Sales / Commercial Sales, Treasury and Financial Institutions, Asset Management, Investor Relations, Financial Management, Procurement, Human Resources and Administrative Affairs Departments and ESMS Officers.



SUSTAINABILITY LEADERSHIP AND GOVERNANCE

Our Sustainability Policy

We update our Sustainability Policy, which was penned last year to guide our sustainability activities in line with the Green Transformation Vision, in line with current innovations, risks and opportunities of our world. The principles of our Sustainability Policy are stated below:

- Since our incorporation, we aim to improve our sustainability performance steadily in line with sustainable development vision and mission. During our operations that aim to contribute to domestic economy, we monitor and manage direct or indirect economic, environmental and social impacts in line with our Environmental and Social Risk Management System.
- Medium and long-term goals of our company are designed in an inclusive way, protecting the rights and interests of all our stakeholders and the public. While achieving our goals, we maintain our comprehensive process management approach.
- We carry out our operations in compliance with national and international obligations, with a transparent corporate governance approach and a continuous improvement perspective. Our company, which has zero tolerance for bribery and corruption, continues its operations within our Anti-Bribery and Corruption Policy.
- Aware of being a family with our employees, we offer an inclusive workplace that respects human rights, offers fair and equal opportunities considering employee satisfaction. We aim to maintain long-term business relationships with our employees by providing healthcare and safety in line with regulatory obligations and by constantly investing in their career development.

- While we aim to transform risks and opportunities of our climate change combat into positive results, we also take precautions to minimize direct or indirect negative impacts from our operations.
- As we continue to support renewable energy, energy efficiency, natural resource efficiency, and recycling projects, all of which play key roles in transition to low-carbon economy, we also work to transform funded projects into an efficient and environmentally friendly configuration that minimizes waste.
- By embracing responsible procurement vision, we conduct fair, honest and impartial processes in supplier selection.
- By converting our sustainability approach applicable to our entire value chain, we aim to be a role model for our suppliers, customers and all stakeholders, that respects human rights, recognizes social justice, cares equal opportunity and creates sustainability awareness.
- We evaluate economic, environmental and social risks by integrating our risk management approach into all our business processes comprehensively.
- - We revise our efforts by considering economic, environmental and social risks that may affect our country due to wars and conflicts in certain parts of the world.
- In order to expand our sustainability efforts, we follow the activities of local and global multilateral initiatives. We are increasing our membership on collaborative platforms that can create positive impact while serving our goals and strategies.
- We share our sustainability performance transparently with all our stakeholders, and update our business methods according to requirements considering the opinions and evaluations of all our stakeholders.

- In order to ensure the sustainable development, we review Sustainability Policy of İş Finansal Kiralama A.Ş. at least once a year in line with changing needs and operating conditions and make necessary updates.
- We are committed to regularly sharing our efforts on sustainable operations on our corporate website.

- Updates and changes made by our Environmental and Social Risk Committee, which is responsible for updating our policies, are audited and enacted by the Board of Directors.
- Compliance audits of our policy is conducted within the scope of internal audits.



OUR RISK MANAGEMENT SYSTEM

IN ADDITION TO OUR INTERNAL COMPANY IMPACTS, WE ASSESS ENVIRONMENTAL AND SOCIAL RISKS OF OUR CUSTOMERS AND COOPERATE WITH THEM TO CONTINUOUSLY IMPROVE THEIR ENVIRONMENTAL AND SOCIAL PERFORMANCE.

The basis of our sustainability culture is the sustainability awareness of our each employee in conducting their duties and responsibilities.

Our system, which is at the heart of our sustainability and low-carbon economy transition mindset, was established considering environmental and social sustainability as well as economics of our leasing processes. We improve our processes by integrating our leasing activities and our ESG system with our environmental and social risk management mindset.

We constantly improve our sustainable finance approach by updating our business processes within environmental and social risk management.

Our holistic ESG System was established considering future compliance to potential future mandatory regulations on global sustainability and current compliance with "United Nations Global Compact", "Sustainable Development Goals (SDGs)", "Guiding Principles on Business and Human Rights", "International Labor Organization Declaration on Fundamental Principles and Rights at Work", "World

Bank Environment, Health and Safety Guidelines", "Global Reporting Initiative (GRI)", "International Capital Market Association (ICMA) Green and Social Bond Principles", "International Finance Corporation (IFC) Performance Standards" and "International Financial Reporting Standards (IFRS-S1 and S2)".

While our company reduces ecological footprint of all its operations within sustainable finance vision, it regularly works on areas that can make positive contributions to nature and society. We continue to support all our stakeholders, especially our customers, in transition to inclusiveness and green economy. We are aware that the impacts resulting from projects we funded are higher than the impacts resulting from our own company operations. In light of this awareness, we asses environmental and social risks of our customers in addition to auditing our own internal company impacts and we cooperate with our customers so that they can continuously improve their environmental and social performance.

We examine our customers' environmental and social risks in their operations, climate risks, production processes, product and service quality, governance structure and stakeholder relations. After a systematic review, we classify our customers' environmental and social risks as "Low (C-)", "Medium (B+/B-)" or "High (A-)" risk. We manage risk reduction efforts listed in grades by appropriate timing and meticulous planning. We immediately implement environmental and social risk monitoring processes of our customers who carry class "A" environmental and social risk level, throughout the leasing process, with the contributions of our Sustainability Committee and independent consultants.

Among the projects we finance, environmental and social risk assessment is automatically conducted for the ones above certain threshold determined by our company. In leasing projects below the threshold value, we implement a process within general framework.

To further contribute to climate crisis combat and 1.5 °C target, we are committed to gradually reducing

the amount of leasing projects for which we conduct environmental and social risk assessment, and to subject all financed projects to environmental and social risk assessments as of 2025.

We are committed to subject all projects we finance to environmental and social risk assessment as of 2025.

Our Defined Processes Within ESG System

- Sustainability Governance
- Identification of Environmental and Social Goals and Targets
- Assessment of Internal Environmental Impacts
- Following the Legislation
- Grievance Mechanism
- Evaluation of Environmental and Social Risks in Leasing Operations
- Competence, Training and Awareness
- Communication
- Internal Control
- Document Control
- Management Review
- Revision of Assessment Efforts
- We analyze our every ESMS process operation with a sustainability mindset, creating a strong basis for our continuous corporate development principle.
- Assessment of internal environmental impacts and performance caused by our company's operations and consumption
- Assessment of environmental and social risks of our customers and the leasing processes in leasing transactions
- Increasing environmental and social awareness of our employees
- Determination of how complaints, demands and suggestions of our employees, customers and all other stakeholders about direct or indirect environmental and social impacts of our operations will be transmitted to our company, how they will be recorded, and how the management process will be handled
- Defining how our environmental and social goals and objectives will be developed, approved, implemented and communicated
- Determining and communicating our regulatory and other needs on environmental and social matters

OUR ESG CRITERIA COMPLIANCE AND EVALUATION EFFORTS

WITHIN THE SCOPE OF THE SUSTAINABLE FUTURE VISION, WE AUDIT OUR EVERY ACTIVITY AND OUR INFLUENCE IN FULL COMPLIANCE WITH ESG CRITERIA, AND WE UPDATE OUR PRACTICES ACCORDING TO NATIONAL AND INTERNATIONAL REGULATIONS.

The ESG approach, which indicates the impacts and active evaluation of our environmental, social and governance (ESG) practices, consists of detailed criteria that highlight our social and environmental liabilities. ESG criteria is an effective tool used by capital markets regulatory bodies to evaluate and determine future financial performance.

Our company meticulously continues its environmental, social and governance efforts. In terms of environmentalism, including living and non-living natural systems of air, soil and water, our company's efforts to avoid environmental risks and capitalize on opportunities for long-term positive impact continue to improve. We care about our value added to environment and social life through our renewable energy investments and efforts to become **a carbon neutral company**, thus we act with this awareness.

We are aware of the social anxiety in the society. In order to eliminate this concern through **best management practices**, one of our main target on social aspect is to represent trust and loyalty extensively by effectively managing our workforce, the society and customer relations, and we expand our collaborations by enabling long-term stakeholders with the trust we instill.

We believe that the most important element of governance is timely and sustainable decision-making. Thus, we continue our corporate governance-oriented activities with transparency, inclusiveness and compliance mindset. We execute management aspect of ESG solidly with our audited financial statements, regulatory policies and business ethics mindset. We strive to make our partnerships sustainable by effectively conducting internal audits and supplier audits.

In 2021, we were included in the **ESG Scoring System Refinitiv Business Classification**, which was required by Capital Markets Board (CMB) for entry into BIST Sustainability Index. According to Refinitiv scoring system assessment, we rank 388th among 1,111 companies in the banking sector. In order to ensure our continuity in the BIST Sustainability Index, we continue our efforts to increase our ESG score in 2023.



REFINITIV



In 2022, another step is taken for inclusion in the BIST Sustainability Index and Refinitiv application is filed; **all requirements were met** and system entry is fulfilled, and the evaluation results were announced in 2023.



GreenStars

YILDIZ TECHNICAL UNIVERSITY

As a result of our talks with Yıldız Technical University about **GreenStars Certification**, our Company's sustainability vision and strategies were recognized suitable for the "GreenStars Sustainability Model".

İŞ LEASING FROM OUR STAKEHOLDERS' EYES

Erhan Mümeyyizoğlu, PhD

Kastamonu Entegre
Ağaç San. ve Tic. A.Ş.
Global Finance Director

With the financial advantages of leasing applications, investors can take entrepreneurial actions safely and quickly. As a financial option, leasing offers a flexible structure as it offers repayment plans suitable for company budgets.

Long-term, flexible and suitable payment plans for different income levels provide advantages to companies.

İş Leasing is a sustainability leader in its sector. Confidence inspiring top corporate governance compliance along with corporate governance principles and audit mechanisms, is embraced as corporate culture at İş Leasing.

At İş Leasing, there is a fair and equal opportunity recruitment process designed without age or gender discrimination. Over 50% (51%) of the employees are female. The high rate of women

involved in managerial processes is one of the indicators that gender equality is achieved.

We think that İş Leasing has very successful digitalization processes. Facilitation of our operational processes such as obtaining account statements and making account reconciliations via digital platform also makes it possible to obtain missing invoices via the platform just in case.

We receive İş Leasing's support for circular economy (funding projects where waste is recycled). Thus, İş Leasing provided active support to our advanced carbon management and net zero emission efforts in 2021. Thanks to its sustainability-oriented mindset, İş Leasing helped reduce over 48,000 tons of carbon emissions via projects it funded. İş Leasing's contribution to the economy is very important in terms of sustainability.

With İş Leasing, we secured funding of biomass power plant investments of Kastamonu and Balıkesir factories and domestic machinery for Balıkesir MDF factory investment. We would like to state that we **always** received the support of İş Leasing with its strong and professional staff.

Banu Taşkın

Turkish Education Foundation
General Manager

We think that İş Leasing should give higher priority to social development by focusing on corporate social responsibility and environmental-social risk management in order to increase social impact. Providing benefit to more living things in need by mobilizing more people by social responsibility projects is among the best examples in both the sector and other areas.

The social benefit projects to be developed by İş Leasing, which assumes social responsibility on **gender equality**, will demonstrate the power of the positive impact approach in women's participation in life with equal opportunities, which is one of the most essential topics to be addressed nowadays. We are aware that İş Leasing will take much more effective steps in the future on social responsibility as one of the leading institution in its sector.

We believe that the mentality of utilizing transformative power of financial sector to guide the society towards a life of awareness and to mobilize all layers of society for public benefit is invaluable.

As a leading institution in the sector, İş Leasing's **contribution to sustainable development** vision is exemplary for entire financial sector. Transition to a low-carbon economy and digitalization process have a great role in the future of the world. To this end, İş Leasing created **high awareness** in the sector with its efforts.

WE THINK THAT İŞ LEASING HAS VERY SUCCESSFUL DIGITALIZATION PROCESSES. FACILITATION OF OUR OPERATIONAL PROCESSES SUCH AS OBTAINING ACCOUNT STATEMENTS AND MAKING ACCOUNT RECONCILIATIONS VIA DIGITAL PLATFORM ALSO MAKES IT POSSIBLE TO OBTAIN MISSING INVOICES VIA THE PLATFORM JUST IN CASE.

AS A LEADING INSTITUTION IN THE SECTOR, İŞ LEASING'S CONTRIBUTION TO SUSTAINABLE DEVELOPMENT VISION IS EXEMPLARY FOR ENTIRE FINANCIAL SECTOR. TRANSITION TO A LOW-CARBON ECONOMY AND DIGITALIZATION PROCESS HAVE A GREAT ROLE IN THE FUTURE OF THE WORLD.

İŞ LEASING FROM OUR STAKEHOLDERS' EYES

Mehmet Karakılıç

Association of Financial Institutions
Deputy Secretary General
/ Leasing

İş Leasing, which regularly participates in the committees of Association of Financial Institutions and employee development trainings, took part in both the representation committee and the Boards in various periods since the establishment of the association; and it was also effective in founding institutional processes of the association.

İş Leasing, a member of BCSD and Koteder, is successful in managing sustainability-oriented environmental and social risks with its efforts in corporate governance, business ethics, corporate and social responsibility, and talent management.

Publicly traded and part of BIST Sustainability Index, İş Leasing always attracted attention with its corporate social responsibility projects. İş Leasing plays a relatively **active and leading role** in the sector in social responsibility projects through either its corporate identity or its employees. In this context, it supports women entrepreneurs, constantly provides aid and donations to organizations such as Mor Çatı Women's Shelter Foundation and Turkish Education Foundation. İş Leasing's favoring of special deals for women entrepreneurs is an admirable policy, where more than half of the employees, including the senior management, are women.

Circular economy is an important alternative to traditional disposable economy model where resources are kept in use for as long as possible, maximum value is derived from resources, and **we recycle and remanufacture** the products.

All areas of finance, including the leasing sector, play a key role in advancing the transition to a circular economy and ensuring sustainability. In this context, I think leasing sector, which is indispensable for the investment world, is one of the leading sectors than can

measure environmental, social and governance risks and exercise sustainability principles in all its processes, from loans to purchasing and management activities.

