

STRONG
CONTRIBUTION
TO THE GREEN
TRANSFORMATION



2021 SUSTAINABILITY REPORT

İŞ LEASING



CONTENT

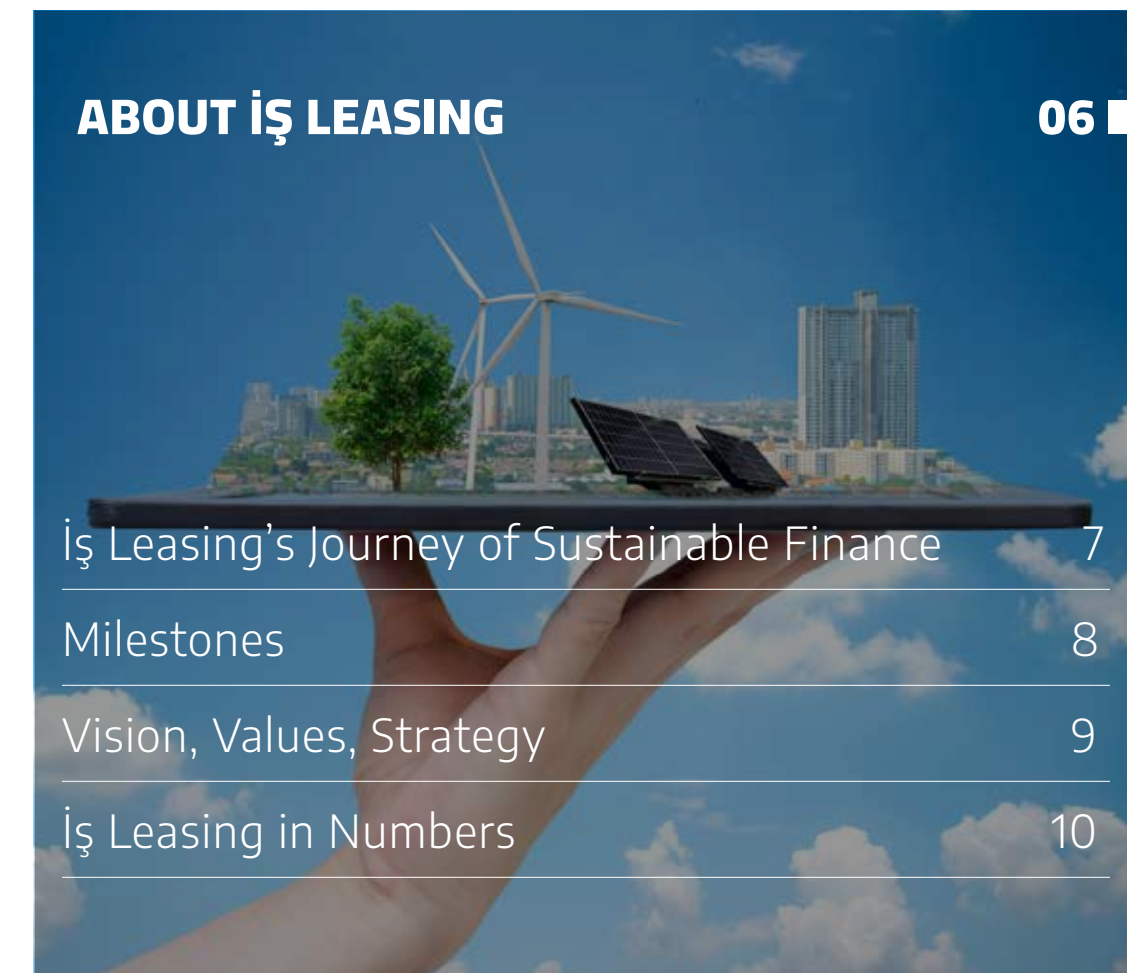


ABOUT THE REPORT 03

İŞ LEASING



CHAIRMAN AND GENERAL MANAGER'S JOINT MESSAGE 04



ABOUT İŞ LEASING 06

- İş Leasing's Journey of Sustainable Finance 7
- Milestones 8
- Vision, Values, Strategy 9
- İş Leasing in Numbers 10



BUILDING FUTURE BY CREATING POSITIVE VALUE 12

- Business Ethics and Compliance 13
- Stakeholder Communication 20
- Memberships 21



SUSTAINABILITY MANAGEMENT IN İŞ LEASING 22

- Management Approach 23
- Sustainability Systems 27
- Digital Transformation 31



ACCELERATING TRANSFORMATION FOR GREEN DEVELOPMENT 34

- Combating the Climate Crisis and Decarbonization 35
- Environmental Performance Indicators 38



SUPPORTING COMMUNITY DEVELOPMENT AND ALLOWING FAIR MOBILITY 41

- Human Resources Practices 42
- Corporate Social Responsibility 50
- Social Performance Indicators 51



ANNEXES 53

- GRI Content Index 54
- UN Global Compact Index 58
- Contact 59

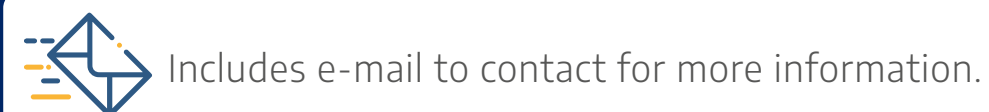
ABOUT THE REPORT

In its second 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.



Tips on how to read the report more effectively

This report is designed **for soft-copy** to avoid paper waste and includes **smart referrals**.



Includes e-mail to contact for more information.



More detailed information on the subject is available in different parts of the document.



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



Contains a link to a video.



It refers to audited data or information.



It refers to the coding of the GRI Standards.

WE EMBRACE A SUSTAINABLE FUTURE WITH OUR STAKEHOLDERS.

İş Leasing discloses its economic, social and environmental sustainability performance, the positive impact of its activities, and its corporate governance approaches to all its stakeholders through its annual Sustainability Report.

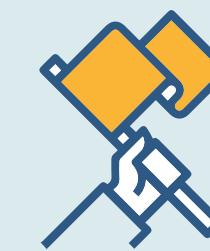
İş Leasing 2021 Sustainability Report was prepared in accordance with the option of "GRI 2016 Standards: Core" published by the Global Reporting Initiative (GRI). The report consists of principal topics prioritized by stakeholder interactions and regulatory headlines that stand out in global financial markets.

While designing sustainability strategy and setting sustainability priorities, İş Leasing carried out a broad and inclusive stakeholder engagement process. The process for determining the material issues in the report is presented under the title of "Stakeholder Engagement and Prioritization".

The information in the report covers the activities of İş Leasing between January 01, 2021 and December 31, 2021. Information about previous reporting periods or future updates are also included in the report whenever needed to enhance full disclosure. In line with the principle of continuous corporate improvement, İş Leasing aims to report its sustainability activities and results that create stakeholder interaction annually in the upcoming periods.

WE WORK FOR THE VISION OF DECARBONIZATION.

We have been inspiring a sustainable finance vision since the day we started our operations as a pioneer in Turkish leasing sector.



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.

CHAIRMAN AND GENERAL MANAGER'S JOINT MESSAGE



N. BURAK SEYREK
CHAIRMAN

DEAR STAKEHOLDERS,

As key financial institutions in the global economic system, we have encountered the challenges of a turbulent and uncertain period of transition over the past two years that started with the pandemic.

Year 2021 will be inscribed in the history of economics as a special year in which global post-pandemic dynamics were sorted out and the global regulations for sustainable finance were looming in order to accelerate the transition in economic recovery. In addition, the vision of combating the climate crisis and decarbonization, which became a priority for the financial world within sustainability perspective, is regarded crucial with its transformational power.

WE FOLLOW SUSTAINABLE FINANCE DYNAMICS CLOSELY

The European Commission, which plans to reduce emissions by at least 55% by 2030 with a Green Deal vision, aims to transform Europe into the world's first climate-neutral continent by 2050. In the meanwhile, it accelerated its work to create a criterion (taxonomy) for a common language and assessment that will define sustainability and environmental benefit generation capability of economic activities. The Commission has also adopted a comprehensive sustainable finance package that will help increase sustainability-oriented business models across European Union. The regulatory systems that are being developed will also significantly affect all countries that have trade relations with the European Union countries. It is observed that sustainable finance and taxonomy studies are also carried out by eastern countries such as China and Japan. Financial regulators of these countries are trying to establish financial standards within the scope of sustainability taxonomy in order to direct the funding provided by international organizations to sustainable activities.

Decarbonisation-oriented sustainability approach created with Green Deal vision, created a domino effect in global markets and led to the adoption of a new international trade balance, which is also closely relevant to our country. It is clear that the essence of the transformation of global markets is to enable future generations to live in a better and cleaner world. Limiting the global temperature increases in the Paris Climate Agreement to 1.5 degrees, and creating a new and sustainable economic growth model, known as Green Development, has become the common goal of all humanity.

With the financial focus shifting towards activities supporting decarbonization vision and sustainability approaches, we as İş Leasing, decided to accelerate our efforts to meet the future in line with the principles of sustainable finance together with our stakeholders.

WE EMBRACE THE VISION OF DECARBONIZATION

Our country became a party to the Paris Climate Agreement in 2021 and defined its commitment to fight the climate crisis with the 2053 net-zero emissions target. After the enforcement of Paris Climate Agreement, the groundwork is progressing for the Climate Law, which will form the legal infrastructure of the national targets to combat climate change. However, proper consideration of environmental, social and governance (ESG) related metrics in global investment strategies by finance sector is of great essence. In order to benefit from international green finance markets, studies are carried out by relevant institutions and organizations for the development of sustainable finance instruments and green bond market.

In 2021, we reviewed the dimensions of our sustainability strategy together with our stakeholders in line with global developments and created a new balance centered around sustainable finance between our priorities and our goals.

IN 2021, WE REVIEWED THE DIMENSIONS OF OUR SUSTAINABILITY STRATEGY TOGETHER WITH OUR STAKEHOLDERS IN LINE WITH GLOBAL DEVELOPMENTS AND CREATED A NEW BALANCE CENTERED AROUND **SUSTAINABLE FINANCE** BETWEEN OUR PRIORITIES AND OUR GOALS.

CORPORATE GOVERNANCE RATING

9.29

FEMALE EMPLOYEE RATE

51%

AVOIDED CARBON EMISSIONS

48,777 tons



U. ŞAFAK ÖĞÜN
GENERAL MANAGER
AND
BOARD MEMBER

CHAIRMAN AND GENERAL MANAGER'S JOINT MESSAGE (CONTINUED)

We accelerated our advanced carbon management and net zero emission transactions in 2021.

We have completed our corporate greenhouse gas inventory calculations arising from our operations in accordance with international protocols, which will enable combat against climate crisis. We aim to be the first carbon neutral leasing company by 2024 in our sector, by eliminating our carbon footprint resulting from our operations.

At the center of our responsible investment principles, which we embraced in our management culture since our inception, is to manage our financing activities correctly and to have a positive impact on our world in the future. Aware of this responsibility and taking the first steps in the leasing sector, we accelerated our advanced carbon management and net zero emission transactions in 2021 in order to prepare our effective emission reduction plans in our entire value chain through 2040 and 2050 utilizing the methods of Science-Based Targets Initiative (SBTi).

WE ENDORSE GREEN TRANSITION

We consider the most important infrastructure component in the green development process is the increased usage rate of renewable energy by providing access to sustainable, clean and modern energy. The building blocks of our sustainable finance practices are expansion and prevalence of renewable energy through energy efficiency, energy independence in the sectors we are funding, and acceleration of the transition to circular economy. The green investment model we adopt contributes to reduction of risks in operating expenses in the face of increasing trend in energy prices in all sectors.

In 2021, we provided 40 million USD additional funding within the scope of renewable energy investments, enabling the cumulative installed capacity of our projects to reach 202 MW. Out of the renewable energy projects we funded, 124 MW was Solar Power Plant (SPP), 63 MW was Wind Power Plant (WPP) and 1 MW was Biomass Power Plant (BPP). Apart from these, we funded a cogeneration project with a total installed capacity of 14 MW.

Within the scope of the TurSEFF (Türkiye Sustainable Energy Financing Facility), in which we are a partner, we have achieved an important success story by funding a total of 40 million Euros to 305 projects, primarily green projects from the agricultural sector, in just one year. With the projects we funded under TurSEFF, we contributed to the 12.3 MW installed power and avoided 48,777 tons of carbon emissions as a result of gains in efficiency and savings.

WE MAINTAIN OUR LEADING POSITION

Our constantly updated sustainable growth strategy and dynamic balance sheet management processes along with our strong financial structure, enabled us to return stable profits and to maintain our new transactions market share in 2021. Thus, we consolidated our second position in the sector in terms of leasing receivables.

We embrace accountability, equality, transparency and responsibility as part of our corporate culture in all interactions with our stakeholders. We are determined to carry these values, which we identify with our business models, to even higher levels in the future. We are expanding our ethical approach, which is a necessity for robust corporate governance, and our corporate culture shaped by business ethics, into our entire value chain, primarily our employees.

As a result of our continuous improvement activities and our strong will, İş Leasing's corporate governance rating rose to 9.29 out of 10 (92.91%). In addition, we conduct our management model and all our processes in utmost compliance with the Corporate Governance Principles and Sustainability Principles Framework of the Capital Markets Board (CMB).

WE FAVOR SOCIAL DEVELOPMENT AND FAIR MOBILITY

Together with our employees, we support egalitarian and transparent policies that respect human rights throughout our entire value chain. Offering an inclusive and professional working environment with fair and equal opportunities to our employees, our biggest asset, is at the center of our human resources policies.