İş Leasing, the first leasing company to eliminate its headquarters and branch operations' carbon emissions, took measures to reduce carbon emissions in its loan portfolio by publishing which projects it does not finance. In addition, it has become one of the leading companies in green financing with foreign loans it obtains from Tuseff. As disclosed in its public sustainability reports, İş Leasing became the first company to target zero carbon emissions from its headquarters and branch operations and fulfill this feature.

I think that the company should quickly transform and digitalize its IT infrastructure, focus on new product development, diversify sustainable domestic and international financial resources, and continue its operations focused on **energy, climate change and circular economy**. I believe that digitalization is crucial for İş Leasing in for acceleration of operations, ensuring customer satisfaction, and offering sustainability-oriented products and services. It is imperative that large and corporate entities in the sector have web-based, upgradable digital capabilities. Developing products, including mobile applications, within regulations mandated by the regulatory authority on issues such as remote customer addition, digital signature on contracts, etc. is essential for sustainability.

I believe that the current performance on Corporate Governance, business ethics, development of employee talents, etc. is relatively good. It is thought that it should improve efforts on development of digital infrastructure, sustainable financial performance, energy and climate change-oriented approach.

In sales, marketing and representation activities, conversion of rental car fleet to electric, complete ending of paper usage, transfer of contracts to digital medium in line with regulations, and conversion of physical archive into a digital archive may count as main examples of good practices.

İş Leasing, one of the leading and largest companies in the sector, is also a pioneer in sustainability efforts with its corporate structure drawing on a shareholder bank, portfolio diversity, employee quality and innovative practices. The company's sustainability practices are also important to raise awareness among other affiliates of the Association of Financial Institutions.

İŞ LEASING, A MEMBER OF BCSD AND KOTEDER, IS SUCCESSFUL IN MANAGING SUSTAINABILITY-ORIENTED ENVIRONMENTAL AND SOCIAL RISKS WITH ITS EFFORTS IN CORPORATE GOVERNANCE, BUSINESS ETHICS, CORPORATE AND SOCIAL RESPONSIBILITY, AND TALENT MANAGEMENT.

İŞ LEASING FROM OUR STAKEHOLDERS' EYES

Esen Erkan Yıldız

International Solar Energy
Society Türkiye Section-ISES
General Secretary

Nowadays, the concept of sustainability is regarded as impactful on the economy and a key to being competitive. Besides, leasing is at the center of this self-sufficient economy. First of all, leasing forces us to consider the lifespan of a product, and extending useful life of products as long as possible will of course benefit our global system in which transition to a circular economy is underway. Under compelling circumstances that necessitate investment in low-carbon technologies in energy sector, it is now an obligation to determine the most viable solutions for sustainability and energy security. From a sustainable

and broader perspective, we can express leasing as an indispensable part of circular economy. Leasing is a **green financing method** as it allows businesses to invest in newer, more efficient and least depleting equipment, facilities or services. Since "sustainability" matters would not be possible without being also "green", İş Leasing's efforts are essential in this regard as they ensure this balance.

Energy industry's digital transformation and innovation are vital for sustainable economic development. Digital technologies, which will enable us to use natural resources more wisely and efficiently, will help promote

renewable energy in the energy portfolio and reduce carbon footprint and climate change. I regard digital technologies, more precisely the broader concept of digitalization, as **key drivers of transition to a low-carbon energy system**. Digitalization refers to the use of digital technologies to reduce costs and change the underlying business model by **creating new revenue sources**, as it also includes information, automation and control, as well as smart methods such as detailed analysis and visualisation. I cannot imagine a more efficient way to analyze the sustainability of a planned investment than using these methods.

I follow İş Leasing's financing efforts for clean and sustainable energy supply. Being the earliest association in the solar energy industry, we know that our several members collaborate with İş Leasing and we support it. In our country, factories, hotels, hospitals, particularly the public and private sectors, local governments and educational institutions tend toward unlicensed installations for self-consumption. This process largely **gains momentum** by the efforts of İş Leasing and similar institutions.

ISES members' cooperation with İş Leasing is progressing more actively. Some of our members signed a cooperation protocol with İş Leasing to allow their customers efficient access to support they need in the installation of solar power plants for self-consumption on the rooftops of factories, commercial buildings, shopping malls and hotels. As a result of the cooperation, customers who want to install solar power plants on their rooftops will be able to access most affordable, quality and TUV certified solar energy systems. This exemplifies their positive contribution to the growth of the sector.

Just as I do not accept gender-based discrimination and any forms of language based workplace oppression, we also know that İş Leasing similarly does not tolerate any. We wish to see a world of gender equal businesses, equal pay for equal work, and more workplace diversity practices.

Hamza Küçükyarma

IBT Enerji Sistemleri Mühendislik İthalat İhracat
Sanayi ve Ticaret Limited Şirketi
Business Development and Marketing Manager

Nowadays, all highly effective projections are equipped with effective financial solutions. Leasing financing is extremely important in all sustainability oriented projects. Particularly green and clean energy projects are complete sustainable finance role models; both the lessee, the lessor and the seller easily come together around the same goal. The financial solution of every project that is **environmentally friendly** and leaves a healthier heritage to future generations is valuable. The transformative power of leasing in this context is obvious.

When we analyze funding of renewable energy projects, we find İş Leasing's product development successful and valuable in self-consumption oriented electricity projects. In this regard, we wish that İş Leasing will maintain its leadership position. In addition to green transformation opportunities, energy efficiency concept is also very important for sustainability. In process and crisis management, how we use energy efficiently is decisive. We follow the steps taken by İş Leasing to combat climate change and to support transition to a low-carbon economy via public sustainability reports annually and the impressions of its stakeholders. We recommend

sustainable product development funding practices to our stakeholders and investors.

İş Leasing's success in corporate governance, communication with stakeholders, and diversity and inclusion is obvious. We also recommend that it takes its corporate social responsibility, talent management and digital transformation efforts to the next level. We expect İş Leasing to broaden its corporate social responsibility efforts for a wider audience and spread them across walks of life.

It is a significant organization that does not discriminate against nationality, religion, social status and gender when offering customer services. As disclosed in previous sustainability reports, we know that it is above Türkiye averages in terms of gender and age group rankings. Lastly, I am aware that the female employee rate is over 51%. This rate is even higher than the average of some developed countries.

We find İş Leasing's digitalization practices crucial, particularly for recycling and efficient production. Your company is one of the few private leasing companies that **provide quick solutions** to operational issues. Projects progress smoothly with agile digitalization practices and the initiatives of managers, without any system roadblocks.

OUR VALUE CHAIN

We fortify our value chain to withstand threats from throughout the world.

Our Methods For Climate Crisis And Decarbonization Combat	39
Our Renewable Energy Investments	40
Our Carbon Neutrality Efforts	41
Our Environmental Performance	44

Our company sets a high value on monitoring, controlling, and auditing the economic, environmental, and social effects of the sustainable financing work we do.



OUR METHODS FOR CLIMATE CRISIS AND DECARBONIZATION COMBAT

WE ARE CONSTANTLY IMPROVING OUR SUSTAINABLE FINANCIAL SERVICES.

While the damage inflicted by climate change grows every day, it seriously threatens industries and global economy. We are aware of the magnitude of this problem, which hurts every aspect of life. We update, develop and implement our services and activities in a solution-oriented way in our combat against climate change.

Since our inception, we use our resources to create positive impact in our world with our responsible investment mindset. By embracing climate crisis and decarbonization combat vision, which are among priorities of the financial world, we are accelerate our efforts together with our value chain for a habitable and clean future under the guidance of sustainable finance principles.

In order to improve our country's ability to combat climate change, we increase our renewable energy investments and active installed power capacity, and take our decarbonization efforts one step further

OUR RENEWABLE ENERGY INVESTMENTS AND SECTORAL PROJECTS

While we constantly increase our share in funding renewable energy investments, we stand out with our financial solutions on solar energy.

With Paris Agreement on Climate, which our country became a party in 2021, and 2053 net-zero emissions target, renewable energy consumption became even more important. In this context, we gradually increase our investments in renewable energy projects since 2013.

In 2022, the active installed capacity of projects we funded within renewable energy investments reached 336 MW. Projects we financed consist of, 257 MW Solar Power Plant (SPP), 63 MW Wind Power Plant, and 2 MW Biomass Energy Power Plant (BES). Additionally, we financed a cogeneration project with an installed capacity of 14 MW in 2022.

As İş Leasing, we will continue our financial support to sustainable projects that will contribute to our country's economy and the environment, in light of our pioneering sustainability policies.

We added several new projects in 2022 to our ambitious efforts in funding renewable energies. We bolstered our position in sustainability by using our strong funding capabilities in energy efficiency and renewable energy projects throughout the year.

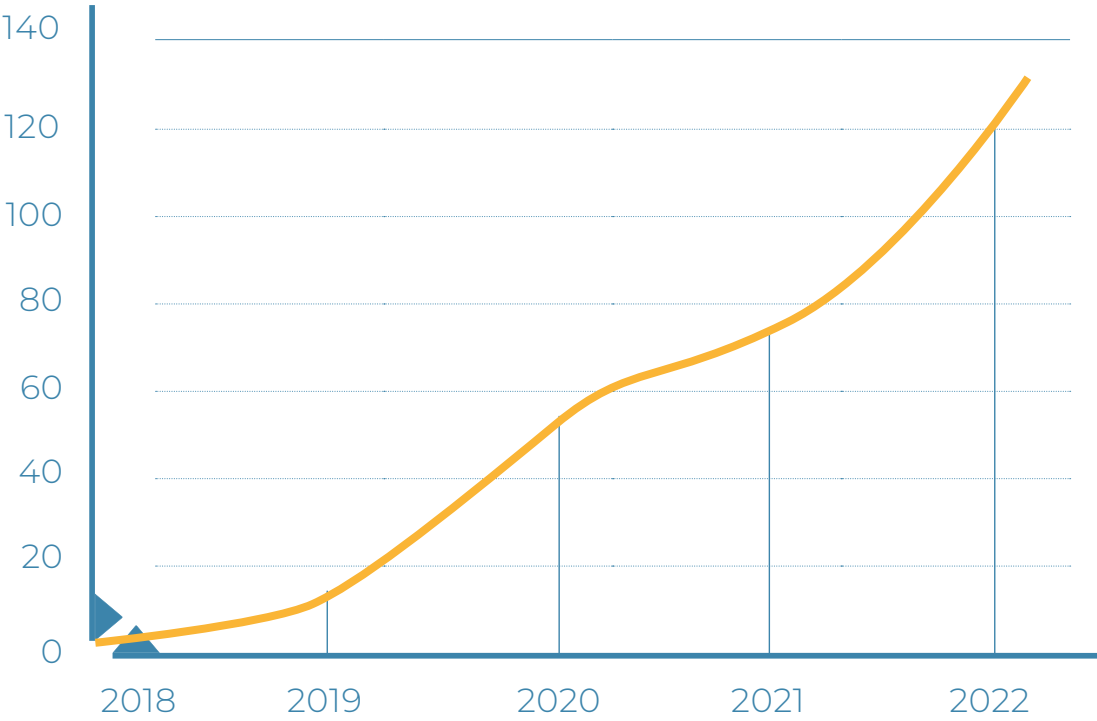
Within our mission to support positive impact projects, we financed 288 green projects with TURSEFF. We completed the first leasing funded solar power project (SPP) in agriculture sector and fulfilled a total of 107 projects in agricultural sector. As a result of our projects, we avoided 47 thousand tons of carbon emissions.

We provided World Bank's financial support to SME companies via Development Investment Bank of Türkiye (TKYB) within "Emergency Company Support" and "Registered Employment Creation Project".

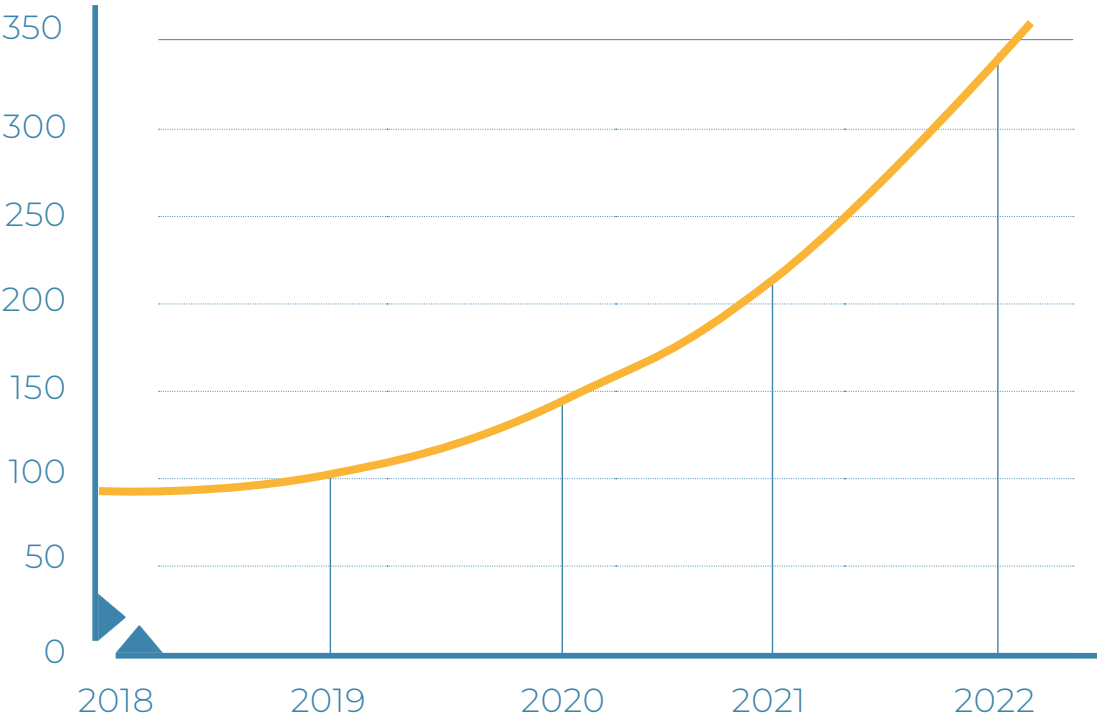
We continue our projects to allow businesses to own solar power plants under convenient financial terms.

Funding of Renewable Energy	2018	2019	2020	2021	2022
Amount of funding provided to renewable energy projects (USD)	2,200,000	8,080,665	39,286,734	39,837,353	69,614,267
Installed power capacity of funded renewable energy projects (in year - new) (MW)	2.30	13.60	49.48	70.67	119.51
Total installed power capacity of funded renewable energy projects - consolidated (MW)	82.7	96.3	145.78	216.45	335.96

INSTALLED POWER CAPACITY OF FUNDED RENEWABLE ENERGY PROJECTS (IN YEAR - NEW) (MW)



INSTALLED POWER CAPACITY OF FUNDED RENEWABLE ENERGY PROJECTS CONSOLIDATED (MW)



OUR RENEWABLE ENERGY INVESTMENTS AND SECTORAL PROJECTS



We provided **19 Million dollars of financing** to the renewable energy project of SERTAVUL RES to build one of the first **"hybrid, wind and solar"** projects in Turkey. With the project, the **32 MW** wind power plant, which became operational in 2020, and the 30 MW solar power plant financed by İş Leasing were integrated.

As İş Leasing, we funded Adana based OĞUZ GIDA's Solar Power Plant investment on a factory rooftop in Ereğli/Konya with a total installed power of around **2,170.80kWp**. With this investment, the company's electricity consumption largely shifted to renewable energy sources.



As İş Leasing, we funded a Solar Power Plant investment with a total power of approximately **3.5 MW**, in the headquarters of Kahramanmaraş-based NOPAŞ TEKSTİL and on its factory rooftop in Kahramanmaraş OIZ. With this investment, the company's electricity consumption largely shifted to renewable energy sources.



As İş Leasing, we funded the investment of TAYEKS/TAYPA TEKSTİL's **1.8 MW** Solar Power Plant on their factory rooftop in Tekirdağ/Ergene. With this investment, 42% of the company's electricity consumption shifted to renewable energy sources.



OUR CARBON NEUTRALITY EFFORTS

OUR COMPANY BECAME **THE FIRST LEASING COMPANY TO BECOME “CARBON-NEUTRAL”** IN 2022 BY ELIMINATING CARBON FOOTPRINT OF ITS OPERATIONS WITH ITS VISION TO COMBAT THE EFFECT OF GREENHOUSE GAS EMISSIONS ON THE CLIMATE.

We eliminated carbon emissions from operations of our Headquarters and Branches in 2021 and 2022 through Gold Standard Certificate compatible **CLIMATE+** initiative and the support provided for "Rotor Electricity Production Osmaniye Wind Farm" project.

We continue our sustainability efforts with environmental responsibility in line with green development vision.

We closely follow the anticipated **Turkish Emissions Trading System (ETS)**, which is part of Türkiye Green Deal Action Plan and still in planning phase. As İş Leasing, we continue our collaborations with our

stakeholders and market players, well aware of our responsibility in transition to green economy.

The importance of targeted sustainable financial investment according to updated **Nationally Determined Contributions (NDCs)** has risen significantly. Thus, we strive to develop and offer products and services by guiding the entire focus of financial sector towards sustainable investments.

We closely follow the efforts on Sustainability Principles Compliance Framework and Guidelines on Green and Sustainable Debt Instruments, which became effective in 2020 and 2022. **The carbon market** to be established within National Emissions Trading System and National Taxonomy, and European Union Carbon Border Adjustment Mechanism (EU CBAM) which will become operational in 2023-2025 period, both have an undeniable importance for Türkiye to achieve net zero emissions target by 2053. We continue our operations well aware of the need for National Taxonomy to be in harmony with EU Taxonomy while complying the Green Deal process as well as considering the sustainable finance priorities of our country.

While being an observer of national and international standards and obligations, we meticulously continue our preparations for carbon markets and aim to represent our country as a leader in carbon markets.

We complete our corporate greenhouse gas inventory calculation based on 2021, with an operational control approach and update our inventory calculation every year.

In the greenhouse gas inventory calculation approach, we use internationally accepted **IPCC (Intergovernmental Panel on Climate Change)** and **GHG Protocol (Greenhouse Gas Protocol)** as benchmarks. We use IPCC, TIER-1 methodology for our greenhouse gas calculations within specified limits, and TIER-2 methodology for operations with available national data. In calculations of emission factors for electricity, we use Türkiye Elektrik İletim AŞ production data and apply TIER-2 methodology Scope-2 for indirect greenhouse gas emissions.

In our inventory calculations, we use emission factors in IPCC 5th Assessment Report, which is the most common and reliable source for country-specific emissions

factors, and country-specific low heat values and density data of fuels.

We conduct all our carbon balancing efforts as a precursor of **our advanced future carbon management activities** and preparations for carbon markets in years to come.



OUR CARBON NEUTRALITY EFFORTS

Greenhouse Gas Emissions by Scope, 2022

Emissions	CO ₂	CH ₄	N ₂ O	Ton CO ₂ e	Percentage (%)
Scope 1	214.76	0.25	2.18	217.19	61.84
Scope 2	10.58	0.00	0.03	10.61	3.02
Scope 3	123.39	0.00	0.04	123.43	35.14
Total	348.73	0.25	2.25	351.23	100.00

Scope-1 Direct Emissions: Includes greenhouse gas emissions from natural gas consumption, company vehicles, generators, chillers, ventilation and fire extinguishing systems.

Scope-2 Energy Indirect Emissions: Includes greenhouse gas emissions from electricity consumption

Scope-3 Other Indirect Emissions: Includes greenhouse gas emissions from capital assets, personnel transportation services, taxi, bus, business flights and paper consumption.

After emission scope comparisons, our largest emission source turns out to be Scope 1 emissions, with 61.84% share and 217.19 tCO₂e value. Scope 2 emissions have a share of 3.02% with 10.61 tCO₂e, and Scope 3 emissions have a share of 35.14% with 123.43 tCO₂e.

Scope 1 Emissions, 2021-2022

Fuel Type	2021 (tCO ₂ e)	Oran (%)	2022 (tCO ₂ e)	Percentage (%)
Company vehicles (diesel)	167.76	44.32	118.34	34.78
Company vehicles (gasoline)	141.90	37.49	24.27	7.13
Natural gas	67.51	17.83	72.99	21.45
LPG	0.02	0.01	0.02	0.01
Generator (diesel)	1.33	0.35	1.42	0.42
Refrigerant - R134A (leakage/year)	0.00	0.00	0.12	0.03
Refrigerant - R600A (leakage/year)	0.00	0.00	0.01	0.004
Total	378.52	100.00	217.19	100.00


The largest share in Scope 1 emissions arise from fuel consumption of company's diesel vehicles with 34.78% share, which corresponds to 118.34 tCO₂e of greenhouse gas emissions. The share of company's gasoline vehicles is 7.13%, which corresponds to 24.27 tCO₂e of greenhouse gas emissions. Emissions from natural gas consumption is second with 21.45%. The emissions equivalent is calculated as 72.99 tCO₂e. While emissions from diesel-fueled generators have a share of 0.42% with 1.42 tCO₂e, emissions from LPG consumption have a share of 0.01% with 0.02 tCO₂e. R134A refrigerant has a greenhouse gas emission of 0.12 tCO₂e with a share of 0.03%, and R600A refrigerant has a greenhouse gas emission of 0.01 tCO₂e with a share of 0.004%.

Scope 2 Emissions, 2021-2022

Energy Consumption	2021 (tCO ₂ e)	Oran (%)	2022 (tCO ₂ e)	Oran (%)
Headquarters*	0.00	0.00	0.00	0.00
Branches	20.30	100.00	10.61	100.00
Branches	20.30	100.00	10.61	100.00

*In our Headquarters building, electricity is supplied from renewable energy sources and 100% of the electricity consumption is I-REC certified. I-REC certified renewable energy is supplied in 6 of our branches.

After emission scope comparisons, our largest emission source turns out to be Scope 1 emissions, with 61.84% share and 217.19 tCO₂e value. Scope 2 emissions have a share of 3.02% with 10.61 tCO₂e, and Scope 3 emissions have a share of 35.14% with 123.43 tCO₂e.



THE INTERNATIONAL
REC STANDARD

This Redemption Statement has been produced for

İŞ FİNANSAL KIRALAMA A.Ş.

by

AYDEM YENİLENEBİLİR ENERJİ A.Ş.

confirming the Redemption of

80.000000

I-REC Certificates, representing 80.000000 MWh of
electricity generated from renewable sources

This Statement relates to electricity consumption located at or in

**Levent Mahallesi Meltem Sokak İş Kuleleri Kule 1 Beşiktaş / İstanbul
Turkey**

in respect of the reporting period

2022-01-01 to 2022-12-31

The stated Redemption Purpose is

**İş Merkezleri Yönetim ve İşletim A.Ş. Electricity consumption via meter no:
6176254000**

Evident

QR Code Verification


Verify the status of this Redemption Statement by scanning the QR code on the
left and entering in the Verification Key below


Verification Key

7 6 4 6 7 3 8 8

<https://evident.app/public/certificates/en/n2btrv0CfqD/X6JuloVmE2mqTz05FFl0uB244B8Cy4Hr83zvrRTNg>


With I-REC
certified
renewable
energy supply,
we reduced
our Scope 2
emissions by
47.73% and
prevented
37.63 tCO₂e of
greenhouse
gase emissions..





THE INTERNATIONAL REC STANDARD

The International Renewable Energy Certificate, also known as the Green Energy or Renewable Energy Certificate, verifies that the electricity being utilized is generated from renewable energy sources and enables traceability of the source and attribute of energy generation. It is one of the basic documents for studies carried out for sustainability purposes.



OUR CARBON NEUTRALITY EFFORTS

Scope 3 Emissions, 2021-2022

Fuel Type	2021 (tCO ₂ e)	Percentage (%)	2022 (tCO ₂ e)	Percentage (%)
Capital assets	9.85	7.14	7.28	5.90
Company office equipment	6.89	5.00	3.78	3.06
Computer equipment	1.03	0.74	2.07	1.68
Computer	1.93	1.40	1.44	1.17
Fuel and energy related activities	94.41	68.46	48.47	39.27
Emissions from company vehicles (diesel) transmission/ distribution	38.36	27.82	27.06	21.92
Emissions from company vehicles (gasoline) transmission/distribution	38.34	27.80	6.56	5.31
Emissions from fuel (natural gas) transmission/distribution	12.04	8.73	12.92	10.47
Emissions from generator (diesel) transmission/distribution	0.31	0.22	0.33	0.27
Emissions from electricity transmission/distribution	5.36	3.89	1.59	1.29
Waste originating from the operation	0.02	0.01	0.04	0.03
Paper consumption	0.02	0.01	0.04	0.03
Business trips	2.33	1.69	4.45	3.61
Business flights – domestic flights	0.55	0.40	1.57	1.27
Business flights – short haul (Europe)	1.78	1.29	2.89	2.34
Employee transportation	31.30	22.70	32.42	26.27
Shuttles	31.30	22.70	32.42	26.27
Assets leased for production	0.00	0.00	30.57	24.77
Car	0.00	0.00	30.57	24.77
Total	378.52	100.00	217.19	100.00

Within Scope 3 emissions, the categories of capital goods, fuel and energy-related operations, waste from operations, business travel, employee commuting and upstream leased assets are calculated, all of which are specified in Greenhouse Gas Protocol. Among these categories, the largest share comes from fuel and energy-related activities with 39.27%.

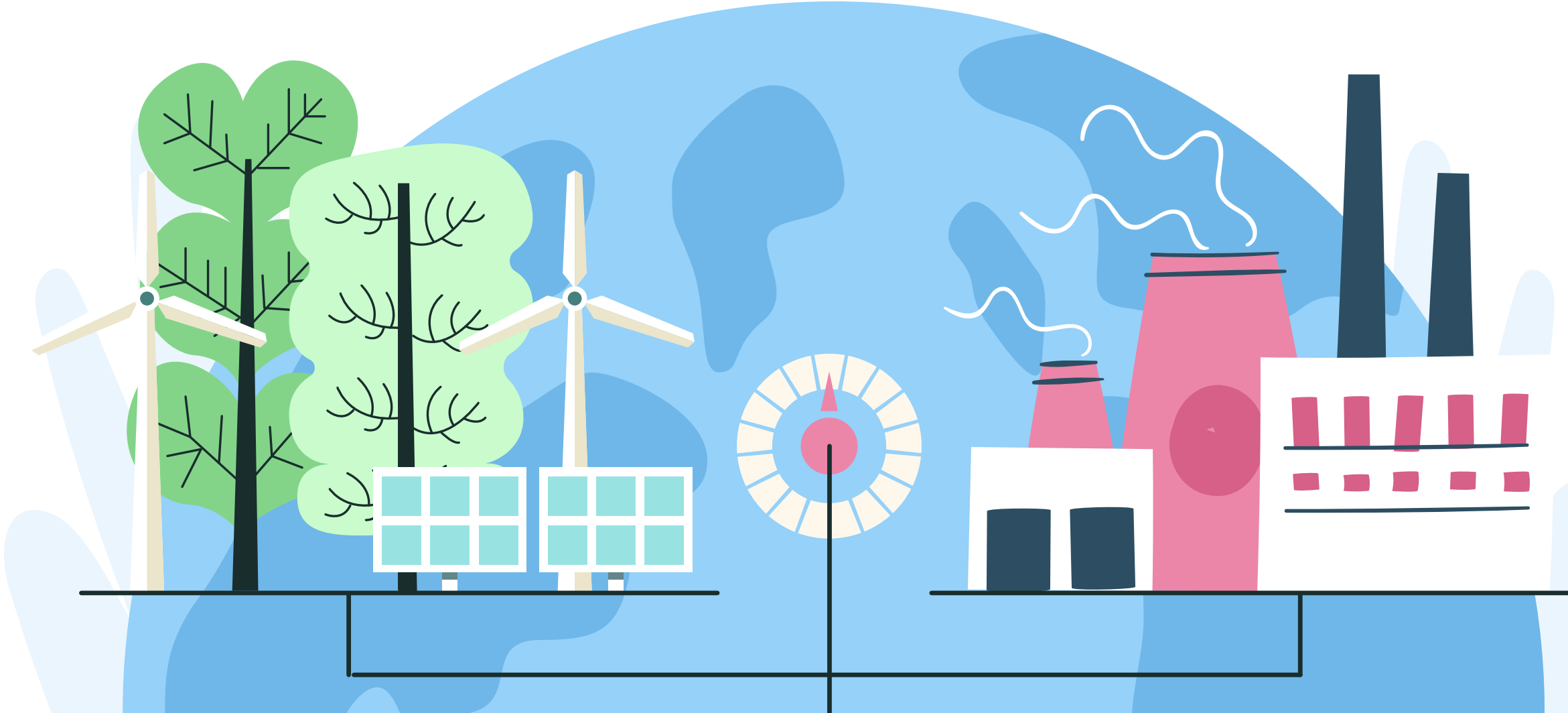
Emissions in this category are caused by fuel and electricity transmission losses and leakages, and the total emission is 48.47 tCO₂e.