In addition to ensuring compliance with international norms and legal regulations to improve the rights of our employees, we develop human resources policies in line with the principles of the United Nations Global Compact, which we aim to become a signatory member in 2022.

In 2021, we included 94% of our employees in the regular performance evaluation process. In the coming period, we aim to improve our employees' competencies with brand new job descriptions, to be the most preferred company in the leasing sector, and to develop practices that prioritize employee satisfaction and job satisfaction.

Our training and talent development activities are decisive in achieving success, and in 2021, we focused on trainings in advanced carbon management, combating climate change and sustainability.

We constantly support new ideas and suggestions through the mechanisms we have developed to ensure active employee participation in decision-making processes in a systematic way.

While our female employment ratio was 51% and our female executive ratio was 38% in 2021, we have embraced female employee support as an uncompromising principle since our inception. By signing the United Nations Women's Empowerment Principles (UN WEPs) in 2022, we will publicize our goal of becoming an egalitarian and inclusive company in the leasing sector.

WE TAKE RESPONSIBILITY TO BUILD THE FUTURE

Sustainability philosophy shapes the visionary pivot of new management approaches, and we as İş Leasing, march firmly on the right path to ensure a fair transition to sustainable financial system aligned with green development.

In order to enable a future in which we live in peace, prosperity and security, our responsibility increases every day to make a positive impact on social life and our world.

Considering the achievements of all our stakeholders, we will continue to carry out our sustainable finance activities and accept responsibility by creating a positive impact on our sector, our value chain and all segments of society.

With our second published sustainability report, we present to you, our stakeholders, the progress we have made in all dimensions of sustainability.

We would like to thank our Board of Directors, our employees, all our business partners and all our stakeholders, who contributed to the realization of aforementioned performance, the details of which we have presented in our report.

Best regards,

N. BURAK SEYREK
Chairman

U. ŞAFAK ÖĞÜN
General Manager and Board Member

ABOUT İŞ LEASING

2nd

Stable and strong position in the sector on the basis of leasing receivables

İş Leasing's Journey of Sustainable Finance	7
Milestones	8
Vision, Values, Strategy	9
İş Leasing in Numbers	10

İş Leasing demonstrates a balanced economic performance with its growth strategy aligned with its sustainable finance principles.

İŞ LEASING'S JOURNEY OF SUSTAINABLE FINANCE

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 leverage of extensive nationwide branch network and institutional vision of Türkiye İş Bankası. İş Leasing is a public company since 2000 and 41.8% of its shares are traded on Borsa İstanbul (BIST). İş Leasing shares are listed in BIST All, BIST 10-30, BIST 50, BIST 100, BIST Corporate Governance, BIST Financial, BIST Star and BIST Leasing, Factoring indexes.

İş Leasing increased its business volume steadily by continuous improvement since its establishment, and became one of the leading companies in the sector by combining its experience in the leasing sector with corporate governance activities.

İş Leasing stood out in competition and made a difference in several areas particularly in customer experience by renewed ways of doing business and rapid decision-making mechanisms.

Having accomplished the first lease syndication in Türkiye through its product development and solution-oriented approach, İş Leasing also paved the way for the leasing sector by executing the first aircraft financing, and the first sale and leaseback transactions.

With its strong and stable financial structure, İş Leasing finances many projects, especially renewable energy and efficiency projects, that support domestic employment and sustainable development. It is also the preferred lessor in the leasing sector thanks to its customer-oriented service approach.

İş Leasing corporate culture embraced the vision of Green Transformation, Decarbonization and Sustainable Development, all of which will act as competitive advantages in the future in both the real and financial sectors. Consequently, it solidified its leading position with its sustainable finance approach.

İş Leasing serves nearly 5 thousand customers with its 15 nationwide branches and 141 employees under payroll.

As a leading service provider in the sector with competent human resources, know-how, effective service model and solid financial structure, İş Leasing achieves a stable and healthy performance through its sustainable and profitable growth strategy.

Meeting its economic performance targets through dynamic balance sheet management in 2021, İş Leasing captured an extra market share of 16.5% with additional transaction volume of USD 611 million. With this performance, the Company maintained its position in the sector in terms of leasing receivables.

Boosting renewable energy investments with a focus on sustainability and decarbonization, İş Leasing provided a total of USD 55.1 million funding to renewable energy projects in 2020 and 2021.

Thanks to application of modern methodologies and techniques in credit risk, effective risk management processes and wide-ranging quality portfolio structure, the Company's non-performing loans (NPL) ratio remained significantly below sector average. Despite post-pandemic conditions, global economic turbulence, inflationary pressures and high depreciation of the Turkish Lira, the NPL ratio, stood at 4.9% at the end of 2021 thanks to effective risk management.

OUR BRANCHES

İstanbul - Kozyatağı 1

İstanbul - Gebze 2

İstanbul - Şişli 3

İstanbul - Avcılar 4

Bursa - Marmara 5

Ankara - Capital 6

Ankara - Ostim 7

Antalya - Mediterranean 8

Adana - Çukurova 9

Gaziantep - Southern Anatolia 10

İzmir - Aegean 11

Kayseri 12

Konya 13

Trabzon 14

Diyarbakır 15

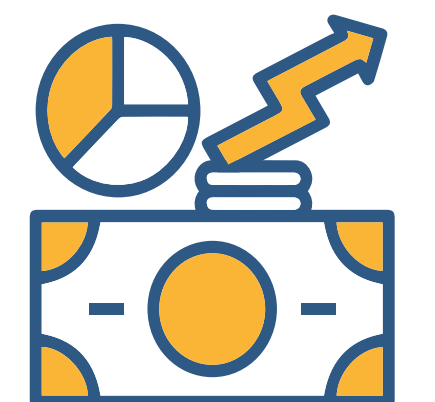
İş Leasing serves nearly 5 thousand customers with its 15 nationwide branches and 141 employees under payroll.



611
Million USD
new transaction volume



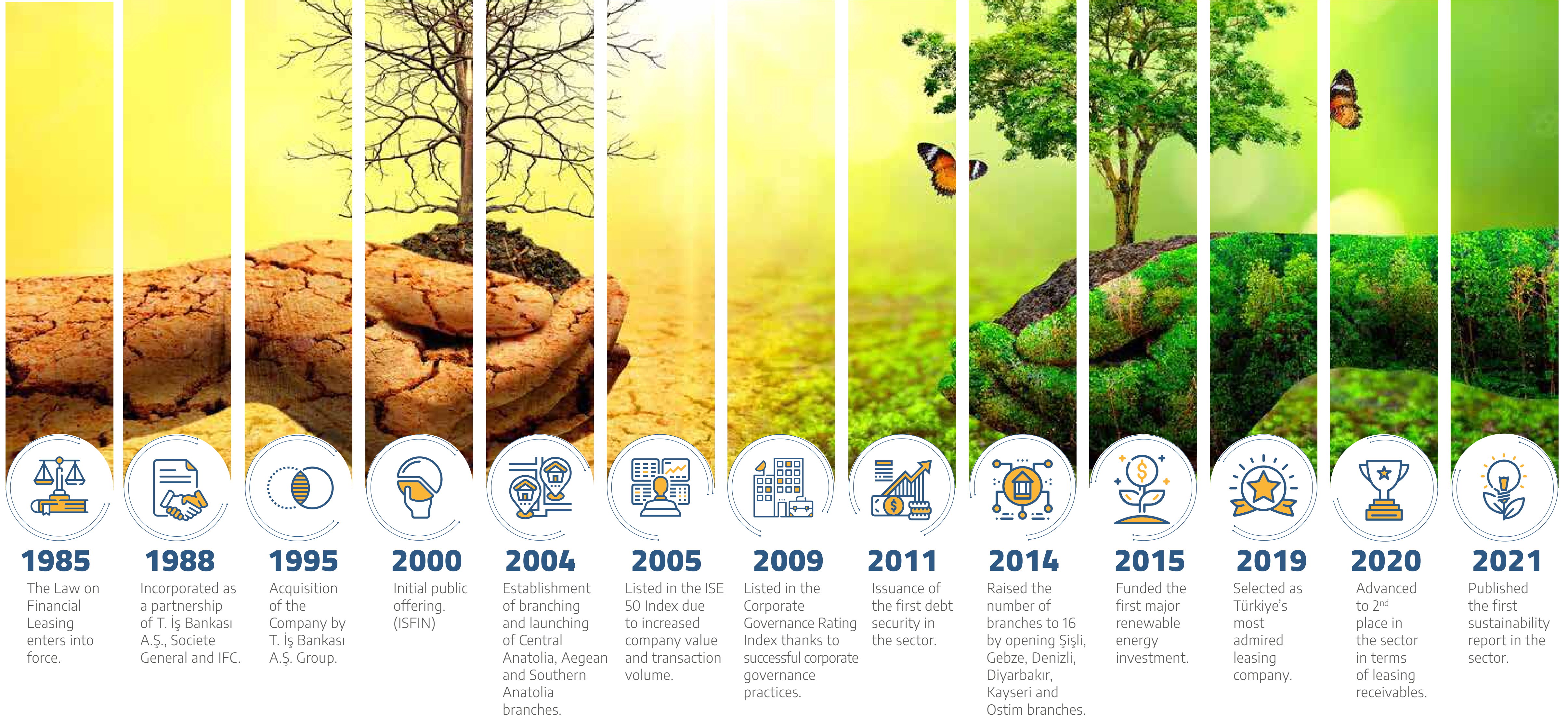
310
million TL consolidated
net profit for the period



%16.1
return on equity



İŞ LEASING MILESTONES



VISION, VALUES, STRATEGY

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 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



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



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



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 IN NUMBERS



Total number of employees

141

Female employee rate

51%

Employee turnover rate

4%



Established in 1988

33
years of experience

Consolidated asset size

20.4
billion TL

Number of branches across Türkiye

15



Corporate governance rating (Over 10)

9.29

Ratio of public shares

41.8%

İş Leasing is included in the BIST All, BIST 10-30, BIST 50, BIST 100, BIST Corporate Governance, BIST Financial, BIST Star, BIS Financial Leasing, Factoring indexes.

Place in the sector on the basis of leasing receivables

2nd

The number of customers

4,701

Market share in leasing receivables

13.7%

Market share in new transactions

15.3%

NPL ratio

4.9%

Installed power capacity of renewable energy projects financed in 2021

70.67
MW

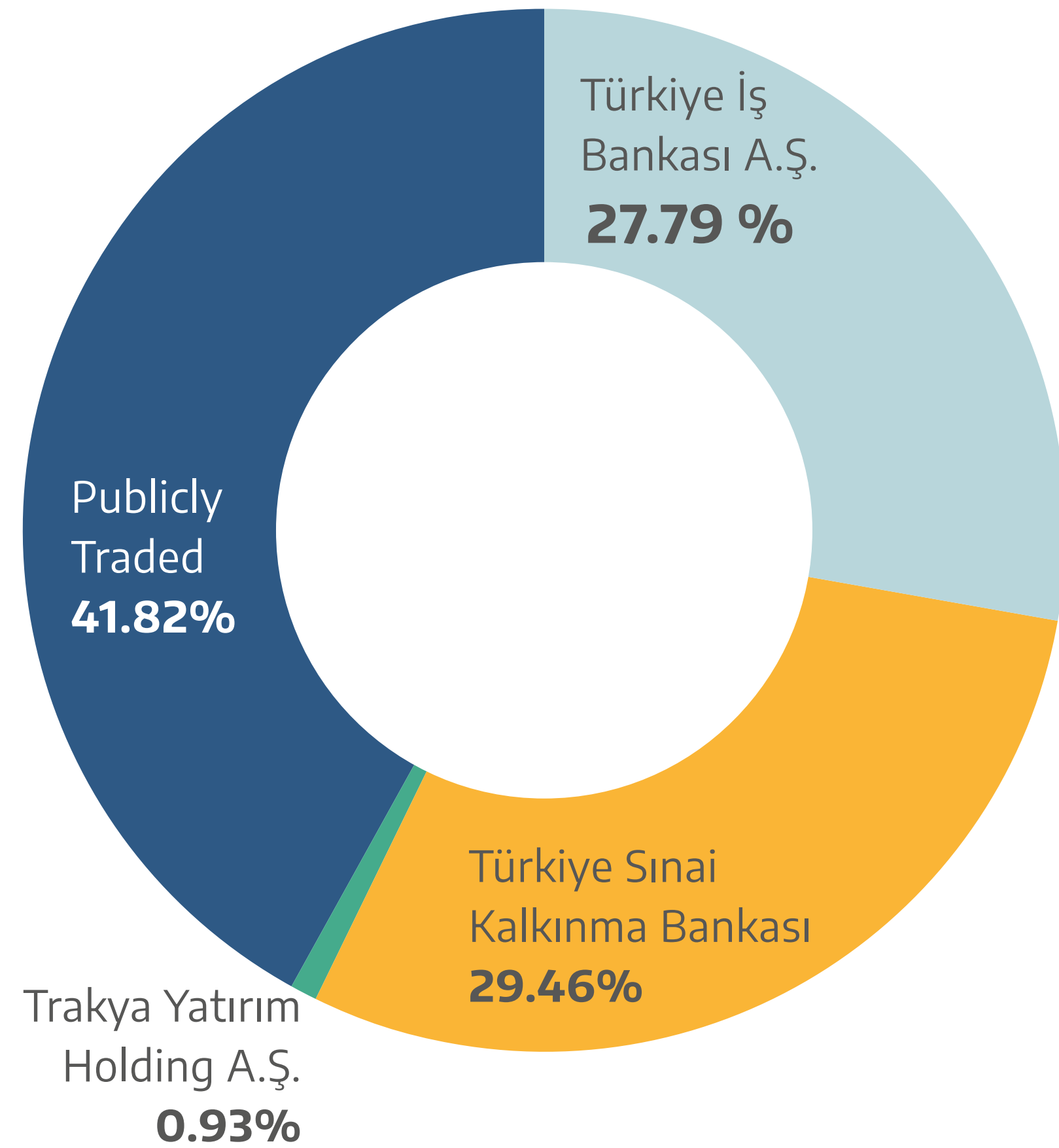
Installed power capacity of financed renewable energy projects in aggregate

216.45
MW



İŞ LEASING IN NUMBERS (CONTINUED)

Shareholder Structure (%)



MAJOR INDICATORS

(Consolidated) (TL, Million)	2020	2021	Change (%)
Total Assets	12,761	20,377	%59.7
Leasing Receivables, Net	7,152	11,393	%59.2
Factoring Receivables, Net	4,420	6,653	%50.5
Equity	1,718	2,139	%24.6
Net Profit	198	310	%56.9
Return on Assets	%1.8	%1.9	
Return on Equity	%13.2	%16.1	
Cost to Income Ratio	%18.5	%12.7	

BUILDING FUTURE BY CREATING POSITIVE VALUE

Through joint funding projects of İş Leasing within the scope of TurSEFF, 14 thousand MWh of energy efficiency was achieved in 2021 and 48,777 tons of carbon emissions were avoided.