The second largest source of emissions come from employee commuting with 26.27%. In this category, emissions resulting from 3rd party transportation services are calculated for employee commuting and the total emissions are 32.42 tCO₂e.

Our third largest emission source is the category of leased assets for production. Our automobiles have a share of 24.77% in this category. Total emissions from

leased production assets is 30.57 tCO₂e. In the capital goods category, the company has respective shares of office equipment at 3.06%, computer equipment at 1.68% and computers at 1.17%. Total emissions from capital goods are 7.28 tCO₂e and their share in Scope 3 emissions is 5.9%. While business travels have a share of 3.61% with 4.45 tCO₂e, the share of emissions from paper consumption is 0.03%.

We obtain the data we use in our calculations from electricity meters of utility companies. The main factors that may affect data quality are the accuracy and calibration of measurement devices, and temperature and pressure deviations in some fuels. In calculation of indirect emissions, the 10% uncertainty rate is taken as a reference for unknown sources according to “IPCC Chapter 6 Quantifying Uncertainties in Practice”. In the analysis of uncertainty levels of our emission sources, operations and emission factors, the uncertainty level of our company's 2022 greenhouse gas inventory is calculated as 3.1%. An uncertainty rate below 5% is considered reasonable.



OUR ENVIRONMENTAL PERFORMANCE

WE REDUCED
OUR ENERGY
CONSUMPTION BY
37.8% COMPARED
TO 2021.



With post-pandemic normalization, **we work hard** on issues such as efficient use of water resources, improvement of energy efficiency and reduction of paper waste in our service locations.

Energy Consumption (GJ)	2021	2022
Consumption	5,892.26	3,602.09

There were **no charges** against our company on environmental or environmental management affairs in 2022.



Our dominating factors in energy consumption in 2022 are company's vehicle fuels at 53.16% and property fuel and electricity usage at 46.84% respectively. Our energy consumption rates, which predominantly reflects electricity and fuel consumption in our company buildings, are natural

gas with 1,299.89 GJ and 36.09%, electricity with 80.88 GJ and 2.25%, renewable-electricity energy (IREC) with 286.73 GJ and 7.96%, diesel fueled generators with 19.21 GJ and 0.53%, and LPG with 0.33 GJ and 0.01%. While our gasoline vehicles constitute 9.5% of the consumption with 1,572.82 GJ, diesel vehicles constitute 43.66% with 342.23 GJ.

Energy Consumption, 2021-2022

Energy Consumption	2021 (GJ)	Percentage (%)	2022 (GJ)	Percentage (%)
Vehicle Fuels	4,230.48	31.27	1,915.05	53.16
<i>Company vehicles (diesel)</i>	2,229.57	21.95	1,572.82	43.66
<i>Company vehicles (gasoline)</i>	2,000.91	9.33	342.23	9.50
Building Fuel and Electricity	1,661.78	68.73	1,687.04	46.84
<i>Electricity</i>	159.97	6.62	80.88	2.25
<i>Electricity – Renewable (IREC)*</i>	281.35	11.64	286.73	7.96
<i>Natural gas</i>	1,202.29	49.72	1,299.89	36.09
<i>LPG</i>	0.35	0.01	0.33	0.01
<i>Generator (diesel)</i>	17.82	0.74	19.21	0.53
Total	5,892.26	100.00	3,602.09	100.00

In terms of electronic waste, 73 desktop computer cases, 41 monitors, 11 printers, 1 UPS device, 5 Notebooks, 1 Fax machine, 1 Switch and 34 Monitor legs, were retired and a resulting total of **1,197 kg** of electronic waste was sent for recycling.

Within "**Don't Discard, Donate Project**", we donated our still functional electronic waste via Educational Volunteers Foundation of Türkiye (TEGV) in collaboration with Informatics Industry Association and delivered it to 8 children to give them access to technology in our technology age. We also contributed to environmental sustainability by avoiding electronic devices from becoming waste.

We did not forget the importance of our coasts of our country, which itself is a peninsula. We, together with our families, contributed to the Coastal Cleaning Event organized by Turkish Marine Environment Protection Association (TURMEPA) in order to preserve the attractions of our country and leave a clean environment for future generations. We took initiative to prevent coastal pollution and raise awareness by collecting **29 kg** of glass, metal, paper and plastic waste from our shores.

In order to protect and support our value chain, we aim to take strides and continue our preparations, develop our project tools with the guidance of policies that accelerate circular economy, ensure maximum resource utilization possible in the circular economy and minimize waste production. By taking part in the visionary "Sustainable Industry, Circular Economy and Plastic Working Group" within Business and Sustainable Development Council (BCSD Türkiye), which we have been a member for **over 3 years**, we closely follow green transformation and foundational industrial symbiosis initiatives.



According to climate research reports, **we are aware** of high levels of water stress at Mediterranean Basin which carries a significant future risk. We **urgently** direct our efforts to combat the risks presented by scientific research.

Water Consumption, Detailed	Area (m²)	Number of Employees	2021	2022
Headquarters	2,029	101	465	1,155
Branches	1,038	41	193	195

Water Consumption	2021	2022	Paper Waste	2021	2022
Water consumption (m³)	637	1,329	Paper Waste (kg)	972	1,674
Emission due to water consumption(tCO ₂ e)	0.09	0.20			

THE SOCIAL VALUE WE CREATE

We enhance social peace, through fostering social value.

[Our Human Resources Practices](#) 46

[Our Corporate Social Responsibility Activities](#) 51

İş Leasing encourages all its stakeholders to adopt sustainable practices by updating them about environmental and social issues.



OUR HUMAN RESOURCES PRACTICES

WE IMPROVE THE SKILLS OF OUR EMPLOYEES VIA OUR TALENT MANAGEMENT SYSTEM AND DEVELOP HUMAN RESOURCES PRACTICES THAT PROMOTE MERIT AND JOB SATISFACTION.

Under the guidance of the United Nations Global Compact (**UN Global Compact**), which we became a signatory member as of 2022, we embrace a social welfare mentality that respects universal human rights across our employees, all our stakeholders, and other communities impacted by our financial products or services.

We encourage our employees to volunteer in appropriate community support activities with social responsibility awareness. We are sensitive about **sustainability, transparency, inclusiveness** and respectfulness for human rights in our social development projects.

We regard human rights crucial among our ethical principles, and we guide our value chain to align our stakeholders to act in accordance with social welfare principles through our risk management system and social responsibility activities. We develop methods to ensure customer behavior with social benefit awareness and we value implementation of these methods.



You can access the İş Leasing Human Resources Policy at <https://www.isleasing.com.tr/human-resources/human-resources-policy/>

We embrace corporate policy of **equality, ethics, justice, inclusiveness and diversity** that treats employees indiscriminately in recruitment, assignments, terminations, trainings, career management, promotions, disciplinary acts, wage policy and benefits. Similarly, we always act without any regard for race, religion, language, ethnicity, belief, sect, color, age, sexual orientation, gender, or marital status.

As a leading company in leasing sector, we embrace an approach that respects human rights, implements sustainable and transparent human resources policies by considering employee satisfaction. We offer our employees an inclusive and professional working environment with fair and equal opportunities, and we aim to maintain long-term human resources relationships by providing regulatory required healthcare and safety for our employees. We develop **advanced practices** to manage our human resources, our most important cultural capital, most efficiently in line with our vision, mission and goals, to create an elite, dynamic, creative, effective, valuable, difference making and top competitive team in the sector; to recruit qualified workforce through improvement and change efforts; to constantly support the development of our team's professional knowledge and skills and personal abilities; to ensure motivation and to raise their performance to the highest level.

We use **integrated and professional systems** in all human resources processes, from recruitment to performance management, from talent development to wage policy, from career planning to the termination process. In order to match the right person with the right job, we actively apply competency-based novel methods that are advanced with objective multi-dimensional assessment and evaluation tools designed for specific positions.

We plan our training activities to improve technical competencies of all our employees, considering our business plans, needs and performances.

Since our incorporation, we embraced female employee and female manager support as an unwavering principle. We believe that reduction of inequalities is critical to enable diversity, inclusion and sustainable development in line with basic principles of just transition process. We actively work to support women presence in social and economic life and to **maximize the number of female employees and female managers** in finance sector.

In order to align our current approach with international requirements, we are proud to share our goal of becoming an equal and inclusive company in the leasing sector with all our stakeholders and the public by signing **United Nations Women's Empowerment Principles (UN WEPs)** in 2022.

By signing the UN WEPs principles, we accept responsibility to develop pioneering practices that help with gender equality and women's empowerment through our embedded corporate culture in the leasing sector, in accordance with international labor and human rights standards.

We accept responsibility to develop pioneering practices that help with gender equality and women's empowerment.

**Ratio of
female
employees**

53
%

**Ratio of
female
managers**

35
%



OUR HUMAN RESOURCES PRACTICES

WE SUPPORT SOCIAL DEVELOPMENT WITH OUR RESPONSIBLE AND EFFECTIVE SOCIAL BENEFIT APPROACH THAT HIGHLIGHTS FAIR TRANSITION MECHANISMS.

We evaluate all ideas and suggestions for our corporate development through convenient mechanisms for our employees to express themselves and forward them to aid managerial and decision-making processes. Our advanced corporate culture, which embraces democratic suggestions, complaints and improvement mechanisms, is our insurance in human resources. Our suggestion system, where our employees can submit suggestions regarding our activities and practices, and our online communication platform, where employees can send all kinds of requests and complaints directly to top management, are actively functioning.

We believe that success is a journey together. Through **"Employee Committee"**, we evaluate the ideas of our employees via Corporate Portal and conduct improvement efforts.

In our performance evaluation meetings, we provide comprehensive and transparent information about our company's goals and activities. All our employees can access all information via **Corporate Portal**, which is founded as a sharing system.

We aim to ensure high motivation and valuable job satisfaction for our employees by identifying improvement areas in our company's human resources practices through regular employee satisfaction surveys and planning effective improvement efforts.

Gender Distribution of Employees (%)	2020	2021	2022
Female	51%	51%	53%
Male	49%	49%	46%

Gender Distribution of Middle and Senior Managers (%)	2020	2021	2022
Female	38%	38%	35%
Male	62%	62%	65%

Age Distribution of Employees (%)	2020	2021	2022
18-30	11%	8%	7%
30-45	74%	76%	74%
45+	15%	16%	19%



Talent And Performance Management

We value all the talents of our employees and conduct competency-focused evaluations for assignments where they can effectively fulfill their potential and contribute in achieving the main goals of our company.

We regard investing in human resources, our most important capital, as one of our sustainability priorities by evaluating organizational and individual development needs. In İş Leasing family, we recognize the importance of employee training efforts at all levels and plan training programs in professional, managerial and personal development areas separately.

In line with our main strategy, we aim to provide sustainability-oriented corporate integrity, transformation and capacity raise with our talent programs. We also aim to generate required know-how across our value chain to finance projects that will support economic growth and domestic employment in line with sustainable finance principles.

Within Green Development and digitalization vision, we consider creation of newly defined global job descriptions imperative to ensure a just transition. In this regard, we accelerated our efforts to expand just transition practices across our entire value chain in 2023-2025 period.

We are aware that a well-designed performance management system is essential for employee development. We carry out regular performance evaluations for professional, managerial and personal development of our employees.

Ratio of Employees Receiving Regular Performance Feedback (%)	2020	2021	2022
18-30	11%	8%	7%
30-45	74%	76%	74%
45+	15%	16%	19%

In 2022, 92% of our employees were subject to regular performance evaluations. We share performance evaluation results with our employees annually in line with the principle of transparency.

Maximizing potential competencies is our sustainability priority.

(person x hours) Training



1.155



Our advanced corporate culture, which embraces democratic suggestions, complaints and improvement mechanisms, is our insurance in human resources.

OUR HUMAN RESOURCES PRACTICES

WE EMBRACE SUSTAINABILITY AWARENESS AS A CRUCIAL VISION THAT DEFINES OUR CORPORATE CULTURE, AND SPREAD IT ACROSS OUR ENTIRE VALUE CHAIN WITH COMPREHENSIVE TRAININGS.

One of the main components of our sustainable financial success in the leasing sector is our regular competency improving training activities. We arrange our trainings in line with our corporate and employee needs, direct our employees to trainings of Banks Association of Türkiye, and provide training support to our employees for licenses within professional licensing directives. We support merit-based professional development in our sector by covering all exam, license and professional fees for our employees.

In 2022, we provided employee trainings on anti-bribery and anti-corruption, sustainability and OHS matters, thus helped improve their knowledge, skills and awareness.

In line with training needs survey, a 6-hour **"New Vision of Sustainability Management and Corporate Greenhouse Gas (GHG) Calculation"** training was given to 33 members of Sustainability Committee in 2022. İş Leasing periodically continues its content and needs survey to provide appropriate and visionary training to its employees every year within sustainability, transition to circular economy, Green Development and decarbonization priorities.