Business Ethics and Compliance	13
Stakeholder Communication	20
Memberships	21

€40 million

Within the scope of TurSEFF, € 40 million funding was provided for 305 green projects.

BUSINESS ETHICS AND COMPLIANCE

We extend our corporate strengths into our value chain.

İş Leasing embraces an uncompromising ethical, transparent, responsible, sustainable, fair and accountable management approach in corporate activities as a difference maker in the value chain. İş Leasing implements its corporate governance model and processes in proper compliance with the Corporate Governance Principles of Capital Markets Board of Türkiye (CMB) and Sustainability Principles Compliance Framework. While shaping future targets and sustainability priorities, İş Leasing cares about good practices to reflect the strengths of corporate governance into the entire value chain.

CORPORATE GOVERNANCE

İş Leasing handles rights and responsibilities amongst primarily shareholders as well as its employees, customers and all other stakeholders through an effective management and audit framework incorporating universal elements of corporate governance such as accountability, equality, transparency and responsibility. İş Leasing embraces a robust compliance to corporate governance as an element of corporate culture, which instills confidence by Corporate Governance Principles and audit mechanisms.

By integrating all necessary policies and measures into its practices, the Company operates in compliance with all of the mandatory articles in the Corporate Governance Principles, and discloses its responsibilities and level of compliance through the Corporate Governance Compliance Report within the framework of the CMB's Corporate Governance Communiqué.

The Internal Audit Department and the Internal Control, Risk Management, Compliance and Legislation Department operating under İş Leasing provide reasonable assurance in terms of efficiency and effectiveness of operations, reliability of reporting, and compliance with laws and regulations. Internal Audit Department and the Internal Control, Risk Management, Compliance and Regulation Department audits are conducted considering the alignment of sustainability management framework, internal policies, internal targets and the internal audit standards. Periodic and risk-based reviews and controls are carried out under audit activities involving anti-bribery and anti-corruption combat. Regulatory compliance activities are conducted by Internal Control, Risk Management, Compliance and Regulation Department. The department manager also acts as the official "Compliance Officer" and fulfills duties and responsibilities mandated in the Prevention of Laundering Proceeds of Crime Law and the relevant regulations in line with Corporate Policy and Compliance Program. It is imperative that the Company's risk exposure is within the regulatory limits aligned with basic Company strategies. Therefore, risk processes are implemented according to Company's internal rules approved by Board of Directors and applicable regulations. Potential risks during activities are identified and classified through the "Corporate Risk Catalogue".

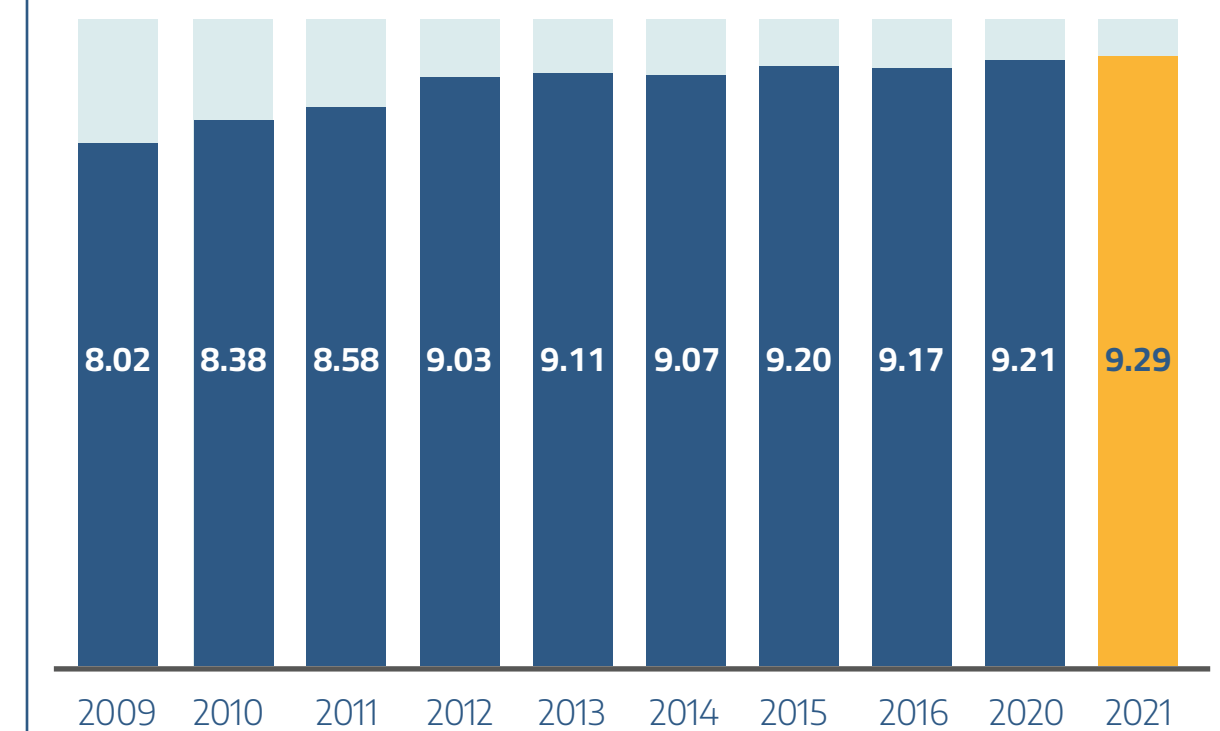
İş Leasing was listed in BIST Corporate Governance Index in 2009 thanks to its effective corporate governance practices. Saha Corporate Governanceve Kredi Derecelendirme A.Ş. carried out a rating study in 2021, which considers the vitality of corporate governance principles to the Company, willingness to exercise governance through a continuous and dynamic process, and the improvements achieved since the last rating. The company scored a corporate governance rating of 9.29 (92.91%) out of 10 as a result of this rating study.

At İş Leasing, shareholder rights are exercised according to regulations, articles of association and other internal regulations, and necessary measures taken to ensure proper use of these rights. Company's relations with shareholders are handled by Investor Relations Department. The Company has a public dividend policy and there are no restrictions on trading stocks. Practices to deter any shareholder voting rights are avoided, and convenient voting opportunity is given to every shareholder even across borders.

The Board of Directors, which consists of 9 members including 3 independent members, is authorized and responsible for monitoring and development of the public disclosure policy within the Company. Corporate Governance Committee, Audit Committee and Early Risk Detection Committees serve under the Board of Directors. The Corporate Governance Committee, which consists of three Board members and Investor Relations Department Manager, monitors Company's compliance with the Corporate Governance Principles and makes relevant suggestions to the Board of Directors, whereas the Investor Relations Department coordinates the disclosure function.

CORPORATE GOVERNANCE RATING (2021)

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>

CORPORATE GOVERNANCE (CONTINUED)

The Investor Relations Department was established within İş Leasing in order to ensure proper relations with shareholders and efficient solutions to investor problems. The activities of this department are regularly reported to the Corporate Governance Committee and to the Board of Directors.

Audit Committee monitors, assesses and guides activities regarding internal control and internal audit to watch over material issues. Operating under the Board of Directors through the Audit Committee, the Internal Audit Department and the Internal Control, Risk Management, Compliance and Regulation Department plays a significant role for the establishment, development and improvement of risk culture throughout the Company. The Audit Committee periodically evaluates the effectiveness of the internal control system and the results of the internal control activities through the audit reports of Internal Audit Department and the Internal Control, Risk Management, Compliance and Regulation Department. Consequently, it makes recommendations to the Board of Directors regarding proposed measures in response to audit report findings.

Within the framework of the audit plan prepared at the end of each year, all departments are audited biennially, all branches are audited triennially, and regulatory compliance audits are carried out. The Internal Control, Risk Management, Compliance and Regulation Department carries out its activities in line with the annual plan, and periodically presents its activity reports to the Board of Directors via Audit Committee and Early Detection of Risk Committee.

A total of fourteen internal audit activities were carried out in 2021 and the audit reports were submitted to the Board of Directors via the Audit Committee. Within the scope of internal control activities, six reports and twelve Risk Reports organized in monthly summaries and quarterly details were prepared and presented to the Board of Directors via Early Detection of Risk Committee.

A total of eight reports, four by the Compliance Officer and four by the Financial Management Department, were presented to the Board of Directors meeting, which is held four times withing the year. During the period, there was no occasion in which the Company was held liable by public administrations.

İş Leasing acts with the aim of carrying its sustainability efforts beyond regulatory requirements, particularly the requirements specified in the "Sustainability Principles Compliance Framework" of the Capital Markets Board (CMB).

İş Leasing's sustainability activities are mostly compatible with "Sustainability Principles Compliance Framework" imposed in 2020 by the CMB. Full compliance is aimed in the coming period in a way that will contribute to the Company's goal of creating sustainable value, and sustainability activities continue to receive support with effective practices under the Sustainability Committee's supervision.

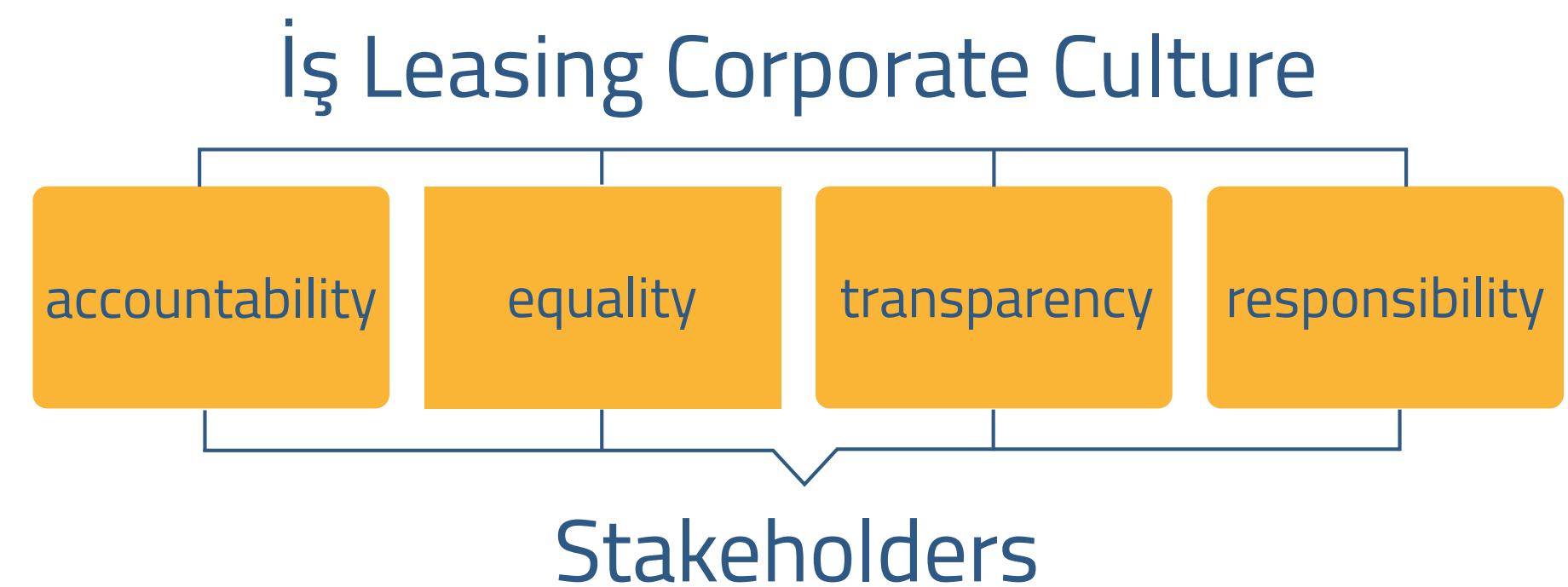
The committees convened four times in 2021, and a total of eight reports, were presented to the Board of Directors.



A total of fourteen internal audit activities were carried out in 2021



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



SUSTAINABILITY PRINCIPLES COMPLIANCE STATEMENT

İstanbul, March 02, 2022

İş Leasing acts with the aim of carrying its sustainability efforts beyond the requirements of regulations, particularly Sustainability Principles Compliance Framework of the Capital Markets Board (CMB).

Many of the sustainability activities carried out by İş Leasing overlap with the principles set forth in the “Sustainability Principles Compliance Framework” enforced by CMB in 2020. In this regard, İş Leasing complies even with part of the non-mandatory principles stated in the “Sustainability Principles Compliance Framework” which was prepared by the CMB with a “comply or explain” approach. Full compliance with some of the aforementioned principles has not yet been achieved due to difficulties in implementation, uncertainties in the national and international arena, irreconcilable principles with the current structure of the Company, and ongoing studies required to determine the basis of compliance principles.

In the coming period, it is aimed to ensure maximum compliance with the principles which currently lack full compliance, in a way that will contribute to our company’s goal of creating sustainable value. In this direction, sustainability activities and studies continue under the supervision of our committee.

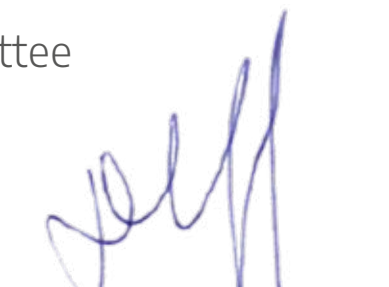
In this framework, **The Sustainability Principles Compliance Report** for the operating period of 2021 is disclosed in the Appendix, which includes the applicable and non-applicable aspects of the aforementioned principles and was prepared in line with our company’s priorities.

The Sustainability Principles Compliance Report, which was prepared in line with the Sustainability Principles to take its place in the Company’s annual report, was examined by us and as a result of the evaluation, the Report was deemed appropriate in line with our statement above and presented to your information.

Regards,

İş Finansal Kiralama A.Ş.
Corporate Governance Committee


Neslihan Oruç
Member


Doruk Yurtkuran
Member


M.Coşkun Candaş
Member


Prof. Dr. Selim Yazıcı
Chair

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

PRINCIPLES	COMPLIANCE STATUS	EXPLANATIONS
A. GENERAL PRINCIPLES		
A1. Strategy, Policies and Targets		
The Board of Directors determines ESG priority topics, risks and opportunities and establishes appropriate ESG policies. For effective implementation of these policies intra-partnership directives, business procedures, etc. can be prepared. The Board of Directors makes policy decisions and discloses them to the public.	Yes	https://www.isleasing.com.tr/surdurulebilirlik/
It determines the Partnership Strategy appropriate to ESG policies, risks and opportunities. It sets and publicizes its short and long-term objectives in line with the partnership strategy and ESG policies.	Yes	2020 Sustainability Report, Page 30
A2. Application/Monitoring		
It identifies and publicizes the committees/units responsible for the implementation of ESG policies. The responsible committee/unit reports the activities carried out within the scope of the policies to the Board of Directors at least once a year and, in any case, in due time set by Board bylaws for the publication of annual reports to the public.	Yes	» https://www.isleasing.com.tr/surdurulebilirlik/ » 2020 Sustainability Report, Page 35-36
It creates implementation and action plans in line with the determined short and long term goals and discloses them to the public.	Partial Compliance	2020 Sustainability Report, Page 42
It determines the ESG Key Performance Indicators (KPI) and explains them comparatively on a yearly basis. Provides KPIs with local and international industry comparisons, if verifiable data is available.	Partial Compliance	» Performance indicators are given comparatively based on years in the sustainability report. However, there are no comparable and verifiable local or international sector comparisons for public indicators. » 2020 Sustainability Report, Page 61-62-63
Explains innovation activities that improve sustainability performance for business processes or products and services.	Yes	2020 Sustainability Report, Page 29

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT (CONTINUED)

PRINCIPLES	COMPLIANCE STATUS	EXPLANATIONS
A. GENERAL PRINCIPLES		
A3. Reporting		
It reports and publicly discloses its sustainability performance, goals and actions at least once a year. Discloses information on sustainability activities within the annual report.	Yes	2020 Sustainability Report 30
Sharing material information to stakeholders about the partnership position, performance and development in a direct and concise manner is essential for better understanding. It can also disclose detailed information and data on its corporate website, and prepare separate reports that directly meet the needs of different stakeholders.	Yes	2020 Sustainability Report
It exercises due care in terms of transparency and reliability. Through a balanced approach, it impartially explains all kinds of material developments in explanations and reports.	Yes	2020 Sustainability Report, Page 21-22
It gives information about which of its activities are related to the United Nations (UN) 2030 Sustainable Development Goals.	Yes	2020 Sustainability Report, Page 32
It makes explanations regarding verdicts and/or filed lawsuits against it on environmental, social and corporate governance issues.	Yes	There are no filed lawsuits or verdicts against our Company on environmental, social and corporate governance issues.
A4. Verification		
It publicly discloses sustainability performance metrics if verified by independent third parties (independent sustainability assurance suppliers) and strives to increase such verifications.	Partial Compliance	Environmental and Social performance indicators are not yet verified by an independent third party organization.
B. ENVIRONMENTAL PRINCIPLES		
Explains the policies and practices, action plans, environmental management systems (known by ISO 14001 standard) and programs about environmental management.	Partial Compliance	2020 Sustainability Report, Page 38
Complies with environmental laws and other relevant regulations and explains compliance.	Yes	2020 Sustainability Report Page 19-41
It explains the limitations of the environmental report placed within the report under the scope of the Sustainability Principles, the reporting period, the reporting date, the data collection process and the reporting conditions.	Yes	2020 Sustainability Report, Page 63-64-65
It announces the top person in the partnership responsible with environment and climate change, the relevant committees and their duties.	Yes	2020 Sustainability Report, Page 35-36

PRINCIPLES	COMPLIANCE STATUS	EXPLANATIONS
B. ENVIRONMENTAL PRINCIPLES (Continued)		
It explains the incentives it offers for the management of environmental issues, including the achievement of objectives.	Yes	2020 Sustainability Report, Page 58
It explains the sustainability performances of business processes or products and services, and the improvement activities for performance.	Yes	2020 Sustainability Report, Page 37-38-39
It explains how it manages environmental issues and integrates suppliers and customers into its strategies, not only in direct operations but also throughout the partnership value chain.	Yes	2020 Sustainability Report, Page 56
It explains whether it is involved in policy-making processes on environmental issues (sectoral, regional, national and international); its cooperation with its membership associations, relevant organizations and non-governmental organizations, and the any duties it undertakes and the any activities it supports.	Yes	2020 Sustainability Report, Page 60
In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect)1), air quality, energy management, water and wastewater management, waste management, biodiversity impacts), it periodically reports information on environmental impacts in a comparable way.	No	Reporting is targeted starting from 2021.
It explains the details of the standards, protocols, methodologies, and base years it uses to collect and calculate its data.	No	Reporting is targeted starting from 2021.
It discloses the status (increase or decrease) of environmental indicators for the reporting year comparable to previous years.	No	Reporting is targeted starting from 2021.
It sets short and long-term goals to reduce its environmental impacts and explains these goals. It is recommended that these targets be set based on Science, as proposed by the United Nations Climate Change Conference of the Parties. If there is progress in the reporting year according to targets it set before, it provides information on this matter.	No	It will be evaluated next period.
It explains the strategy and actions on climate crisis combat.	No	It will be evaluated next period.
Describes programs or procedures to prevent or minimize the potential adverse impact of its products and/or services; explains the actions of third parties to reduce greenhouse gas emissions.	Partial Compliance	A list of "Unfunded Activities" has been published by our company, and investment activities included in this list are not financed. Actions to reduce greenhouse gas emissions of third parties will be evaluated next period.
It explains the actions it undertook to reduce its environmental impacts, the total number of projects and initiatives it carried out, and the environmental benefits and cost savings they provided.	Partial Compliance	<ul style="list-style-type: none"> » 2020 Sustainability Report, Page 41-42-43 » The environmental benefits and cost savings will be measured and announced in the following period.

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT (CONTINUED)

PRINCIPLES	COMPLIANCE STATUS	EXPLANATIONS
B. ENVIRONMENTAL PRINCIPLES (Continued)		
It reports the total energy consumption data (excluding raw materials) and explains the energy consumptions as Scope-1 and Scope-2.	Yes	2020 Sustainability Report, Page 63
It provides information on electricity, heat, steam and cooling produced and consumed in the reporting year.	Yes	2020 Sustainability Report, Page 63
It works on increasing the use of renewable energy, transition to zero or low carbon electricity and explains these efforts.	Yes	2020 Sustainability Report, Page 25-28-29-30
Explains renewable energy production and usage data.	Yes	2020 Sustainability Report, Page 43
It produces energy efficiency projects and explains the resulting amount of energy consumption and emission reductions.	Partial Compliance	<ul style="list-style-type: none"> » 2020 Sustainability Report, Page 42 » Emission reduction amounts resulting from operations will be measured and announced in the following period. » Calculation of emissions reduction from leasing activities will be evaluated next period.
It reports the amount of water withdrawn, used, recycled and discharged from underground or above ground, their sources and procedures (Total water withdrawal by source, water sources affected by withdrawal; percentage and total volume of recycled and reused water, etc.).	No	It will be evaluated next period.
It explains whether its operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).	No	It will be evaluated next period.
Discloses the carbon credit information accumulated or purchased during the reporting period.	No	It will be evaluated next period.
If carbon pricing is applied within the partnership, it explains the details.	No	It will be evaluated next period.
It discloses all mandatory and voluntary platforms where it reveals its environmental information.	Partial Compliance	2020 Sustainability Report, Page 63

PRINCIPLES	COMPLIANCE STATUS	EXPLANATIONS
C. SOCIAL PRINCIPLES		
C1. Human Rights and Employee Rights		
It creates a Corporate Human Rights and Employee Rights Policy, in which it commits full compliance with the Universal Declaration of Human Rights, ILO Conventions ratified by Türkiye, and the legal framework regulating human rights and working life in Türkiye. It publicly discloses this policy and the roles and responsibilities associated with policy implementation.	Partial Compliance	<ul style="list-style-type: none"> » https://www.isleasing.com.tr/insan-kaynaklari/insan-kaynaklari-politikamiz/ » https://www.isleasing.com.tr/yatirimci-iliskileri/kurumsal-yonetim/menfaat-sahipleri-politikasi/ » Roles and responsibilities for the implementation of the policy will be evaluated next period.
It provides equal opportunity in recruitment processes. Considering the impacts on its supply and value chain, it includes fair labor, improvement of labor standards, women's employment and inclusiveness (such as avoidance of discrimination against women, men, religious beliefs, language, race, ethnicity, age, disability, refugees, etc.) in its policies.	Yes	https://www.isleasing.com.tr/yatirimci-iliskileri/kurumsal-yonetim/etik-ilkeler/
It explains the measures taken along the value chain to protect the rights of certain groups (low-income groups, women, etc.) or minority rights/equal opportunities that are sensitive to certain economic, environmental, social factors.	Partial Compliance	It will be evaluated next period.
It reports the developments regarding the prevention and corrective practices of discrimination, inequality, human rights violations, forced labor. Explains the regulations against child labor.	Partial Compliance	<ul style="list-style-type: none"> » Regulations against child labor; Sustainability Report, Page 38-39 » Reporting of developments regarding prevention and correction practices will be evaluated next period. » Sustainability Report, Page 53-54
It explains its policies regarding investment in employees (education, development policies), compensation, fringe benefits, right to unionize, work/life balance solutions and talent management. Establishes mechanisms for employee complaints and dispute resolution, and identifies dispute resolution processes. It regularly explains the activities carried out to ensure employee satisfaction.	Yes	<ul style="list-style-type: none"> » https://www.isleasing.com.tr/yatirimci-iliskileri/kurumsal-yonetim/menfaat-sahipleri-politikasi/ » https://www.isleasing.com.tr/yatirimci-iliskileri/kurumsal-yonetim/ucretlendirme-politikasi/ » https://www.isleasing.com.tr/yatirimci-iliskileri/kurumsal-yonetim/calisanlara-yonelik-tazminat-politikasi/ » https://www.isleasing.com.tr/yatirimci-iliskileri/kurumsal-yonetim/etik-ilkeler/
It creates occupational health and safety policies and discloses them to the public. Explains measures undertaken to avoid occupational accidents and to protect health and reveals accident statistics.	Partial Compliance	<ul style="list-style-type: none"> » Sustainability Report, Page 52 » Reporting of accident statistics will be evaluated in the following period.
It creates and publicly discloses personal data protection and data security policies.	Yes	https://www.isleasing.com.tr/kisisel-verilerin-korunmasi/

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT (CONTINUED)

PRINCIPLES	COMPLIANCE STATUS	EXPLANATIONS
C. SOCIAL PRINCIPLES (Continued)		
C1. Human Rights and Employee Rights (Continued)		
It creates ethics policy (including business, work ethics, compliance processes, advertising and marketing ethics, public disclosure, etc.) and discloses it to the public.	Yes	https://www.isleasing.com.tr/yatirimci-iliskileri/kurumsal-yonetim/etik-ilkeler/
Explains its work on social investment, social responsibility, financial inclusiveness and access to funding.	Yes	Sustainability Report, Page 57-58
Organizes informative meetings and training programs for employees on ESG policies and practices.	Yes	Escarus provided training on ESMS to all employees on November 18-19, 2021.
C2. Stakeholders, International Standards and Initiatives		
It carries out its sustainability activities considering the needs and priorities of all stakeholders (employees, customers, suppliers and service providers, public institutions, shareholders, society and non-governmental organizations, etc.).	Yes	Sustainability Report, Page 28
It establishes and publicizes a customer satisfaction policy for the management and resolution of customer complaints.	Yes	Sustainability Report, Page 22
Conducts stakeholder communication in a continuous and transparent manner; explains with which stakeholders, for what purpose, on what subject and how often communication took place, and explains the progress made in sustainability activities.	Yes	Sustainability Report, Page 26
It publicly discloses the international reporting standards it has adopted (Carbon Disclosure Project (CDP), Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC), Sustainability Accounting Standards Board (SASB), Task Force on Climate-Related Financial Disclosures (TCFD) etc.).	Yes	Sustainability Report, Page 64-65-66-67
It discloses international organizations or principles which it is a signatory or a member of (Equator Principles, United Nations Environment Program Finance Initiative (UNEP-FI), United Nations Global Compact (UNGC), United Nations Principles for Responsible Investment (UNPRI) etc.), and international principles it has adopted (International Capital Market Association (ICMA) Green/Sustainable Bond Principles).	Yes	Sustainability Report, Page 32
Makes tangible efforts to be included in Borsa Istanbul Sustainability Index and international sustainability indexes (Dow Jones Sustainability Index, FTSE4Good, MSCI ESG Indexes etc.)	No	Company aims to get listed in BIST Index.