Sustainability Training Topics of 2022

- Historical Background and New Vision of Sustainability Mindset
- Depth of Sustainable Development Goals (SDGs) and Objectives
- Scope of Sustainability Management and Distribution of Performance Indicators
- EU Green Deal, Emission Trading System, Carbon Border Tax
- Greenhouse Gas Management and Climate Change Combat
- Inventory Calculation Steps, Identification of Scope and Limits
- Data Collection, Planning and Processing
- Inventory Design Review
- Approaches to Determine Reduction Target and Plan
- Advanced Carbon Management and Net-Zero Emissions

As stated in our Company's Anti-Bribery and Corruption Policy, All Company employees are offered **"Anti-Bribery and Corruption Training"** regularly every 2 (two) years within the framework of legal obligations. In addition, **"Anti-Bribery and Anti-Corruption Training"** is given to our new recruits.

Training at İş Leasing *	2020	2021	2022
Total (person x hours)	158	575	1.155
Female	113	228	615
Male	45	347	540

* Training expenses for our employees amounted to 78,642 TL in 2022. In 2022, 142 İş Leasing employees received an average of 13 hours of technical and OHS training.

Distribution of Trainings	2021	2022
Anti-Bribery and Anti-Corruption Training		
Number of People	139	15
Person x Hours	139	15

Sustainability Trainings	Person	Hours	Total
Sustainability Training	28	7	196
Management and Oversight of EMS Risks	2	10	20
Total	30	17	216



OUR HUMAN RESOURCES PRACTICES

Employee Rights

WE SUPPORT EQUITABLE AND TRANSPARENT POLICIES THAT RESPECT HUMAN RIGHTS IN OUR ENTIRE VALUE CHAIN TOGETHER WITH OUR EMPLOYEES.

We develop human resources practices with the vision of becoming favorite for all employee candidates who can add value to our company, protecting employee rights and creating cultural value in its sector.

We embraced establishment of healthy and safe workplace with **free speech** of employees, constant employee dialogue, regular sharing of relevant employee concerns, and inclusiveness as our unwavering sustainability principles.

In addition to international norms and regulations on employee rights, we act in accordance with the principles of the United Nations Global Compact (UN Global Compact), which we became a signatory member in 2022.

Main Framework of Our Human Resources Policy

- ▶ Principle of equal recruitment opportunity for people under equal conditions is embraced and recruitment criteria is established in writing. At İş Leasing, there is a fair and equal opportunity recruitment for employees, regardless of age or gender.

- ▶ Across all human resources processes starting from recruitment, all employees are protected against physical and emotional mistreatment, no human rights violations are tolerated under any circumstances, universal human rights are respected, and no discriminations are ever allowed based on race, religion, language, ethnicity, age and gender among employees. In addition, it supports human rights improvements for all employees.

- ▶ Within İş Leasing operations, no practices are allowed to even imply child labor, forced labor, employee rights abuse or similar misconduct.

- ▶ Due care is exercised for safe workplace conditions with positive high standards and for improvements as required.

- ▶ Objective data is considered in training, assignment and promotion decisions.

- ▶ A transparent **"equal pay for equal work"** principle is adopted about employee wages. All kinds of perks and due benefits are defined for each title and position. There is no wage discrimination between male and female employees and it is even out of question.

- ▶ Decisions and developments on relevant matters are shared with employees.

- ▶ Annual training plans are made and attendance is ensured in order to support professional, managerial and personal development and career planning of employees.

- ▶ Thanks to the Company Corporate Portal, which was established to increase internal information sharing and improve communication with employees, all employees are allowed convenient access to regulations, departmental efforts, job descriptions and assignments, performance management practices, current announcements and auxiliary resources.

- ▶ An orientation program is implemented to help new recruits with their adaptation to working environment and increase their productivity.

- ▶ Job descriptions, individual targets, performance and rewarding criteria are determined by Company management and declared to employees.

During 2022 reporting period, no employee discrimination complaints were filed to our managers.

We aim to create a workplace that supports employee loyalty and happiness in line with our human resources policy focused on employee satisfaction. We adopted various support practices (fringe benefits) that will contribute to raising the living standards of employees and increasing their welfare.

We offer our employees life insurance, comprehensive health insurance package, private pension system with company contribution, heating aid, cash meal allowance and premium opportunities. We also support social lives of our employees with Avita employee program. In the coming periods, we aim to further our fringe benefits to a broader framework in line with the leadership of our bank.

Our employees perform their duties by working 3 days in the office and 2 days remotely. In the post-pandemic period, we ensured business continuity by physically employing a minimum number of employees in our offices, excluding official closure mandates, without any disruptions. As of 2022, we maintain hybrid working system (3 office days, 2 remote working days), which is a one of our productivity and motivation enhancing practices.



We held a motivation meeting with all our employees physically together for the first time after the Covid 19 pandemic. At this reuniting meeting, we presented gifts to our seasoned employees with **"Service Memories Ceremony"**.

OUR HUMAN RESOURCES PRACTICES

OCCUPATIONAL HEALTH AND SAFETY

HEALTH AND SAFETY OF OUR EMPLOYEES ARE AMONG OUR TOP PRIORITIES AND UNCOMPROMISING PRINCIPLES.

The pandemic process dictated more comprehensive and integrated OHS practices for all institutions. Our Human Resources and Administrative Affairs Units are responsible for our OHS practices and report directly to our General Manager.

In order to increase OHS awareness of our employees, we shifted our face-to-face OHS trainings to more effective online environment. We spread OHS awareness in our corporation with periodic online trainings organized by Center for Labor and Social Security Training and Research (ÇASGEM).

In accordance with Occupational Health and Safety (OHS) Code No. 6331, **68 of our employees received 9.5 hours of OHS training** in 2022. OHS training is mandatory for new recruits, and it is renewed every 3 years for our existing employees.

OHS Training (person x hours)	2020	2021	2022
	484	184	670

We implement OHS practices under the guidance of an expert and a company doctor appointed by İŞMER. Periodic examinations of our new recruits are carried out by our company doctor. In the light of OHS audits in our institution, we actively and practically conduct review and improvement activities and other development plans through widely attended OHS meetings held **every three months**.

In case of any emergency, we revise our Emergency Evacuation Plans and inform our employees. Within regulatory framework all OHS issues such as Emergency Plans, Search and Rescue Teams, First Aid Teams, Evacuation Plans, Drills, Fire Extinguishing Equipment, Protective Equipment, Initial Training, are all actively overseen by our relevant units.

There were no work accidents or occupational diseases within İş Leasing in 2022.



RESPONSIBLE VALUE CHAIN MANAGEMENT

WE ENCOURAGE OUR SUPPLIERS TO EMBRACE SUSTAINABILITY PRINCIPLES.

In order to become a sustainability pioneer in our supply chain with the guidance of best procurement practices, we implement practices to **achieve sustainable business success by attaining a diverse supply chain that is financially strong, environmentally friendly and reliable**.

We value **integrity, transparency and business ethics** in all our activities, and we expect all our suppliers to act in accordance with the same values.

We carry out a fair, honest and impartial process in our supplier selection. We prioritize working with business partners who value environment and humans, and we act considering criteria and standards based on environmental and social risks in our relations with suppliers.

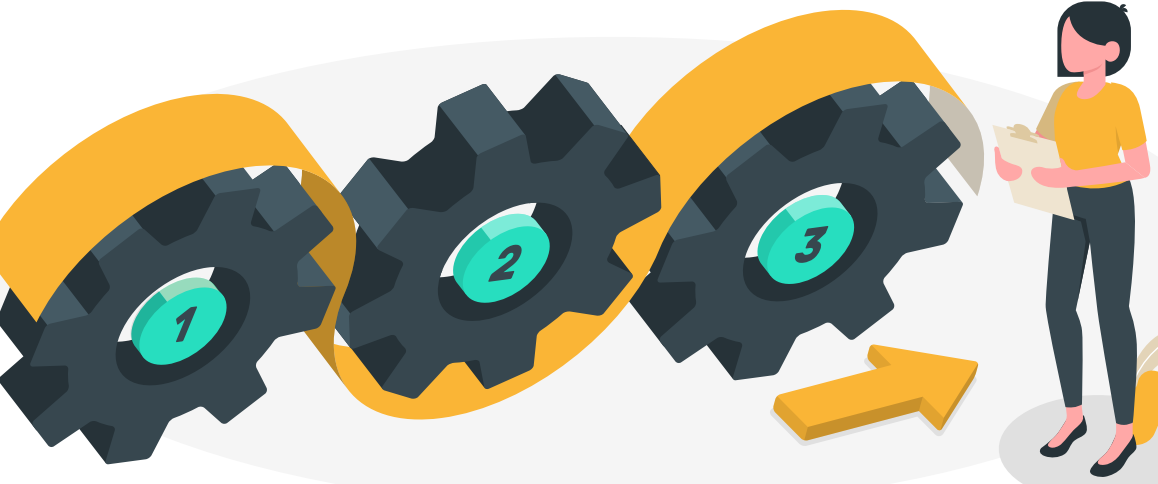
We consider anti-bribery and anti-corruption combat an essential part of our ethical principles, and we do not tolerate any unfair competition or money laundering, bribery and corruption acts across our own operations and value chain.

We aim to spread corporate sustainability, social responsibility and green transformation mindset

across our entire value chain, and we value responsible behavior in our procurement processes, similar to all our other activities. We focus on **responsible and sustainable management of economic, environmental and social impacts** of our supply chain. We adopt a responsible procurement approach to ensure that our purchasing processes are compatible with our sustainability approach.

In line with our sustainable growth and green transition targets and with environmental and societal responsibility awareness, we expect our suppliers to consider the impact of climate change on economic, environmental and social welfare and the associated risks and opportunities. We also expect them to contribute to global efforts of transition to a low-carbon economy. We aim to minimize the negative environmental and social impact of our suppliers and maximize their positive impact.

Our suppliers are personally liable for knowing and adhering to national and international laws and regulations applicable to their business in the countries they operate, and to fully comply with their contractual obligations.



OUR CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

WHILE WE AIM TO BE A PART OF THE SOLUTION FOR ENVIRONMENTAL PROBLEMS, WE CONDUCT ACTIVITIES TO RAISE ENVIRONMENTAL AWARENESS OF THE SOCIETY, PARTICULARLY OUR EMPLOYEES.

We started to focus on corporate social responsibility activities in order to expand our social impact and meet social expectations with a social benefit approach in line with today's fair transition and positive impact goals.

In line with the principles of contemporary social development, we encourage our employees to volunteer in community care activities. Thus, we participate in **volunteering projects** together with our employees that aim for continuous education and higher education quality in order to raise an environmentally conscious and inquisitive next generation sensitive to social events.

While we aim to be a part of the solution for environmental problems, we conduct activities to raise **environmental awareness** of the society, particularly our employees.

In order to fulfill our social responsibility, we aim to spread volunteering among our employees and make it a corporate culture. We configure our social benefit mentality by creating areas where our employees can design their own social responsibility activities.

İş Leasing Volunteers met with their families at the coastal cleaning event organized by Turmepa.

Under the slogan "We Contribute Vastly to Green Transformation", special training was offered by Turmepa to our employees in groups, and after training, garbage was collected and sorted along the beach where the event was held. As a result, 12 kg of plastic, 3 kg of metal, 2 kg of paper, 1 kg of glass and other waste was collected and a total of 29 kg waste was recycled.



OUR CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

A special donation was made for Mor Çatı Women's Shelter Foundation at March 8, International Women's Day.



Women's Empowerment Principles (WEPs) membership was approved on 06.07.2022.

In support of

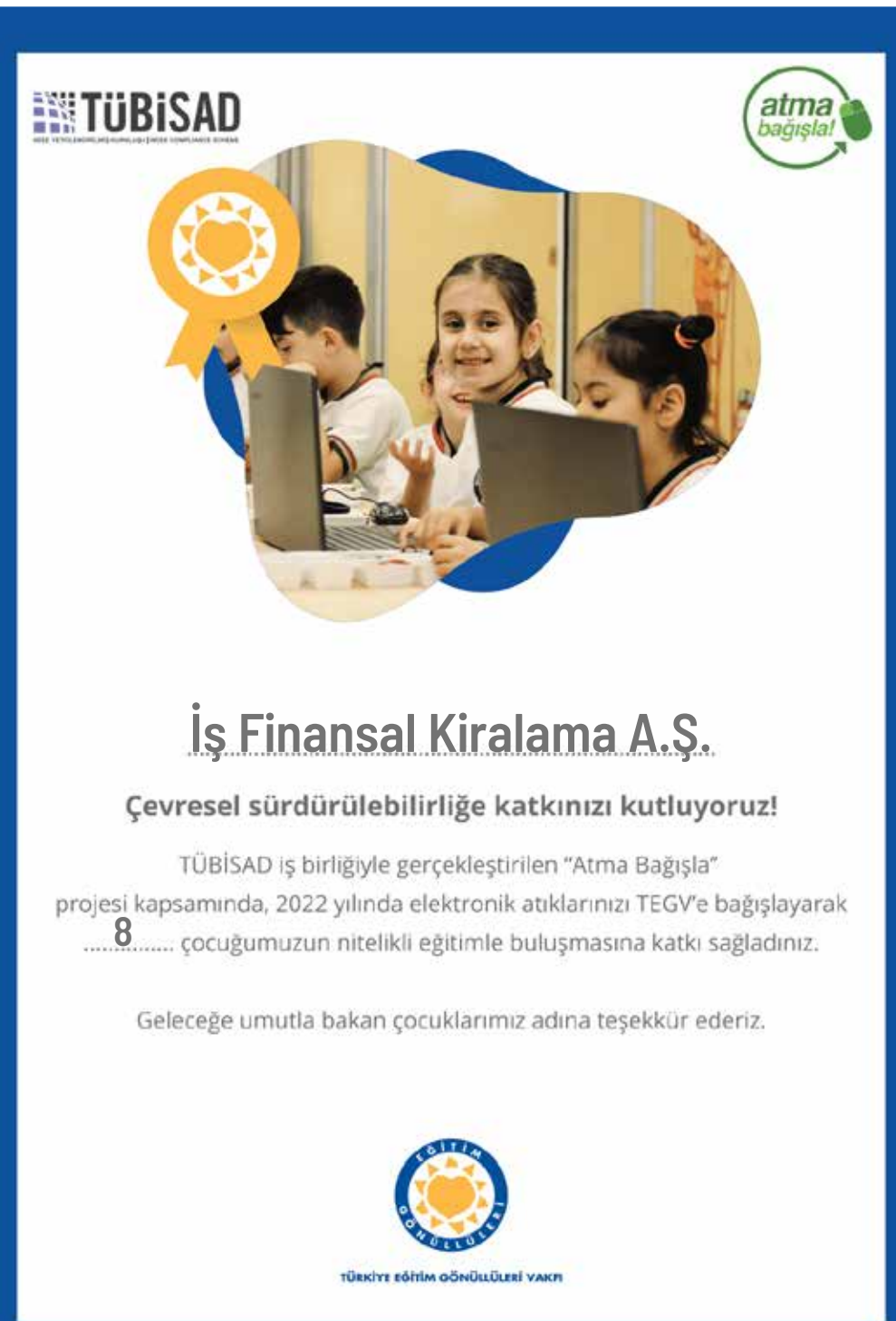
**WOMEN'S
EMPOWERMENT
PRINCIPLES**

Established by UN Women and the
UN Global Compact Office

To celebrate birthdays of company employees, a donation was made for Turkish Education Foundation (TEV) Scholarship Fund on behalf of the employees.