PRINCIPLES	COMPLIANCE STATUS	EXPLANATIONS
D. CORPORATE GOVERNANCE PRINCIPLES		
In addition to the Corporate Governance principles that are binding under Capital Markets Board's Corporate Governance Communiqué numbered II-17.1, it exercises all efforts to comply with all Corporate Governance Principles.	Yes	Annual Report, Page
It considers the subject of sustainability, the environmental effects of its activities and the relevant sustainability principles while determining its corporate governance strategy.	Yes	Sustainability Report, Page 28-29
It takes the necessary measures to comply with the stakeholder related principles specified within Corporate Governance Principles and to improve communication with the stakeholders. It seeks the opinions of stakeholders in determining the measures and strategies in sustainability matters.	Yes	Sustainability Report, Page 31-41-49-55
It works to raise awareness about sustainability and its importance, through social responsibility projects, awareness events and trainings.	Yes	Sustainability Report, Page 57-58
It strives to be a member of international standards and initiatives on sustainability and to contribute to studies.	Yes	Sustainability Report, Page 60
Explains the policies and programs regarding anti-bribery and anti-corruption combat and the principle of honesty in taxation.	Yes	Sustainability Report, Page 23

İŞ LEASING'S ETHICAL PRINCIPLES

Corporate culture, shaped by ethical business processes and business ethics

İş Leasing expands its effective ethical approach, which is one of the primary requirements of robust corporate governance compliance, and its corporate culture shaped by business ethics, across the entire value chain, primarily its employees. İş Leasing's Ethical Principles determine the primary rules that must be followed in all interactions with all its stakeholders and other institutions. These principles form the basis for the sanctions to be imposed by the Company in case of misconduct and improvement activities. The Ethical Principles are published on the Company's corporate website (www.isleasing.com.tr) and the Company's internal channels and are followed by all stakeholders.

It is the responsibility of the Company managers to communicate the Ethical Principles to all employees, to ensure that employees embrace these rules, and to show the necessary effort and leadership to achieve compliance with these rules. An Ethical Principles form is given to new recruits, and a detailed information is given on ethics during job orientation presentations.

In 2021, İş Leasing launched the Ethics Hotline through which employees, customers and other stakeholders can report non-compliance, ethical misconduct or breach of company policy in case they encounter any. Launched to become more transparent and fair and to support sustainability management, İş Leasing Ethics Hotline provides solutions to all kinds of concerns and problems for relevant stakeholders who may want to report cases of non-compliance and ethical violations.

ETHICS HOTLINE

Notifications can be made to the Ethics Hotline or through the e-mail address between 9:00 a.m. and 05:00 p.m. from Monday to Friday. Notifications can also be made anonymously.

Environmental and Social Risk Management System (ESMS) is responsible for the evaluation, investigation and conclusion of the notifications made to the Ethics Hotline. Respecting confidentiality, İş Leasing does not impose any sanctions on people who act with good-will when reporting to the Ethics Hotline.

ANTI-BRIBERY AND ANTI-CORRUPTION EFFORTS

Ethical business principles lie at the heart of corporate culture.

İş Leasing is among the leading financial institutions that have successfully promoted business ethics into corporate culture in order to fulfill ethical responsibilities for the communities and the sector. All Company activities and processes are carried out and reviewed within the framework of the Anti-Bribery and Anti-Corruption Policy. Anti-bribery and anti-corruption combat is among uncompromising İş Leasing priorities within the scope of business ethics.

With its Anti-Bribery and Anti-Corruption Policy, İş Leasing also aims to ensure compliance among all business partners with the regulations against bribery and corruption. With this approach, İş Leasing aims to spread business ethics and corporate culture to all value chain components within the framework of its sustainable finance vision.

İş Leasing takes all necessary measures to combat bribery and corruption in all its business processes, and organizes instructive and educational training programs and informative activities for all its employees.

Anti-Bribery and Anti-Corruption training was provided to 139 employees in 2021.

The company acts reasonably within acceptable norms in terms of representation and hospitality activities aligned with both international norms and domestic regulations.

Compliance to Anti-Bribery and Anti-Corruption Policy is audited annually as part of regular internal audit plan.

İş Leasing did not encounter any misconduct or corruption in the reporting period, thanks to its perspective which integrates corporate business culture with effective audit mechanism against bribery, corruption and similar crimes.

TAXES

As a publicly traded company, all financial transactions of İş Leasing are transparent and accountable. Public financial statements, accounting records and taxes are audited by independent audit firms.

Independent audit firms run regulatory compliance audits of İş Leasing's accounting records on a quarterly basis. Consultancy and Full Certification services are obtained from audit firms on tax matters, tax returns are checked, provisional taxes and corporate tax are approved by audit firm and submitted to the Revenue Administration. Company's all tax liabilities are paid to relevant state institutions within legal time frames.

Through digital applications on web portals of tax authorities and related institutions, active communication is ensured both by institutions' telephone lines and by e-mail. Whenever needed, information and sharing meetings are held with the customer representatives of the relevant institutions to ensure full compliance with new regulations.

139 employees are provided anti-bribery and corruption training.



Paid Corporate Tax (TL)

2019	2020	2021
33,861,217	58,844,073	134,684,168



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 0 (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.


COMMUNICATION WITH STAKEHOLDERS

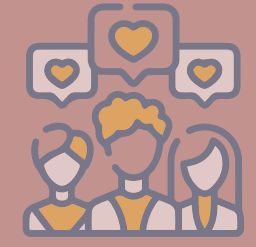
Stakeholder opinions play a key role in İş Leasing's sustainability journey.

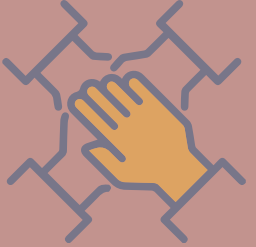
İş Leasing embraces the principles of openness, transparency and honesty in its communication processes. Promoting steady and sustainable two-way communication with all its stakeholders, İş Leasing collects opinions and suggestions through different communication channels. Then, it meticulously evaluates these guiding input both in determination of strategic priorities and forming policies, and in consideration of new projects and practices.


The company provides comprehensive and up-to-date information to all its stakeholders through its annual reports, sustainability reports, corporate website, social media channels, General Assembly meetings, and occasional Special Disclosures.


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

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

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

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

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

MEMBERSHIPS

We increase our memberships to national and international organizations for a sustainable future.

İş Leasing recognizes that its vision of sustainable development and green transformation is a necessity for designing a prosperous and safe future. The essence of the Company's sustainability action plan is to boost continuous corporate development and transformation approach in promising areas with stakeholder interaction. İş Leasing acknowledges great importance to contributions in development and expansion of sustainability studies, realization of transformations required in institutions and social life, and to understand and include different stakeholder groups in decision-making for effective management of risks and opportunities. Thus, it exercises due care to take part and pioneer in various initiatives to build a more sustainable world, by becoming an active working member of various associations, unions and sectoral organizations that work for common ideals. The company keeps its membership in the Business Council for Sustainable Development (BCSD Türkiye), which is the regional network and business partner of the World Business Council for Sustainable Development (WBCSD) in Türkiye, since 2020. In this context, it actively participates in all working groups, particularly the Sustainable Finance Working Group.

İş Leasing aims to increase its memberships in associations and organizations focused on different fields, contributing to the realization of its goals in line with its sustainability priorities for the 2022-2024 period. By 2022, the Company plans to participate as a signatory member to the United Nations Global Compact (UNGC), which is the largest global corporate sustainability initiative, and the Women's Empowerment Principles (WEPs). Participating in organizations such as UNGC CEO Water Mandate, SDG Map Türkiye and Equality for Women at Work are also included in the cooperation perspective of the Company.



BCSD TÜRKİYE - Business Council for Sustainable Development

<http://www.skdturkiye.org/en>



KOTEDER - Publicly Listed Partnership Executives Association

<https://www.koteder.org.tr/>



AFI - Association of Financial Institutions

<https://www.fkb.org.tr/home-page/>



ICoC - Istanbul Chamber of Commerce

<https://www.ito.org.tr/en>

SUSTAINABILITY MANAGEMENT IN İŞ LEASING

Management Approach	23
Sustainability Systems	27
Digital Transformation	31

İş Leasing informs all its stakeholders about environmental and social affairs and encourages them to develop sustainable practices.



MANAGEMENT APPROACH

İş Leasing considers sustainability an integral part of its business methodology in order to leave a more habitable world to future generations.

In order to leave a more habitable world to future generations and accelerate the transition to a low-carbon economy, İş Leasing considers sustainability an integral part of its business methodology; acts with the awareness of creating sustainable value for its customers, shareholders, employees and all other stakeholders and integrates this approach into all its processes. In line with its corporate culture and identity, the Company treats sustainability in a holistic way with economic, environmental and social dimensions, and considers it in its activities together with all the relevant laws and regulations.

In line with sustainability awareness, İş Leasing accelerates its Green Transformation Vision through its sustainable finance practices, primarily on climate change. It is targeting measures for effective use of resources and energy in order to ensure the transition to a low-carbon economy, especially by offering services for energy efficiency and renewable energy investments. İş Leasing is steadily committed to its sustainability activities, which it initiated in order to contribute to a sustainable and habitable future.

İş Leasing demonstrates an integrated perspective with positive value principles for economic, social and environmental solutions in all of its practices to achieve long-term growth targets.

STRATEGIC PRIORITIES AND TARGETS

Leading institutions, the WEF Global Risks Report, UN PRI, the EU Green Deal and sectoral research were all examined in identifying priorities.

İş Leasing determines its sustainability priorities in accordance with internationally accepted analytical methods and the principle of stakeholder interaction. In the process of determining sustainability topics, leading sustainability institutions in the sector, World Economic Forum (WEF) Global Risks Report, United Nations Responsible Investment Principles (UN-PRI), EU Green Deal and sectoral researches were examined. Sustainability topics identified as a result of current literature and sources review were presented to internal and external stakeholders' evaluation with an online survey method. In the survey, the identified topics were weighted by the stakeholders according to their priority levels, and a priority matrix was created through feedback received from the stakeholders.

The priority matrix is divided into three classes as priority, high priority, and very high priority. The very high priority topics and high priority topics identified according to this classification are as follows:



STRATEGIC PRIORITIES AND TARGETS (CONTINUED)

VERY HIGH PRIORITY TOPICS

Management of Environmental and Social Impacts and Risks

Management of environmental and social impacts and risks arising from operations and leasing activities

Energy and Climate Change

Managing the effects of activities such as greenhouse gas emissions, climate-related risks, energy consumption on nature; contributions made by leasing activities on renewable energy, energy efficiency and combating and adapting to climate change

Talent Management, Employee Rights and Satisfaction

Training, career management, improvement of working conditions, etc. carried out to reach and maintain a high-talent employee profile

Corporate Governance, Business Ethics and Corporate Risk Management Practices

Corporate governance principles, anti-bribery and anti-corruption efforts, regulatory compliance, integrated risk management practices

International Compliance

Compliance with globally responsible investment standards, which have a transformative role in the transition to a green economy, International Sustainability Standards Board (ISSB)

HIGH PRIORITY TOPICS

Transition to Circular Economy

Practices to reduce waste production and waste levels, ensure sustainable management and effective use of natural resources, support reduction of water stress, increase water utilization efficiency

Sustainable Finance Vision

Sustainable finance practices for shareholders, investors, creditors

Digitalization, Security and Data Privacy

Developing digital channels, expanding and facilitating customer transaction capability through digital channels, practices of security and data privacy

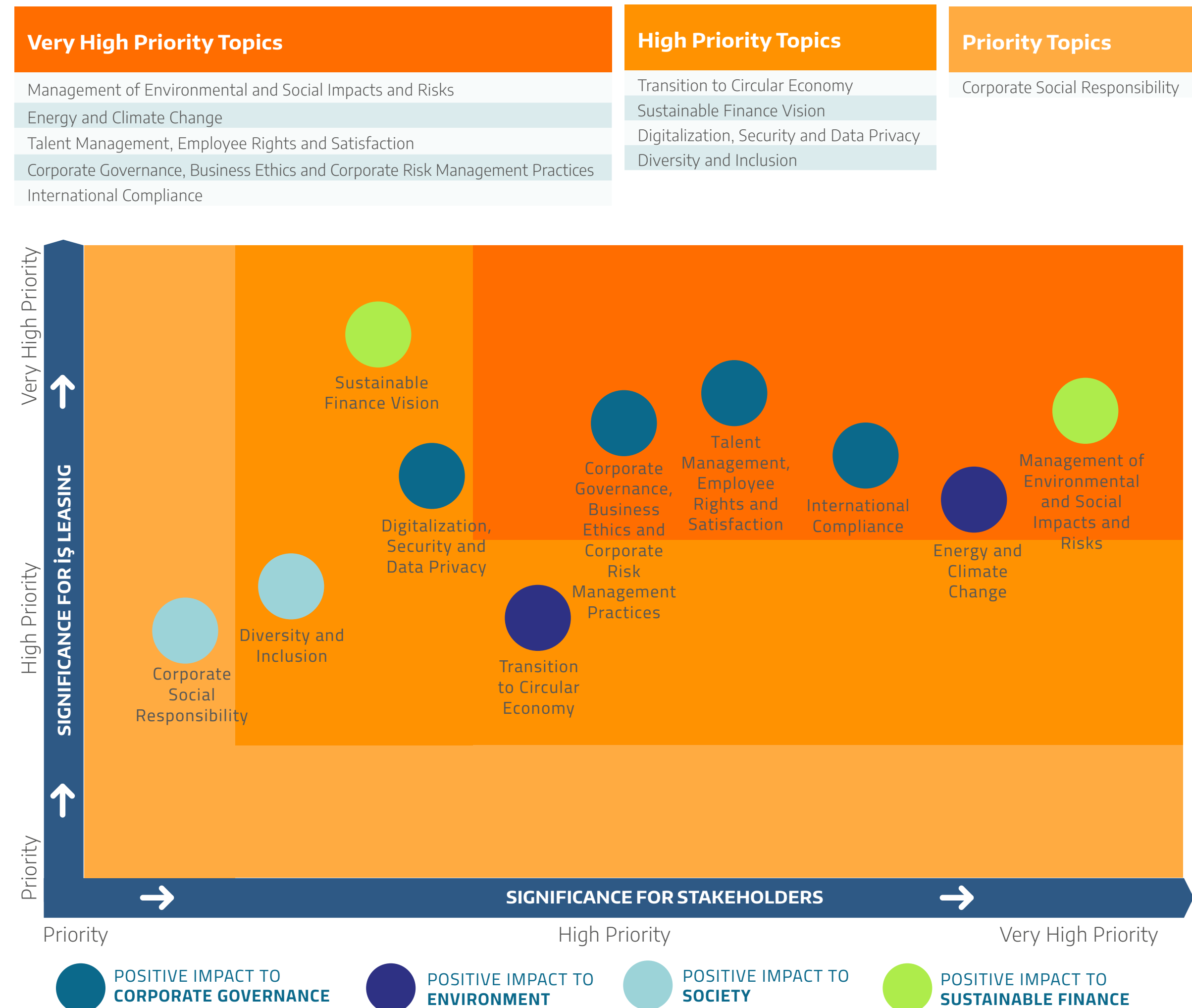
Diversity and Inclusion

Studies that will support access to financial services by all segments of society, promote equal conditions, and the empowerment of women and vulnerable groups

PRIORITY TOPICS

Corporate Social Responsibility

Direct support and sponsorships for education, culture and arts, sports, social aid, volunteering, etc. and specific corporate social responsibility projects



SUSTAINABLE FINANCE

İş Leasing integrated its Sustainable Finance practices with the priorities of its stakeholders.

Determining its sustainability priorities with active stakeholder engagement in light of priority matrix, İş Leasing built its sustainability strategy around the core areas of energy and resource efficiency, circularity, support for the transition to a low-carbon economy, environmental and social risk management, support for employment, corporate integrity and green transformation.

The strategic axes of Sustainable Finance are listed below:

- » Financing of Renewable Energy Projects
- » Support for Transition to Low Carbon Economy to Combat Climate Change
- » Environmental and Social Risk Assessment of Investment Projects
- » Sustainability-Oriented Corporate Integrity, Transformation and Capacity Building
- » Financing of Projects to Support Economic Growth and Domestic Employment with Green Development Principles
- » Financing the Transition to Circular Economy



UNITED NATIONS 2030 AGENDA AND İŞ LEASING

Global financial institutions play a policy-making and leading role in solving economic, environmental and social problems. İŞ Leasing is determined to support the 2030 Agenda announced by the United Nations and all strategic local targets. Adopting and supporting the Sustainable Development Goals (SDGs), İŞ Leasing associated the priority topics and main axes of its sustainability strategy with SDGs. By expanding its strategic horizon and realigning its goals regarding SDGs in 2021, İŞ Leasing contributes directly or indirectly to 14 goals through its activities within the scope of its sustainability strategy.

RELATIONSHIP OF İŞ LEASING'S MATERIAL SUSTAINABILITY ISSUES AND SUSTAINABILITY STRATEGY WITH UN SDGs AND UN GLOBAL COMPACT (GC):

İŞ Leasing Sustainability Priorities	İŞ Leasing Sustainability Clusters	İŞ Leasing Sustainability Strategy Elements	Relevant Sustainable Development Goals (SDG) (2030 Agenda)	Relevant SDG Targets
Management of Environmental and Social Impacts and Risks	Positive Impact to Sustainable Finance	<ul style="list-style-type: none"> Assessment of Environmental and Social Risks in Investment Projects Financing of Transition to Circular Economy 	         	3.9 - 5.1 - 5.5 - 6.3 - 6.6 7.2 - 8.7 - 9.1 - 9.4 - 12.4 13.3 - 14.1 - 14.2 - 15.7
Energy and Climate Change	Positive Impact to Environment	<ul style="list-style-type: none"> Financing Renewable Energy Projects Support for Transition to a Low-Carbon Economy to Combat Climate Change 	  	7.2 - 7.3 - 9.4 - 13.1 - 13.2
Talent Management, Employee Rights and Satisfaction	Positive Impact to Corporate Governance	<ul style="list-style-type: none"> Sustainability Oriented Corporate Integrity, Transformation and Capacity Building 	   	4.4 - 4.5 - 5.5 - 8.5 - 8.8 10.4
Corporate Governance, Business Ethics and Corporate Risk Management Practices	Positive Impact to Corporate Governance	<ul style="list-style-type: none"> Sustainability Oriented Corporate Integrity, Transformation and Capacity Building 		8.2
International Compliance	Positive Impact to Corporate Governance	<ul style="list-style-type: none"> Sustainability Oriented Corporate Integrity, Transformation and Capacity Building 	 	13.3 - 16.6 - 16.8
Transition to Circular Economy	Positive Impact to Environment	<ul style="list-style-type: none"> Assessment of Environmental and Social Risks in Investment Projects Financing of Transition to Circular Economy 	  	6.3 - 6.4 - 9.4 - 12.4 - 12.5
Sustainable Finance Vision	Positive Impact of Sustainable Finance	<ul style="list-style-type: none"> Financing of Projects to Support Economic Growth and Domestic Employment with Green Development Principles 	 	8.2 - 8.3 - 8.4 - 8.10 - 9.1 9.2 - 9.3 - 9.4
Digitization, Security and Information Privacy	Positive Impact to Corporate Governance	<ul style="list-style-type: none"> Sustainability Focused Corporate Integrity, Transformation and Capacity Building 	 	9.1 - 12.5
Diversity and Inclusion	Positive Impact to Society	<ul style="list-style-type: none"> Financing of Projects to Support Economic Growth and Domestic Employment with Green Development Principles Sustainability Oriented Corporate Integrity, Transformation and Capacity Building 	  	5.1 - 10.2 - 10.5 - 17.3 - 17.5
Corporate Social Responsibility	Positive Impact to Society	<ul style="list-style-type: none"> Sustainability Oriented Corporate Integrity, Transformation and Capacity Building 	    	4.4 - 4.6 - 4.b - 5.1 - 9.5 10.3 - 17.6 - 17.16 - 17.17

SUSTAINABILITY SYSTEMS

Sustainability Policy guides sustainability activities of İş Leasing in line with its Green Transformation Vision.

İş Leasing operates with the principle of positive value creation by considering all economic, environmental and social impacts, especially the transition to a low-carbon economy, with its climatology-centric sustainability management. In this regard, the Company's targets for the 2022-2024 periods were set as acceleration of the "Green Transformation Vision" in line with Türkiye's 2053 net zero emissions target. To this end, İş Leasing's long-term sustainability journey, which was initiated at the end of 2020 with an environmental and social responsibility mindset, took another important step by launching of Environmental and Social Risk Management System (ESMS) Project. ESMS Project aims to create value by Green Development principle and a holistic approach by addressing environmental, economic and social sustainability factors and associated risks and opportunities in a unified fashion within both the Company's management and the product/service processes. Within the scope of the project, İş Leasing's corporate sustainability approach was established, corporate governance and stakeholder interaction mechanisms were designed to manage its economic, environmental and social impacts, and relevant processes were structured.

İŞ LEASING SUSTAINABILITY POLICY

Sustainability Policy guides sustainability activities of İş Leasing in line with its Green Transformation Vision. The principles of İş Leasing's Sustainability Policy are presented below:

- » The Company aims to maximize its sustainability performance since its inception in line with its vision and mission of sustainable development. In this regard, it favors domestic contributions to economy and monitors direct and indirect economic, environmental and social impacts of its activities in accordance with its relevant policies and Environmental and Social Management Risk System.
- » The Company's medium and long-term strategies are designed to protect the rights and interests of all stakeholders as well as the public interest.
- » It carries out all its activities in compliance with laws and regulations with a transparent corporate governance approach and a holistic view aimed at continuous improvement. Bribery and corruption are not tolerated in any way, and the Company acts upon Anti-Bribery and Anti-Corruption Policy when necessary.
- » The company acknowledges employee satisfaction as a source of its most precious asset, offers an inclusive and fair working environment respectful of human rights and equal opportunity, and aims to maintain lasting employment relationships by ensuring employee health and safety aligned with regulations and by continuously investing in employee development.

- » The Company takes measures to minimize direct and indirect impacts of its activities within the framework of combating climate change when evaluating risks and opportunities.
- » Aiming to support renewable energy, energy efficiency, resource efficiency, recovery and recycling projects that play an essential role in transition to a low carbon economy, the Company encourages that the funded equipment is cleaner, more environmentally-friendly, less waste-generating and more efficient.
- » By embracing a responsible procurement approach in procurement processes, it adheres to a fair, honest and impartial supplier selection process.
- » The Company aims to raise awareness and spread sustainability mentality across entire value chain by setting an example for its suppliers, customers and all other stakeholders through its approaches respecting human rights, enabling social justice, and providing equal opportunities.
- » It assesses both financial and non-financial risks by integrating risk management into all business processes with a holistic approach.
- » It follows the activities of multilateral initiatives that conduct national and multinational sustainability studies. It values participation in collaboration platforms in line with its sustainability goals and strategies.
- » The company shares its sustainability performance with all stakeholders through transparent communication channels, and reviews its business methods upon feedback from all its stakeholders.

- » With continuous improvement vision, it regularly reviews and updates İş Finansal Kiralama A.Ş. Sustainability Policy at least once per year to reflect changes in needs and operating circumstances.
- » It shares its sustainability activities through its corporate website.
- » The Environmental and Social Risk Working Group is responsible for updating the Policy. Updates and changes deemed necessary are effective upon approval by the Board of Directors.
- » Compliance with policy provisions is audited within the scope of internal audit.

SUSTAINABILITY SYSTEMS (CONTINUED)

SUSTAINABILITY GOVERNANCE STRUCTURE

To promote sustainability culture at İş Leasing, all employees are expected to fulfill their duties and responsibilities with a sustainability-oriented approach. Sustainability governance was structured within ESMS Project and all sustainability-oriented activities adhere to the established governance structure.

Assessment and management of any economic, environmental and social impact caused by sustainable finance practices is essential for İş Leasing within the scope of its goal of supporting sustainable development and green transformation. The Company acts meticulously to analyze, monitor and manage environmental and social impacts and risks that may arise both directly from its own operations and indirectly through funded projects.

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

General management of internal and external impacts arising from İş Leasing's activities is carried out by ESMS Officers including Corporate Loans Officer, Corporate/Commercial Sales Managers, Financial Management Officer, Treasury and Financial Institutions Officer. The main duties of the ESMS Officers are to ensure the effective management of İş Leasing's external environmental and social risks, to monitor internal environmental and social impacts, to ensure continuous improvement in the ESMS, to represent the ESMS before the Credit Committee and Senior Management of İş Leasing.

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



ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT SYSTEM

To promote sustainability culture at İş Leasing, all employees are expected to fulfill their duties and responsibilities with a sustainability-oriented approach.

İŞ LEASING'S ESMS GOVERNANCE STRUCTURE

ESMS Project, which was initiated by İş Leasing initially to integrate its corporate culture with business processes enabling transition to sustainable and low-carbon economy, was also designed to monitor environmental and social sustainability as well as economic sustainability in leasing practices. This project aims the integration of leasing activities with environmental and social risk management. Sustainability became a central element of business practices along with processes defined under the Project and community-benefit oriented efforts. Therefore, it was aimed to turn both sustainability and the Green Development vision into an essential element of İş Leasing's main strategy. On the other hand, the establishment of this system, allows creation of cumulative positive value for sustainability by raising environmental and social awareness of customers. Under this system, all İş Leasing activities are treated and monitored holistically within the framework of relevant policies and processes.