TÜRK EĞİTİM VAKFI
1967



In 2022, within "Don't Discard, Donate Project", İş Leasing employees collaborated with TÜBİSAD Informatics Industry Association and donated 1,197 kilograms of still functional electronic waste to TEGV-The Educational Volunteers Foundation of Türkiye, hence contributed to quality education access for 8 children. Additionally, we contributed to environmental sustainability by avoiding electronic devices from becoming waste.

İş Leasing Volunteers are running in the 44th Istanbul Marathon to ensure "uninterrupted education for young people"!

As İş Leasing, together with our 53 volunteers, we run to support TEV (Turkish Education Foundation) project "Don't Disrupt Their Education" at Step by Step Istanbul Marathon on Sunday, November 6, 2022. Besides, our employees make individual donations to support students who are at risk of failing to return to school due to the financial, social and psychological hardships they underwent during pandemic and to give them hope about future. In this context, we aim to create scholarship opportunities for less fortunate students with the voluntary donation campaign we initiated within our sphere of influence.



ANNEXES

Our goal is to contribute to the combat against environmental issues.

We aim to become the first carbon neutral financial leasing company in our sector by completely eliminating our carbon footprint resulting from our operational activities by 2024.

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STATEMENT OF COMPLIANCE WITH SUSTAINABILITY PRINCIPLES

İstanbul, 27 February 2023

To the Board of Directors of İş Finansal Kiralama A.Ş.

İş Leasing acts with the target of surpassing the regulatory requirements, particularly the matters specified in the Sustainability Principles Compliance Framework of the Capital Markets Board of Türkiye (CMB).

Many of the activities İş Leasing undertakes in relation to sustainability coincide with the principles set forth in the “Sustainability Principles Compliance Framework” enforced by the CMB in 2020. In this scope, İş Leasing achieved compliance with part of the principles covered in the optional “Sustainability Principles Compliance Framework” developed by the CMB approach. Full compliance could not be achieved with some of the principles yet due to various reasons such as the difficulties in practice, uncertainties in overall national and international arena, incompatibility of certain principles with the Company’s existing structure, and the fact the compliance principles will be determined according to findings from studies that are currently in progress.

To contribute to our Company’s goal to generate sustainable value, maximum compliance is targeted to be attained in the future with the principles with which full compliance has not yet been achieved. To this end, sustainability activities are carried on under the supervision of our Committee.

Accordingly, the Statement of Compliance with Sustainability Principles for 2022 operating period is presented in the Appendix, which incorporates the implemented and unimplemented aspects of the said principles and which has been prepared in line with our Company’s priorities in this respect.

We have reviewed the Sustainability Principles Compliance Report that has been prepared for inclusion within the Company’s annual report as per the Sustainability Principles. As a result of our assessment, the said Report has been found to be in conformity with our statement above, and presented for your information.

Sincerely,

İş Finansal Kiralama A.Ş.
Corporate Governance Committee


Neslihan Oruç
Member


Serdar Yücel
Member


M. Coşkun Cengöz
Member


Prof. Dr. Selim Yazıcı
Chairman

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		STATUS OF COMPLIANCE				EXPLANATION	LINK
		YES	NO	PARTIALLY	IRRELEVANT		
A. General Principles							
A1. Strategy, Policy and Goals							
A1.1	ESG priority issues, risks and opportunities have been determined by the Corporation's Board of Directors.	X			It is available in the Sustainability section of the Company website.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/	
	ESG policies (e.g., Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been prepared and disclosed to the public by the Corporation's Board of Directors.	X			It is available in the Sustainability section of the Company website.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/	
A1.2	Corporation Strategy in compliance with ESG policies has been determined and publicly disclosed.	X			It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page: 24,29-30	
A2. Implementation/Monitoring							
A2.1	Committees/units in charge of implementation of ESG policies and the highest-level officials in the corporation related to ESG issues and their duties have been identified and disclosed to the public.	X			It is available in the Sustainability section of the Company website.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/	
	Activities carried out under the policies by the responsible committee and/or unit have been reported to the Board of Directors at least once a year.	X			It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page: 28	

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		STATUS OF COMPLIANCE				EXPLANATION	LINK
		YES	NO	PARTIALLY	IRRELEVANT		
A. General Principles							
A2. Implementation/Monitoring							
A2.2	In line with the ESG goals; implementation and action plans have been prepared and disclosed to the public.			X		It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page: 23-24
A2.3	The ESG Key Performance Indicators (KPI) and the level of achieving these indicators on a yearly basis have been disclosed to the public.			X		Performance indicators are presented comparatively on a yearly basis in the sustainability report. However, there are no comparable and verifiable local or international sector benchmarks for the indicators shared with the public. It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page: 38-39, 51-52
A2.4	Activities aimed to improve the sustainability performance in relation with business processes or products and services have been disclosed to the public	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:24

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		STATUS OF COMPLIANCE				EXPLANATION	LINK
		YES	NO	PARTIALLY	IRRELEVANT		
A. General Principles							
A3. Reporting							
A3.1	In the annual reports, information regarding the sustainability performance, targets and actions of the Corporation has provided in an understandable, accurate and sufficient manner.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:25
A3.2	The Corporation has provided information as to with which of the United Nations (UN) 2030 Sustainability Development Goals, its activities are related.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:26
A3.3	Lawsuits filed and/or completed against ESG issues and cases that are significant in terms of ESG policies and/or that will significantly affect activities have been disclosed to the public.	X				There are no lawsuits filed and/or finalized against our Company on environmental, social and corporate governance issues.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/
A4. Verification							
A4.1	The Corporation's ESG Key Performance metrics have been verified and publicly disclosed by an independent third party.		X			Environmental and Social performance indicators have not yet been verified by an independent third party organization.	

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		STATUS OF COMPLIANCE				EXPLANATION	LINK
		YES	NO	PARTIALLY	IRRELEVANT		
B. Environmental Principles							
B1	The Corporation has declared its policies and practices, action plans, and environmental management systems (known as ISO 14001 standard) and programs.			X		It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:29-30
B2	The scope of the report, the reporting period, the reporting date, and the limitations regarding the reporting conditions have been disclosed to the public regarding the environmental reports prepared to provide information on environmental management.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:38-40
B3	The information is provided in A2.1.						
B4	Environmental goals included in the rewarding criteria within the scope of performance incentive systems on the basis of stakeholders (such as members of the Board of Directors, managers and employees) have been disclosed to the public.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:49-50
B5	The Corporation has disclosed to the public how the priority environmental issues are integrated into business objectives and strategies.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:29-30
B6	The information is provided in A2.4.						
B7	The Corporation has publicly disclosed how environmental issues are managed and integrated into business objectives and strategies throughout the corporation value chain, including the operational process, including suppliers and customers.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:49

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		STATUS OF COMPLIANCE				EXPLANATION	LINK
		YES	NO	PARTIALLY	IRRELEVANT		
B. Environmental Principles							
B8	The Corporation has disclosed to the public whether the corporate is involved in the policy-making processes of organizations on the environment and non-governmental organizations and collaborations with these institutions and organizations.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:21
B9	In the light of environmental indicators [Greenhouse gas emissions {Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect)}], air quality, energy management, water and waste water management, waste management, biodiversity effects], information on environmental impacts has periodically disclosed to the public in a comparable manner.					It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:38
B10	Details of the standards, protocols, methodologies, and base year employed for collection and calculation of its data have been disclosed to the public.					It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:38-39
B11	The Corporation has disclosed to the public the increase or decrease in environmental indicators for the report year comparison with past years.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:49-50
B12	Short and long-term targets have been determined to reduce the corporate's environmental impacts, and the improvement of these targets and the targets determined in previous years has been disclosed to the public.		X			It will be assessed in the following period.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:38-39
B13	The Corporation has prepared its strategy and actions for fight against climate crisis and the planned actions have been disclosed to the public.			X		It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:35-37

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		STATUS OF COMPLIANCE				EXPLANATION	LINK
		YES	NO	PARTIALLY	IRRELEVANT		
B. Environmental Principles							
B14	Programs or procedures have been established and disclosed to the public aiming to prevent or minimize the potential negative effects of its products and/or services on the environment.			X		A list of "Non-Financed Activities" has been published by our Company and investments for the activities included in this list are not financed.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/
	The Corporation has taken actions to reduce greenhouse gas emissions of third parties (e.g., suppliers, subcontractors, dealers, etc.) and these actions have been disclosed to the public.		X			It will be assessed in the following period.	
B15	The Corporation has disclosed to the public the projects implemented and the initiatives entered for reduction of its environmental impact, as well as their environmental benefits and cost savings.			X		It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023. Environmental benefits/ gains and cost savings will be measured and disclosed in the following period.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:29-40
B16	The Corporation's energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) data have been disclosed to the public as Scope-1 and Scope-2.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:38-39

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		STATUS OF COMPLIANCE				EXPLANATION	LINK
		YES	NO	PARTIALLY	IRRELEVANT		
B. Environmental Principles							
B17	Public disclosure has been made about the electricity, heat, steam, and cooling produced in the reporting year.	X		X		It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:39
B18	Energy projects has been carried out and works on increasing the use of renewable energy sources, and transition to zero or low carbon electricity have been disclosed to public.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:23-25
B19	Renewable energy generation and consumption data have been disclosed to public.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:35
B20	The Corporation has conducted energy efficiency projects, and has disclosed the resulting reduction in energy consumption and emission due to its projects.			X		It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023. The Company became carbon neutral by zeroing its 2021 and 2022 carbon emissions from operational activities with its contribution to sustainable energy sources. The calculation of emission reduction from leasing activities will be evaluated in the following period.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:35-37

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		STATUS OF COMPLIANCE				EXPLANATION	LINK
		YES	NO	PARTIALLY	IRRELEVANT		
B. Environmental Principles							
B21	Water consumption, if any, amounts of water drawn, recycled, and discharged from underground or above ground, its sources and procedures have been disclosed to the public.		X			It will be assessed in the following period.	
B22	The Corporation has disclosed whether its operations or activities are included in any carbon pricing system or not (Emission Trade System, Cap & Trade or Carbon Tax).		X			It will be assessed in the following period.	
B23	Carbon credit data accumulated or bought in the reporting period has been disclosed.			X		İş Leasing's emissions for 2021-2022 were zeroed by purchasing 907 tons of carbon credits.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/
B24	If carbon pricing is applied in the corporation, the details regarding carbon pricing has been disclosed to the public.		X			It will be assessed in the following period.	
B25	The platforms where environmental information are shared, have been disclosed to the public.			X		It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:38-40

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		STATUS OF COMPLIANCE				EXPLANATION	LINK
		YES	NO	PARTIALLY	IRRELEVANT		
C. Social Principles							
C1. Human Rights and Employee Rights							
C1.1	The Corporate Human Rights and Employee Rights Policy has been established covering the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other relevant legislation, those responsible for the implementation of the aforesaid policy have been determined and the policy and those responsible have been disclosed to the public.			X		It is available on the Company's website. The roles and responsibilities regarding the implementation of the policy will be evaluated in the following period.	https://www.isleasing.com.tr/human-resources/human-resources-policy/ https://www.isleasing.com.tr/investor-relations/corporate-governance/stakeholders-policy/
C1.2	Considering the supply and value chain effects, fair labor, improvement of working standards, employment of women and social inclusion issues (such as non-discrimination towards gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc.) has included in corporation's policy on employee rights.	X				It is available on the Company's website.	https://www.isleasing.com.tr/investor-relations/corporate-governance/ethical-principles/
C1.3	The corporation has disclosed measures taken along the value chain for the sake of supervision and protection of rights/ equal opportunities for minorities or certain population segments vulnerable to economic, environmental and social factors (low-income segments, women, etc.).			X		İşleasing became one of the signatories of the Women's Empowerment Principles (WEPs) in 2022. It also became a member of the 30% Club (%30Club). İş Leasing aims to carry its egalitarian and inclusive approach forward, to be more involved in projects and initiatives that will contribute to social development and welfare, and to increase its social impact.	https://www.isleasing.com.tr/membership/

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		STATUS OF COMPLIANCE				EXPLANATION	LINK
		YES	NO	PARTIALLY	IRRELEVANT		
C. Social Principles							
C1. Human Rights and Employee Rights							
C1.4	Developments relating to applications aiming to prevent and correct discrimination, inequality, breaches of human rights, forced and child labor have been disclosed to the public.			X		Regulations on child labor are included in the 2021 Sustainability Report. It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023. Reporting of developments regarding preventive and corrective actions will be evaluated in the following period.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:48
C1.5	The corporate has disclosed its policies regarding investments in employees (training and development policies), compensations, fringe benefits, unionization rights, work/life balance solutions and talent management in the employee rights policy.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:48-52
	The corporate has determined dispute resolution processes through the establishment of mechanisms for resolution of employee complaints and disputes.	X				It is available on the Company's website.	https://www.isleasing.com.tr/investor-relations/corporate-governance/stakeholders-policy/
	The corporation has disclosed to the public the activities aimed at employee satisfaction within the reporting period.	X				It is available on the Company's website.	https://www.isleasing.com.tr/investor-relations/corporate-governance/remuneration-policy/

		STATUS OF COMPLIANCE				EXPLANATION	LINK
		YES	NO	PARTIALLY	IRRELEVANT		
C. Social Principles							
C1. Human Rights and Employee Rights							
C1.6	Occupational health and safety policies have been established and disclosed to the public.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:49
	The corporation has disclosed actions and measures taken for protection of health and against occupational accidents, and occupational accident statistics.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:49
C1.7	Personal data protection and data security policies are established and disclosed to the public.	X				It is available on the Company's website.	https://www.isleasing.com.tr/kisisel-verilerin-korunmasi/
C1.8	Ethics policy is formulated and disclosed to the public.	X				It is available on the Company's website.	https://www.isleasing.com.tr/investor-relations/corporate-governance/ethical-principles/
C1.9							
C1.10	Information meetings and training programs have been organized for employees on ESG policies and practices.	X				Informative e-mails were sent to employees on sustainability and relevant posts were made on social media accounts. On June 23, 2022, "New Vision of Sustainability Management and Corporate Greenhouse Gas (GHG) Calculation Training" was given to the members of the sustainability committee. The related issue is included in the 2022 Sustainability Report, which is planned to be published in 2023.	