The processes defined within the scope of the ESMS Project are listed below;

- » Sustainability Governance
- » Identification of Environmental and Social Goals and Targets
- » Assessment of Internal Environmental Impacts
- » Assessment of Environmental and Social Risks in Leasing Activities
- » Competence, Training and Awareness
- » Grievance Mechanism
- » Communication
- » Regulation Updates
- » Internal Control
- » Document Control
- » Management Review

The procedures of all processes designed in the ESMS, which was initiated to ensure economic, environmental and social sustainability, will enable İş Leasing to achieve continuous improvement in line with the following objectives:

- » Assessment of the Company's performance and the internal environmental impacts caused by its operations and consumption.
- » Assessment of the environmental and social risks of leasing customers as well as potential leasing operations.
- » Raising environmental and social awareness of employees

- » Determination of how the complaints, requests and suggestions of employees, customers and other parties regarding direct or indirect environmental and social impacts of İş Leasing's activities will be transmitted to İş Leasing, how they will be recorded, and how the management process will be handled
- » Identifying how to develop, approve, implement and communicate environmental and social goals and objectives
- » Determining and communicating legal and other requirements regarding environmental and social affairs

Within the scope of the project, several subtitles gained spotlight and are reflected in business processes such as energy management, combating climate change, financial inclusion, digital transformation, corporate governance, financial performance and profitability, diversity and inclusion, talent management and the management of environmental impacts. In this way, İş Leasing aims to be a pioneer in the industry by transparent disclosure of environmental and social impact management as well as economic performance. The basic principles for the assessment and management of environmental and social impacts potentially attributable to İş Leasing's activities are published in the Environmental and Social Impact Policy available to stakeholder access.

Under its Environmental and Social Impact Policy, İş Leasing evaluates the potential environmental and social risks and impacts of leasing activities exceeding a certain amount within the framework of national and international regulations, standards and good practices. When deemed necessary, the Company develops action plans and monitors investor activities to mitigate the risk level impacts identified during contract period. In order to raise awareness, İş Leasing informs its customers, suppliers and all other stakeholders about environmental and social affairs and encourages them to develop sustainable practices.

In addition, İş Leasing does not support the activities listed below nor the companies engaged in these activities:

- » Activities that involve harmful and abusive forms of forced labor¹/child labor² which are against human rights
- » Projects that limit people's personal rights or violate human rights
- » Production of weapons of mass destruction and land mines
- » Production and/or trade of any product or activity deemed illegal according to national regulations and international agreements to which it is a party, including:
 - > Production or trade of products containing PCBs (Polychlorinated Biphenyl)
 - > Production and trade of internationally-prohibited drugs, pesticides / herbicides and other harmful substances (Rotterdam Convention, Stockholm Convention)³
 - > Production and trade of internationally banned ozone depleting substances (Montreal Protocol)⁴
- » Activities associated with the manufacturing, commercial use, storage, transportation or trade of products containing friable asbestos fiber
- » Cross-border movements of wastes prohibited by national or international laws (Basel Convention)⁵
- » Activities in wetlands designated as RAMSAR (Wetlands of International Importance) sites
- » Activities that threaten the cultural heritage properties of places in the UNESCO World Heritage List and activities involving significant damage to or destruction of a cultural heritage / Activities involving disputes over, damages to or destruction of a significant cultural heritage

ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT SYSTEM (CONTINUED)

Under the ESMS Project, a mechanism is established to monitor environmental and social sustainability as well as economic sustainability in the leasing processes.

- » Wildlife trade and the trade or production of wildlife products regulated under the CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) Convention
- » Activities related to pornography or prostitution
- » Transportation of oil or other hazardous materials in tankers that do not comply with IMO requirements (IMO, MARPOL, SOLAS and Paris MOU)⁶
- » Production or trade activities of radioactive products (except healthcare equipment, quality control devices and the use of radioactive materials in an extremely limited or insignificant way or where adequate protection is provided)

If a leasing request received by the Company is included in the List of Unaccepted Activities, the request is rejected and the process is stopped. If the leasing activity is not included in the mentioned list, the preliminary evaluation and categorization of the application is performed, and compliance with national environmental regulations is checked. Cross-risk assessment is performed according to the sector in which leased asset will be used, the type of leased asset, the potential environmental adverse impacts of the leased asset, and the social impacts of the transaction. At this stage "Impact", "Manageability" and "Probability" are separately assessed while assessing environmental and social risks of the transaction. At the end of the assessment, the environmental and social risk category (A, B+, B-, C) of the leasing activity is determined.

- » Transactions in category A are identified as potentially risky transactions. Environmental and social assessment is carried out for transactions under category A.
- » Category B+ transactions carry lower negative environmental or social risks compared to Category A. Environmental and social assessment may be requested for category B+ transactions.
- » Category B- transactions are less negative and more limited, minor, site-specific, and have potentially reversible impacts compared to category B+. Although environmental and social assessment is not mandatory for category B- transactions, it is requested when necessary.
- » Category C transactions, on the other hand, consist of activities that have insignificant or no negative potential social and environmental impacts.

İş Leasing establishes an Environmental and Social Management Plan for leasing transactions identified as A, B+ and B- categories. The actions in the plan must be completed by the investor company. In addition, each project categorized as A, B+ and B- is monitored at least once a year.



- 1** Forced labor refers to all actions or services that individuals do not voluntarily work/do, which results from punishment or use of force.
- 2** Forced child labor refers to jobs that monetarily exploit children or affect their development in terms of their education, well-being, physical development, mental health, spiritual development, moral development, or social development.
- 3** <http://www.who.int> and <http://www.pic.int>
- 4** Ozone Depleting Substances (ODS): Chemical compounds that react with and exit the stratospheric ozone, <http://www.unep.org>
- 5** Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, <http://www.basel.int>
- 6** Tankers prohibited by the International Convention for the Prevention of Pollution from Ships (MARPOL), the International Convention for the Safety of Life at Sea (SOLAS) (including but not limited to), the International Safety Management Code, the Paris Memorandum of Understanding on Port State Control (Paris MOU) and a single tanker older than 25 years should not be used due to liquidation as per the MARPOL Regulation 13G. <https://www.imo.org>

DIGITAL TRANSFORMATION

A holistic approach to digital transformation is among key elements of business strategy within İş Leasing.

As a pioneer in leasing sector and well aware of our competitive advantage, İş Leasing meets future by integrating digital technologies into business processes.

İş Leasing shifted its strategic management focus to digitalization in recent years, and made pioneering progress by closely following national and international developments in this field. A holistic approach to digital transformation is among key elements of business strategy within İş Leasing. Steadily continuing its financial support to the real sector, İş Leasing follows the latest innovations in Information Technologies (IT) in order to ensure efficient growth by increasing the speed and quality of its products and services. While digital transformation is considered an indispensable tool for the Company to achieve its goals, time and cost related risks are mitigated by high quality service delivery feasible with digital technology, significant efficiency is achieved in decision-support processes, and positive changes and transformations are observed across all Company processes.

In order to improve all customer services in line with technological changes and requirements, İş Leasing advocates the development of technological infrastructure, including faster data access, data mining, and data processing, improved business processes and business practices, and transformation into high capacity strategic decision-making processes based on flexible and sensitive measurements. In this respect, the Company implements

several projects for infrastructure development and improvement while it also monitors the practices and infrastructures of its competitors to make additional investments in necessary areas.

The activities aimed for the development of technological infrastructure and digitalization gained momentum in 2021.

Within the framework of İş Leasing's vision of change and transformation, a comprehensive project to improve its technological infrastructure and complete its digital transformation was underway and carried on in 2021. Aiming to renew current software used in leasing processes with a web-based interface and mobile support, the project lays out entire processes in an end-to-end fashion from preparation of lease quotations to procurement and the transfer of leased property, without breaking the digital supply chain in order to increase customer influence and market penetration. As a result of the digitalization in background processes and the interfaces yet to be developed, entire customer sales journey will be completed all at once, digital offer bids will be possible, and improved penetration rates of digital channels will be benefited. As part of the project regarding the maintenance, continuity and updates of the system infrastructure, a feasibility study has been completed to locate the infrastructure in a private cloud data center, and shipments of modern equipment into infrastructure location are expected. With the completion of the procurement process, the infrastructure will be transferred to data center, and the emergency center will be moved to Ankara further away from Istanbul. Efforts are underway to automate a significant portion of operational and repetitive work with robotic (RPA) technology. There are plans to execute more complex processes with artificial intelligence. With the technological investments made in line with the Green Transformation Vision, the digital transformation journey of the Company in all business processes continues at full speed, marching confidently to become the leasing company of the future.

İş Leasing's main targets in digitalization are;

- » Providing more agile and stronger technological infrastructure
- » Accelerating solution processes in robot technology, artificial intelligence, machine learning and big data interpretation, which play an important role in all its business processes
- » Effective utilization of data analytics in areas such as offering right products to its customers, pricing, risk management, etc.
- » Integrating a modern communication infrastructure using digital channels more effectively


Infrastructure and business continuity are highlighted within the scope of the main projects planned for 2022-2024. To that end, the Company aims to:

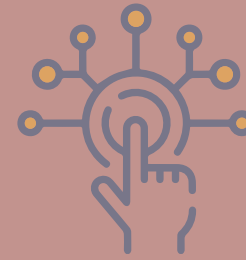
- » Replace obsolete equipment and dispose of or donate them in a proper way,
- » Ensure the use of the most recent versions of software,
- » Provide a payment option by credit card in order to increase payment channels of the customers,
- » Continuously update remote working infrastructure in line with emerging needs, and save energy by removing the dependency on desktop computers in the office,
- » Establish infrastructure to self-enable the personnel to renew their own system passwords to reduce dependency on the Information Technologies teams,
- » Improve infrastructure security and continuity by transferring the management of our existing systems to a data center within private cloud,

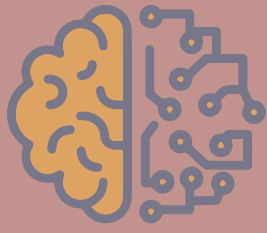
- » Ensure efficient communication by developing the switchboard infrastructure and eliminating the dependency on desktop phones,
- » Implement centralized client management technology in order to ensure updated and stable desktop and laptop computers at end users,
- » Improve operational processes by using artificial intelligence and robotic technologies, save human resources by increasing efficiency and increase customer satisfaction,
- » Ensure the security of the devices used by the personnel during the remote working with disk encryption
- » Update the infrastructure for the best management of the Personal Data Protection Law (PDPL) processes and meeting the evolving needs.


DIGITAL TRANSFORMATION (CONTINUED)

Under the ESMS Project, a mechanism is established to monitor environmental and social sustainability as well as economic sustainability in the leasing processes.

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

İş Leasing establishes strong and secure technological infrastructure, and increases efficiency in business processes, with its easy and quick solutions under information technologies, as well as its efforts to reduce risks in data privacy, digitalization and finance.

DIGITAL TRANSFORMATION (CONTINUED)

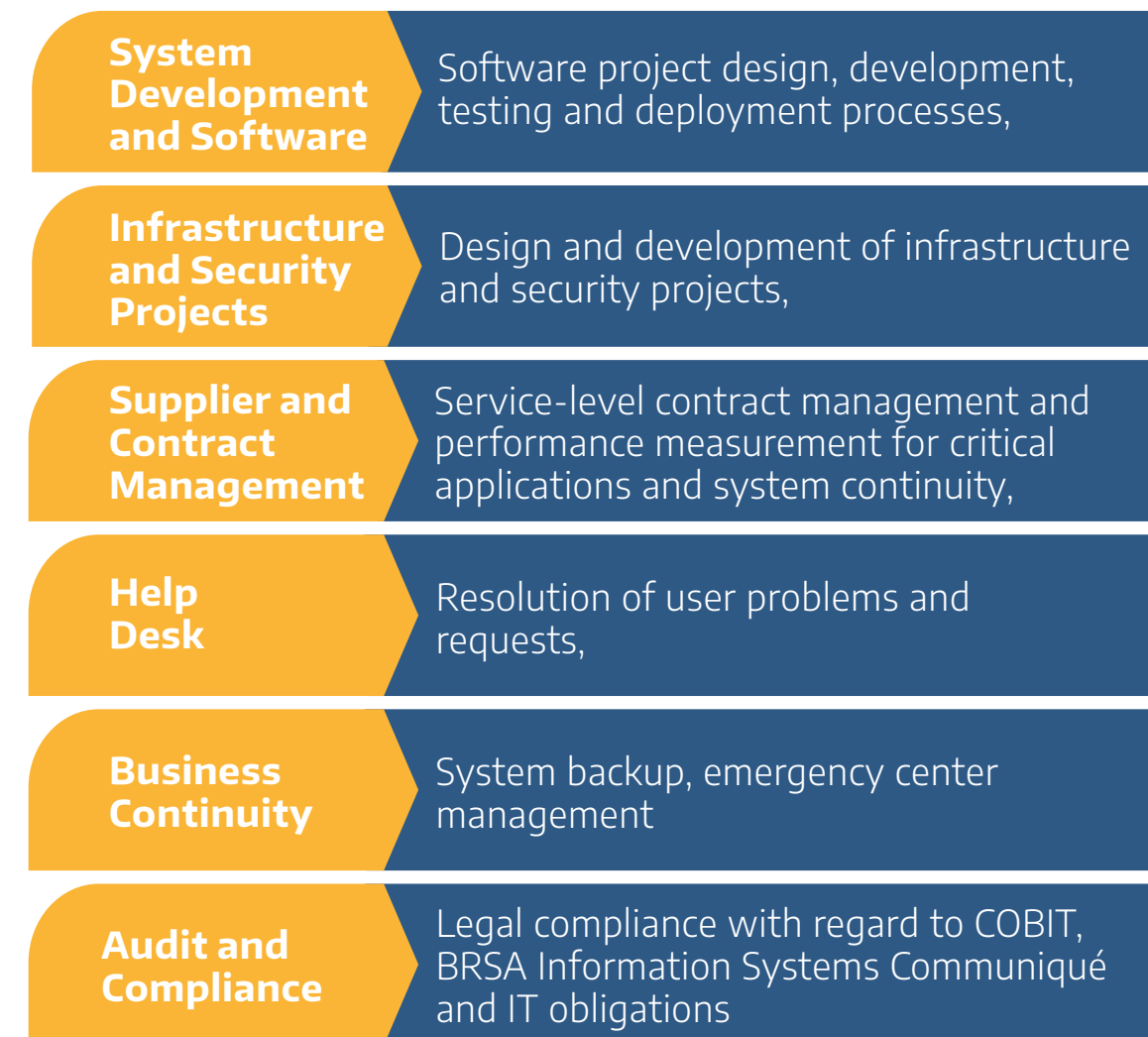
With the technological investments made in line with the Green Transformation Vision, digital transformation of İş Leasing's business processes continues at full speed, marching confidently to become the leasing company of the future.