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		STATUS OF COMPLIANCE				EXPLANATION	LINK
		YES	NO	PARTIALLY	IRRELEVANT		
C. Social Principles							
C2. Stakeholders, International Standards and Initiatives							
C2.1	A customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed to the public.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:19
C2.2	Information about the communication with the Stakeholders (which stakeholder, subject and frequency) has been disclosed to the public.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:29
C2.3	The corporation has disclosed the international reporting standards it has adopted.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:53-58
C2.4	The corporation has disclosed to the public the principles adopted, international organizations it has signed or enrolled in, committees and principles regarding sustainability.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:26
C2.5	The corporation has made improvements and conducted studies to be included in the sustainability indexes of Borsa Istanbul and/ or international index providers.			X		In 2022, it took steps to be included in the BIST Sustainability index and completed its system entries by fulfilling all its acquisitions by applying for Refinitiv. In 2023, it is aimed to be included in the index.	https://www.refinitiv.com/en/sustainable-finance/esg-scores

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		STATUS OF COMPLIANCE				EXPLANATION	LINK
		YES	NO	PARTIALLY	IRRELEVANT		
D. Corporate Governance Principles							
D1	The corporation has consulted with the stakeholders in the determination of measures and strategies in the sustainability field.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:45-47
D2	Social responsibility projects, awareness activities, and training to raise awareness about sustainability and its importance have been carried out.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/ Page:50

SOCIAL PERFORMANCE INDICATORS

Workforce	2020	2021	2022
Direct Employment (Female)	70	71	74
Direct Employment (Male)	67	68	67
Contactor Employees (Female)	1	1	1
Contactor Employees (Male)	0	1	0
Total	138	141	142

Senior Executives (Number)	2020	2021	2022	Mid-level Executives (Number)	2020	2021	2022
Female (Total)	2	2	2	Female (Total)	10	10	10
18-30	0	0	0	18-30	0	0	0
30-45	1	1	1	30-45	4	4	5
45+	1	1	1	45+	6	6	5
Male (Total)	2	2	3	Male (Total)	18	18	19
18-30	0	0	0	18-30	0	0	0
30-45	0	0	0	30-45	15	13	12
45+	2	2	3	45+	3	5	7

Total workforce by contract type	2020	2021	2022
Permanent employment contract (Female)	70	71	74
Permanent employment contract (Male)	67	68	67
Temporary employment contract (Female)	1	1	1
Temporary employment contract (Male)	0	1	0
Total	138	141	142

Total workforce by education	2020	2021	2022
Uneducated	0	0	0
Primary school	0	0	0
High School	13	10	9
University and above	125	131	133
Total	138	141	142

Total workforce by age	2020	2021	2022
Female (Total)	71	72	75
18-30	11	8	6
30-45	47	52	55
45+	13	12	14
Male (Total)	67	69	67
18-30	4	4	4
30-45	55	55	50
45+	8	10	13

SOCIAL PERFORMANCE INDICATORS

New Recruits	2020	2021	2022
Female	5	9	11
Male	8	6	5
Total	13	15	16

Job Terminations	2020	2021	2022
Female	5	8	8
Male	5	5	7
Total	10	13	15

Resignations	2020	2021	2022
Female	3	8	6
Male	1	5	4
Total	4	13	10

Disabled Employees	2020	2021	2022
Female	2	2	2
Male	1	1	1
Total	3	3	3

Employee Trainings in İş Leasing	2020	2021	2022
Training hours - person(x)hours	158	575	1155
Female	113	228	615
Male	45	347	540
Employees Subject to Routine Performance Review (%)	94%	85%	92%
OHS Training - person(x)hours	-	184	670

Maternal Leaves and Maternal Returns	2020	2021	2022
Maternal leaves	3	2	2
Maternal returns to work	3	2	1
Number of employees who continue work after maternal leave	3	2	1

GRI CONTENT INDEX*

GRI 1: Foundation Disclosures (2021)			
Disclosure and Disclosure Title		Location or explanation	
Requirement 1	Application of the reporting principles	Action Completed	
Requirement 2	Report the disclosures in GRI 2: General Disclosures 2021	Action Completed	
Requirement 3	Determine material topics	Action Completed	
Requirement 4	Report the disclosures in GRI 3: Material Topics 2021	Action Completed	
Requirement 5	Report disclosures from the GRI Topic Standards for each material topic	Action Completed	
Requirement 6	Provide reasons for omission for disclosures and requirements that the organization cannot comply with	Action Completed	
Requirement 7	Publish a GRI content index	Action Completed	
Requirement 8	Provide a statement of use	Action Completed	

GRI 2: General Disclosures (2021)			
GRI Standard	Disclosure and Disclosure Title		Location or explanation
GRI 2: 1 The Organization and Reporting Practice	2-1 Organizational Details	Legal Name	About the Report, s.4
		Nature of ownership and legal structure	About the Report, s.4
		Location of Headquarters	Contact, s.78
		Countries of Operations	Our Sustainable Finance Approach, s.8
	2-2	Entities included in the organization’s sustainability reporting	About the Report, s.4
	2-3	Reporting period, frequency and contact point	About the Report, s.4
	2-4	Restatements of information	Our Strategic Priorities, s.29
	2-5	External assurance	No external audit was conducted.
GRI 2: 2 Activities and Workers	2-6	Activities, value chain and other business relationships	Chairman and General Manager’s Joint Message, s.5 Our Sustainable Finance Approach, s.8 Business Ethics and Compliance, s.19 Our Ethical Principles, s.20
	2-7	Employees	Our Ethical Principles, s.20 Anti-Bribery And Anti-Corruption Efforts, s.22 Our Corporate Governance Journey, s.19
	2-8	Workers who are not employees	Employee Rights, s.49

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GRI 2: General Disclosures (2021)				GRI 2: General Disclosures (2021)			
GRI Standard	Disclosure and Disclosure Title		Location or explanation	GRI Standard	Disclosure and Disclosure Title		Location or explanation
GRI 2: 3 Governance	2-9	Governance structure and composition	Our Corporate Governance Journey, s.19 Sustainability Leadership and Governance, s.31	Remuneration policies Process to determine remuneration Annual total compensation ratio	2-22	Statement on sustainable development strategy	Chairman and General Manager's Joint Message, s.5 Our Sustainable Future Plan, s.30
	2-10	Nomination and selection of the highest governance body	Sustainability Leadership and Governance, s.31 Our Human Resources Practices, s.46-50 Talent And Performance Management, s.47		2-23	Policy commitments	Our Sustainable Development Vision, s.14 Our Ethical Principles, s.20 Our Management Approach, s.28 Sustainability Leadership and Governance, s.31 Our Sustainability Policy, s.32 Our ESG Criteria Compliance and Evaluation Efforts, s.34
	2-11	Chair of the highest governance body	Chairman and General Manager's Joint Message, s.5 Our Management Approach, s.28 Sustainability Leadership and Governance, s.31		2-24	Embedding policy commitments	Our Sustainable Development Vision, s.14 Our Ethical Principles, s.20 Our Management Approach, s.28 Sustainability Leadership and Governance, s.31 Our Sustainability Policy, s.32 Our ESG Criteria Compliance and Evaluation Efforts, s.34
	2-12	Role of the highest governance body in overseeing the management of impacts	Chairman and General Manager's Joint Message, s.5 Communication with Our Stakeholders, s.23 Our Memberships, s.24 Our Strategic Priorities, s.29 Our Risk Management System, s.33 Our Human Resources Practices, s.43		2-25	Processes to remediate negative impacts	Business Ethics and Compliance, s.19 Our Ethical Principles, s.20 Our ESG Criteria Compliance and Evaluation Efforts, s.34
	2-13	Delegation of responsibility for managing impacts	Chairman and General Manager's Joint Message, s.5 Sustainability Leadership and Governance, s.31		2-26	Mechanisms for seeking advice and raising concerns	Business Ethics and Compliance, s.19 Our Ethical Principles, s.20
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Leadership and Governance, s.31		2-27	Compliance with laws and regulations	Business Ethics and Compliance, s.19 Our Ethical Principles, s.20
	2-15	Conflicts of interest	Business Ethics and Compliance, s.19 Our Ethical Principles, s.20 Anti-Bribery And Anti-Corruption Efforts, s.22		2-28	Membership associations	Communication with Our Stakeholders, s.23 Our Memberships, s.24
	2-16	Communication of critical concerns	Our Management Approach, s.28 Sustainability Leadership and Governance, s.31	GRI 2: 5 Stakeholder Engagement	2-29	Approach to stakeholder engagement	Communication with Our Stakeholders, s.23 Our Memberships, s.24
	2-17	Collective knowledge of the highest governance body	Our Management Approach, s.28 Sustainability Leadership and Governance, s.31		2-30	Collective bargaining agreements	Our Human Resources Practices, s.46-50 Employee Rights, s.49
	2-18	Evaluation of the performance of the highest governance body	Our Management Approach, s.28 Sustainability Leadership and Governance, s.31				
	2-19	Remuneration policies	Employee Rights, s.49				
	2-20	Process to determine remuneration	Our Human Resources Practices, s.43-44				
			Disclosure Restrictions				
	2-21	Annual total compensation ratio	iş Leasing does not disclose this information publicly in accordance with the institution's disclosure policies.				

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GRI 3: Material Topics (2021)			
GRI Standard		Disclosure and Disclosure Title	Location or explanation
3-1		Process to determine material topics	Chairman and General Manager's Joint Message, s.5 Our Management Approach, s.28 Our Strategic Priorities, s.29 Sustainability Leadership and Governance, s.31
3-2		List of material topics	Chairman and General Manager's Joint Message, s.5 Our Management Approach, s.28 Our Strategic Priorities, s.29 Sustainability Leadership and Governance, s.31
GRI 200: Economic Standard Series			
GRI 201: Economic Performance 2016			
GRI 3: Material Topics 2021	3-3	Management of material topics	Chairman and General Manager's Joint Message, s.5 Our Management Approach, s.28 Our Strategic Priorities, s.29 Sustainability Leadership and Governance, s.31 Our Sustainability Policy, s.32
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Chairman and General Manager's Joint Message, s.5 İş Leasing at a Glance, s.9-13 Our Positive Impact Chain, s.16
	201-4	Financial assistance received from government	Taxes, s.22
GRI 204: Procurement Practices 2016			
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Sustainable Future Plan, s.30 Sustainability Leadership and Governance, s.31
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Business Ethics and Compliance, s.19-22 Anti-Bribery And Anti-Corruption Efforts, s.22 Our Sustainable Future Plan, s.30

GRI 200: Economic Standard Series				
GRI Standard		Disclosure and Disclosure Title		Location or explanation
GRI 205: Anti-Corruption 2016				
GRI 3: Material Topics 2021	3-3	Management of material topics		Business Ethics and Compliance, s.19-22 Anti-Bribery And Anti-Corruption Efforts, s.22 Our Sustainable Future Plan, s.30
	205-1	Operations assessed for risks related to corruption		Business Ethics and Compliance, s.19-22 Anti-Bribery And Anti-Corruption Efforts, s.22 Our Sustainable Future Plan, s.30
GRI 205: Anti-Corruption 2016	205-2	Communication and training about anti-corruption policies and procedures		Business Ethics and Compliance, s.19-22 Anti-Bribery And Anti-Corruption Efforts, s.22 Our Sustainable Future Plan, s.30 Social Performance Indicators, s.65
	205-3	Confirmed incidents of corruption and actions taken		Business Ethics and Compliance, s.19-22 Anti-Bribery And Anti-Corruption Efforts, s.22 Our Sustainable Future Plan, s.30 Our Risk Management System, s.33
GRI 206: Anti-Competitive Behavior 2016				
GRI 3: Material Topics 2021	3-3	Management of material topics		Business Ethics and Compliance, s.19-22 Our Ethical Principles, s.20 Anti-Bribery And Anti-Corruption Efforts, s.22 Our Sustainable Future Plan, s.30
GRI 206: Anti-Competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		Business Ethics and Compliance, s.19-22 Our Ethical Principles, s.20 Anti-Bribery And Anti-Corruption Efforts, s.22
GRI 207: Tax 2019				
GRI 3: Material Topics 2021	3-3	Management of material topics		Chairman and General Manager’s Joint Message, s.5
GRI 207: Tax 2019	207-1	Approach to tax		Taxes, s.22
	207-2	Tax governance, control, and risk management		Taxes, s.22 Our Risk Management System, s.33
	207-3	Stakeholder engagement and management of concerns related to tax		Taxes, s.22 Communication with Our Stakeholders, s.23

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GRI 300: Environmental Standard Series			
GRI Standard	Disclosure and Disclosure Title		Location or explanation
GRI 301: Materials 2016			
GRI 3: Material Topics 2021	3-3	Management of material topics	Chairman and General Manager's Joint Message, s.5 Our Strategic Priorities, s.29 Sustainability Leadership and Governance, s.31 Our Sustainability Policy, s.32 Our ESG Criteria Compliance and Evaluation Efforts, s.34
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Our ESG Criteria Compliance and Evaluation Efforts, s.34 Our Methods For Climate Crisis And Decarbonization Combat, s.39 Our Renewable Energy Investments, s.40 Our Carbon Neutrality Efforts, s.41
	301-2	Recycled input materials used	Our ESG Criteria Compliance and Evaluation Efforts, s.34 Our Methods For Climate Crisis And Decarbonization Combat, s.39 Our Renewable Energy Investments, s.40 Our Carbon Neutrality Efforts, s.41 Our Environmental Performance, s.44
	301-3	Reclaimed products and their packaging materials	Our ESG Criteria Compliance and Evaluation Efforts, s.34 Our Methods For Climate Crisis And Decarbonization Combat, s.39 Our Renewable Energy Investments, s.40 Our Carbon Neutrality Efforts, s.41 Our Environmental Performance, s.44
GRI 302: Energy 2016			
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Sustainability Policy, s.32 Our ESG Criteria Compliance and Evaluation Efforts, s.34 Our Methods For Climate Crisis And Decarbonization Combat, s.39 Our Renewable Energy Investments, s.40 Our Carbon Neutrality Efforts, s.41
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Our Environmental Performance, s.44
	302-3	Energy intensity	Our Environmental Performance, s.44
	302-4	Reduction of energy consumption	Our Environmental Performance, s.44
	302-5	Reductions in energy requirements of products and services	Our Environmental Performance, s.44

GRI 300: Environmental Standard Series			
GRI Standard	Disclosure and Disclosure Title		Location or explanation
GRI 303: Water and Effluents 2018			
GRI 3: Material Topics 2021	3-3	Management of material topics	Chairman and General Manager’s Joint Message, s.5 Our Management Approach, s.28 Our Strategic Priorities, s.29 Sustainability Leadership and Governance, s.31 Our Sustainability Policy, s.32
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Our Environmental Performance, s.44
	303-2	Management of water discharge-related impacts	Our Environmental Performance, s.44
	303-3	Water withdrawal	Our Environmental Performance, s.44 Our Environmental Performance, s.44
	303-4	Water discharge	Our Environmental Performance, s.44
	303-5	Water consumption	Our Environmental Performance, s.44
GRI 304: Biodiversity 2016			
GRI 3: Material Topics 2021	3-3	Management of material topics	Chairman and General Manager’s Joint Message, s.5 Our Management Approach, s.28 Our Strategic Priorities, s.29 Sustainability Leadership and Governance, s.31 Our Sustainability Policy, s.32
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products and services on biodiversity	Our Environmental Performance, s.44 Sustainability Principles Compliance Statement, s.59
	304-3	Habitats protected or restored	Our Environmental Performance, s.44 Sustainability Principles Compliance Statement, s.59

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GRI 300: Environmental Standard Series			
GRI Standard	Disclosure and Disclosure Title		Location or explanation
GRI 305: Emissions 2016			
GRI 3: Material Topics 2021	3-3	Management of material topics	Chairman and General Manager’s Joint Message, s.5 Our Management Approach, s.28 Our Strategic Priorities, s.29 Sustainability Leadership and Governance, s.31 Our Sustainability Policy, s.32 Our Methods For Climate Crisis And Decarbonization Combat, s.39 Our Carbon Neutrality Efforts, s.41
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Our Carbon Neutrality Efforts, s.41-43
	305-2	Energy indirect (Scope 2) GHG emissions	Our Carbon Neutrality Efforts, s.41-43
	305-3	Other indirect (Scope 3) GHG emissions	Our Carbon Neutrality Efforts, s.41-43
	305-4	GHG emissions intensity	Our Carbon Neutrality Efforts, s.41-43
	305-5	Reduction of GHG emissions	Our Carbon Neutrality Efforts, s.41-43
	305-6	Emissions of ozone-depleting substances (ODS)	Our Carbon Neutrality Efforts, s.41-43
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Our Carbon Neutrality Efforts, s.41-43
GRI 306: Atık 2020			
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Our Sustainability Policy, s.32 Our Environmental Performance, s.44
	306-2	Management of significant waste-related impacts	Our Sustainability Policy, s.32 Our Environmental Performance, s.44
	306-3	Waste generated	Our Environmental Performance, s.44
	306-4	Waste diverted from disposal	Our Environmental Performance, s.44
	306-5	Waste directed to disposal	Our Environmental Performance, s.44

GRI 300: Environmental Standard Series			
GRI Standard		Disclosure and Disclosure Title	Location or explanation
GRI 308: Supplier Environmental Assessment 2016			
GRI 3: Material Topics 2021	3-3	Management of material topics	Chairman and General Manager’s Joint Message, s.5 Our Management Approach, s.28 Our Strategic Priorities, s.29 Sustainability Leadership and Governance, s.31 Our Sustainability Policy, s.32 Responsible Value Chain Management, s.50
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Our Positive Impact Chain, s.16-17 Our Risk Management System, s.33 Our ESG Criteria Compliance and Evaluation Efforts, s.34
GRI 401: Employment 2016			
GRI 3: Material Topics 2021	3-3	Management of material topics	Chairman and General Manager’s Joint Message, s.5 Our Management Approach, s.28 Our Strategic Priorities, s.29 Sustainability Leadership and Governance, s.31 Our Sustainability Policy, s.32
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Our Human Resources Practices, s.46 Social Performance Indicators, s.65
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Rights, s.49
	401-3	Parental leave	Employee Rights, s.49 Social Performance Indicators, s.68-69

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GRI 400: Social Standard Series			
GRI Standard	Disclosure and Disclosure Title		Location or explanation
GRI 403: Occupational Health and Safety 2018			
GRI 3: Material Topics 2021	3-3	Management of material topics	Chairman and General Manager’s Joint Message, s.5 Our Management Approach, s.28 Our Strategic Priorities, s.29 Sustainability Leadership and Governance, s.31 Our Sustainability Policy, s.32
	403-1	Occupational health and safety management system	Occupational Health and Safety, s.50
	403-2	Hazard identification, risk assessment, and incident investigation	Our Risk Management System, s.33 Occupational Health and Safety, s.50
GRI 403: Occupational Health and Safety 2018	403-3	Occupational health services	Occupational Health and Safety, s.50
	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, s.50
	403-5	Worker training on occupational health and safety	Occupational Health and Safety, s.50 Social Performance Indicators, s.68-69
	403-6	Promotion of worker health	Occupational Health and Safety, s.50
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, s.50
	403-8	Workers covered by an occupational health and safety management system	Social Performance Indicators, s.68-69
	403-9	Work-related injuries	Occupational Health and Safety, s.50 Social Performance Indicators, s. 68-69
	403-10	Work-related ill health	Occupational Health and Safety, s.50 Social Performance Indicators, s.68-69

GRI 400: Social Standard Series				
GRI Standard		Disclosure and Disclosure Title		Location or explanation
GRI 404: Training and Education 2016				
GRI 3: Material Topics 2021	3-3	Management of material topics	Chairman and General Manager’s Joint Message, s.5 Our Management Approach, s.28 Our Strategic Priorities, s.29 Sustainability Leadership and Governance, s.31 Our Sustainability Policy, s.32	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Social Performance Indicators, s.68-69	
	404-2	Programs for upgrading employee skills and transition assistance programs	Talent And Performance Management, s.47	
	404-3	Percentage of employees receiving regular performance and career development reviews	Talent And Performance Management, s.47 Social Performance Indicators, s.68-69	
GRI 405: Diversity and Equal Opportunity 2016				
GRI 3: Material Topics 2021	3-3	Management of material topics	Chairman and General Manager’s Joint Message, s.5 Our Management Approach, s.28 Our Strategic Priorities, s.29 Sustainability Leadership and Governance, s.31 Our Sustainability Policy, s.32	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Our Human Resources Practices, s.46-50 Social Performance Indicators, s.68-69	
	405-2	Ratio of basic salary and remuneration of women to men	Talent And Performance Management, s.47	
GRI 406: Non-discrimination 2016				
GRI 3: Material Topics 2021	3-3	Management of material topics	Chairman and General Manager’s Joint Message, s.5 Our Management Approach, s.28 Our Strategic Priorities, s.29 Sustainability Leadership and Governance, s.31 Our Sustainability Policy, s.32	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Our Human Resources Practices, s.46-50 Talent And Performance Management, s.47	

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GRI 400: Social Standard Series				
GRI Standard		Disclosure and Disclosure Title		Location or explanation
GRI 408: Child Labor 2016				
GRI 3: Material Topics 2021	3-3	Management of material topics	Chairman and General Manager’s Joint Message, s.5 Our Management Approach, s.28 Our Strategic Priorities, s.29 Sustainability Leadership and Governance, s.31 Our Sustainability Policy, s.32	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Business Ethics and Compliance, s.19 Our Ethical Principles, s.20 Sustainability Leadership and Governance, s.31 Our Human Resources Practices, s.46-50 Talent And Performance Management, s.47	
GRI 409: Forced or compulsory labor 2016				
GRI 3: Material Topics 2021	3-3	Management of material topics	Chairman and General Manager’s Joint Message, s.5 Our Management Approach, s.28 Our Strategic Priorities, s.29 Sustainability Leadership and Governance, s.31 Our Sustainability Policy, s.32 Responsible Value Chain Management, s.50	
GRI 409: Forced or compulsory labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Business Ethics and Compliance, s.19 Our Ethical Principles, s.20 Sustainability Leadership and Governance, s.31 Our Human Resources Practices, s.46-50 Talent And Performance Management, s.47 Responsible Value Chain Management, s.50	
GRI 410: Security Practices 2016				
GRI 3: Material Topics 2021	3-3	Management of material topics	Chairman and General Manager's Joint Message, s.5 Our Management Approach, s.28 Our Strategic Priorities, s.29 Sustainability Leadership and Governance, s.31 Our Sustainability Policy, s.32 Responsible Value Chain Management, s.50	
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	Our Human Resources Practices, s.46-50 Talent And Performance Management, s.47 Social Performance Indicators, s.68-69	
GRI 414: Supplier-Social Assessment 2016				
GRI 3: Material Topics 2021	3-3	Management of material topics	Chairman and General Manager's Joint Message, s.5 Our Management Approach, s.28 Our Strategic Priorities, s.29 Sustainability Leadership and Governance, s.31 Our Sustainability Policy, s.32	

GRI 400: Social Standard Series				
GRI Standard		Disclosure and Disclosure Title		Location or explanation
GRI 414: Tedarikçiler-Sosyal Değerlendirme 2016				
GRI 414: Supplier-Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Responsible Value Chain Management, s.47	
GRI 416: Customer Health and Safety 2016				
GRI 3: Material Topics 2021	3-3	Management of material topics	Chairman and General Manager’s Joint Message, s.5 Our Management Approach, s.28 Our Strategic Priorities, s.29 Sustainability Leadership and Governance, s.31 Our Sustainability Policy, s.32	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Our Sustainability Policy, s.32 Responsible Value Chain Management, s.47	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Not available.	
GRI 417: Marketing and Labeling 2016				
GRI 3: Material Topics 2021	3-3	Management of material topics	Chairman and General Manager’s Joint Message, s.5 Our Management Approach, s.28 Our Strategic Priorities, s.29 Sustainability Leadership and Governance, s.31 Our Sustainability Policy, s.32 Responsible Value Chain Management, s.50	
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	Our Positive Impact Chain, s.16-17	
	417-2	Incidents of non-compliance concerning product and service information and labeling	Not available.	
GRI 418: Customer Privacy 2016				
GRI 3: Material Topics 2021	3-3	Management of material topics	Chairman and General Manager’s Joint Message, s.5 Our Management Approach, s.28 Our Strategic Priorities, s.29 Sustainability Leadership and Governance, s.31 Our Sustainability Policy, s.32	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Our Ethical Principles, s.20	

UN GLOBAL COMPACT INDEX

THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT		CHAPTER/PAGE
HUMAN RIGHTS		
Principle 1:	Businesses should support and respect the protection of internationally proclaimed human rights.	Our Ethical Principles p.20 Our Management Approach p.28 Our Human Resources Practices p.46-50 Employee Rights p.49 Sustainability Principles Compliance Statement p.59
Principle 2:	Make sure that they are not complicit in human rights abuses.	
Labor		
Principle 3:	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Our Management Approach p.28 Our Human Resources Practices p.46-50 Employee Rights p.49 Sustainability Principles Compliance Statement p.59
Principle 4:	The elimination of all forms of forced and compulsory labour.	Our Management Approach p.28 Our Risk Management System p.33 Our Human Resources Practices p.46-50 Employee Rights p.49 Sustainability Principles Compliance Statement and Report p.59
Principle 5:	The effective abolition of child labour.	Our Management Approach p.28 Our Risk Management System p.33 Employee Rights p.49 Sustainability Principles Compliance Statement and Report p.59
Principle 6:	The elimination of discrimination in respect of employment and occupation.	Our Management Approach p.28 Our Risk Management System p.33 Talent And Performance Management p.47 Employee Rights p.49 Sustainability Principles Compliance Statement and Report p.59
Environment		
Principle 7:	Businesses should support a precautionary approach to environmental challenges.	Our Management Approach p.28 Our Risk Management System p.33
Principle 8:	Undertake initiatives to promote greater environmental responsibility.	Our ESG Criteria Compliance and Evaluation Efforts p.34 Our Methods For Climate Crisis And Decarbonization Combat p.39 Our Renewable Energy Investments And Sectoral Projects p.40
Principle 9:	Encourage the development and diffusion of environmentally friendly technologies.	Our Carbon Neutrality Efforts p.41 Our Corporate Social Responsibility Activities p.51
Anti-Corruption		
Principle 10:	Businesses should work against corruption in all its forms, including extortion and bribery.	Our Ethical Principles p.20 Anti-Bribery and Anti-Corruption Efforts p.22 Our Management Approach p.28 Our ESG Criteria Compliance and Evaluation Efforts p.34

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CREATIVE

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SUCCESSING TOGETHER

İŞ LEASING



2022
SUSTAINABILITY
REPORT

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İSBANK Subsidiary

TÜRKİYE  BANKASI