After-Sales Services and Emergency Center are two essential elements of İş Leasing's customer-oriented service approach. After-Sales Services Unit, which serves through Call Center infrastructure and aims to maintain customer satisfaction, is an important service point for after-sales customer support requests. Updated with the latest technologies, the Emergency Center assures uninterrupted 24/7 service to customers under all conditions.

İş Leasing became one of the most preferred companies in 2021 again and increased its market share to 13.3% in terms of number of customers through its service model which is bolstered by digitalization, efficiency and innovation culture and is constantly improving customer experience.

INFORMATION TECHNOLOGIES AND INFORMATION SECURITY MANAGEMENT SYSTEM

İş Leasing's Information Technologies Department is structured to provide most of the needed services internally and is responsible for all basic IT processes including:



While working meticulously to ensure the security and confidentiality of data, İş Leasing follows technological developments in the field of security and incorporates new technological investments in line with needs.

The Company tries to keep the security culture of all its employees up-to-date by training and awareness activities. İş Leasing employs security products such as firewalls, data loss prevention and file encryption software to ensure information security, and uses technologies such as ID authentication and authorization mechanisms in accessing information systems that allow undeniability and responsibility assignment. Outputs of security products are reported daily and monthly by the Information Technologies Department.

Compliance audits were carried out by an independent audit firm within the scope of the Communiqué on Information Systems Audits of Leasing, Factoring and Financing Companies published by the BRSA (Banking Regulation and Supervision Authority). İş Leasing achieved a successful compliance audit result. Besides, consolidated audits are carried out and the findings are reported by an independent audit firm within the scope of the Control Objectives for Information and Related Technologies (COBIT) audits of İşbank.

In 2021, device security was provided by adding disk encryption application to personnel devices within the scope of IT security in remote working. With remote device management, applications were updated for all users and security levels were increased. Preparations for management of İş Leasing systems by a data center within Private Cloud were completed during the year and the transition will be completed in 2022.

İş Leasing protects information security and takes measures against all risks (like cyber threats) that may disrupt the delivery of secure and uninterrupted services.

AFTER-SALES SERVICES AND EMERGENCY CENTER ARE TWO KEY ELEMENTS OF İŞ LEASING'S CUSTOMER-ORIENTED SERVICE APPROACH.



24/7



The Emergency Center assures uninterrupted service to customers.

ACCELERATING TRANSFORMATION FOR GREEN DEVELOPMENT

216.45

MW total installed power capacity

Combating the Climate Crisis and Decarbonization 35

Environmental Performance Indicators 38

Our responsible investment practices help redefine productivity in the real sector.

ACCELERATING TRANSFORMATION FOR GREEN DEVELOPMENT

İş Leasing is committed to maintaining the “transformative will” outlined by its sustainable finance approach at the center of its strategy.

The sustainability practices of the financial sector have significance that will provide global competitive advantage, in the scope of realization of our country's economic growth journey with the green transformation approach. Directing funding opportunities to sustainable activities and contributing to the green development process by supporting sustainable business models in all sectors are a priority in İş Leasing's responsible investment practices.

The financial transactions of İş Leasing, which are shaped in line with the sustainability principles, are also designed compatible with the EU Green Deal Vision and the EU Taxonomy, and subsequent preliminary preparation process continues. The company aims to help redefine of the real sector's understanding of productivity and accelerate the green transformation, without hindering the right of future generations to live in fair conditions in a clean environment. The main pillars of İş Leasing's sustainable finance practices are ensuring sustainable production utilizing technologies with low ecological footprints, increasing the prevalence of energy efficiency and renewable energy use in the real sector, and accelerating the transition to a circular economy.

İş Leasing is committed to maintaining the “transformative will” determined by its sustainable finance approach at the center of its strategy, so that future generations can live a more prosperous life. Through the Environmental and Social Risk Management System implemented in 2021, the Company actively monitors and evaluates the effects of its operations and activities holistically in the value chain in line with sustainability principles. The results of the ESMS, whose application area and scope in the value chain are expanding every year, are reported to the ESMS Manager and via this channel subsequently to the General Manager, Corporate Governance Committee and the Board of Directors.

İş Leasing is preparing to take pioneering steps to develop its tools within the scope of financing projects by adopting policies that accelerate the transition to a circular economy in order to ensure that the resources in the value chain it creates are preserved in the economy as long as possible, and waste generation is minimized.

COMBATING THE CLIMATE CRISIS AND DECARBONIZATION

İş Leasing aims to create a positive ecological impact with its decarbonisation plans.

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

Funding of Renewable Energy	2013-2017	2018	2019	2020	2021
Amount of funding provided to renewable energy projects (USD)	66,783,815	2,200,000	8,080,665	39,286,734	39,837,353
Installed power capacity of funded renewable energy projects (in year - new) (MW)	80.40	2.30	13.60	49.48	70.67
Total installed power capacity of funded renewable energy projects - consolidated (MW)	80.40	82.7	96.3	145.78	216.45

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

İş Leasing aspires to become a carbon neutral financial institution by 2024 by eliminating the carbon footprint of its operations after completing its corporate greenhouse gas inventory calculations in 2021 in line with international regulations. The company plans to take the first steps in advanced carbon management and net zero emission studies to prepare emission reduction approaches extending to 2040 and 2050 with the methods determined by the Science-Based Targets Initiative (SBTi) in a way that will be effective across the entire value chain.

Reducing greenhouse gas emissions is a corporate principle that supports ethical investing practices that increase awareness across the whole value chain and promote climate change action. İş Leasing actively supports initiatives that facilitate the transition to a low-carbon economy and green transformation methods by creating solutions to the climate change in order to leave a more habitable planet for future generations.

RENEWABLE ENERGY INVESTMENTS

Increasing the rate of use of renewable energy by providing access to sustainable, clean and modern energy is the most effective tool of green development theory that enables sustainability transformation in sectors. Providing funding for renewable energy investments is among İş Leasing's strategic priorities.

İş Leasing provided USD 40 million in funding to renewable energy projects in 2021. The total installed power capacity of the renewable energy projects that İş Leasing funded reached 216.45 MW in 2021. This funding approach stands out particularly in the solar energy sector.

ACCELERATING TRANSFORMATION FOR GREEN DEVELOPMENT (CONTINUED)

İş Leasing funded USD 156.2 million to renewable energy projects.

Approximately 124 MW Solar Power Plant (GES), 63 MW Wind Power Plant (RES) and 1 MW Biomass Power Plant (BES) are among the renewable energy projects financed. Apart from these, İş Leasing financed a cogeneration project with a total installed capacity of 14 MW.

İş Leasing had 60 active projects financed by the end of 2021. In addition, there are 14 projects to receive funding allocation worth US\$ 25.5 million with a capacity of 33.21 MW in the upcoming period. It has put into action a total of 60 projects with a combined capacity of 216.45 MW, and up until the end of 2021, it has funded USD 156.2 million to these projects including projects with ongoing risk and projects with no risks left.

ALIGNMENT WITH THE GLOBAL VISION

The COVID-19 pandemic process has emphasized the need for increased global efforts on sustainability practices by all stakeholders at all levels. Building a sustainable and inclusive global economy has moved up in the international community's list of priorities during the post-pandemic recovery era. The largest environmental and social risk area is the failure of the action plans created to tackle climate change, according to the World Economic Forum's Global Risks 2021 Report. The risks expressed in the report are at a level that could cause global destruction.

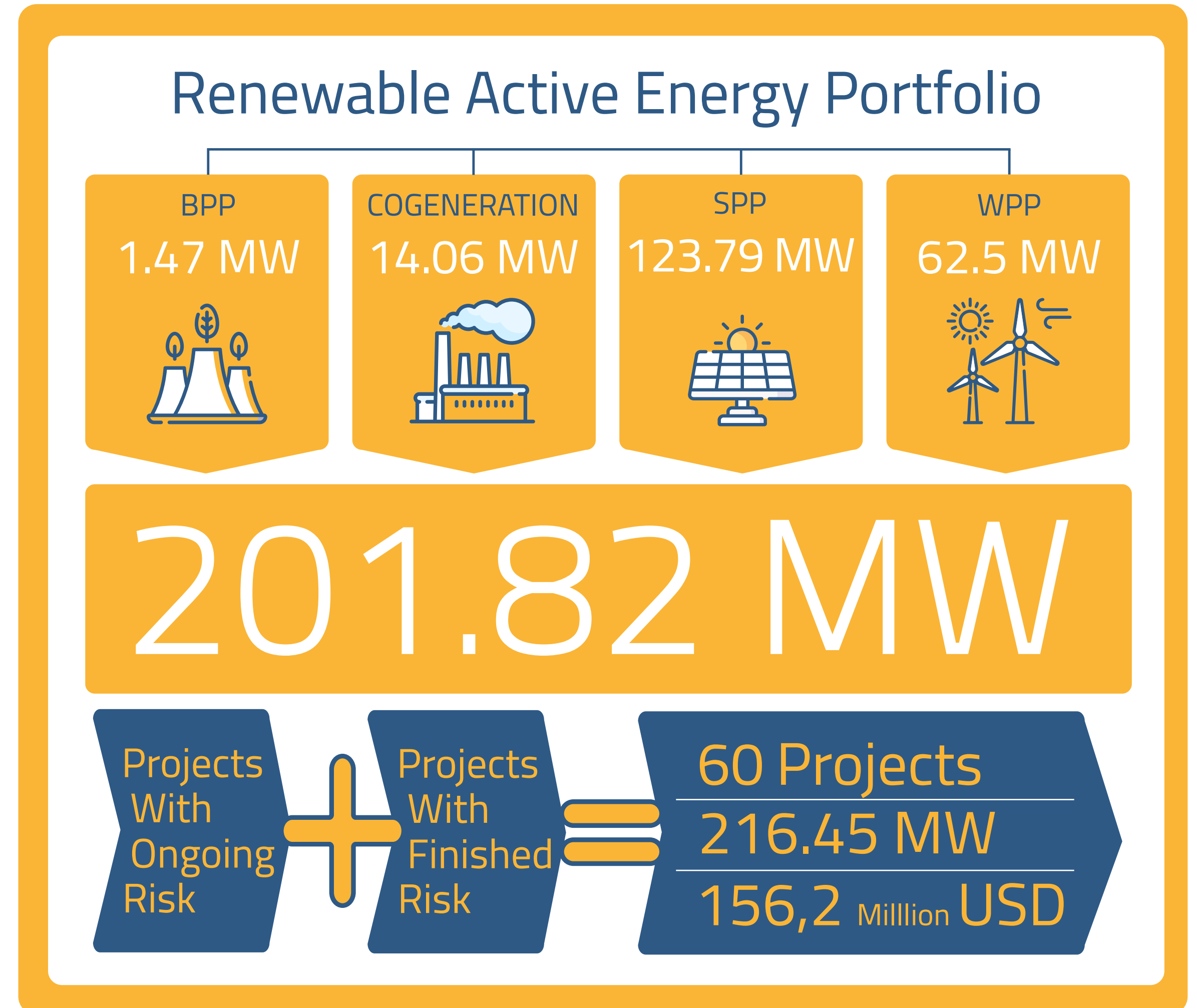
The green development vision defines sustainability-related elements as an integral part of the financial sector. Sustainable finance practices aim to evaluate environmental, social and governance issues (ESG) while making investment decisions and to direct finance to sustainable economic activities and projects.

Within the scope of the global financial market, a distinctive classification system (taxonomy) is being developed with global sustainability standards, which creates a list of environmentally sustainable economic activities in order to direct investments to sustainable projects and activities and helps companies determine which of their economic activities are environmentally sustainable.

İş Leasing has accelerated its efforts to comply with global sustainability standards, which are being developed by taking into account all risks that may have an impact on the global financial system. The company aims to reduce ESG risks defined by global standards and regulations with appropriate governance and assessment approaches.

In our country, issues such as the preparation of national green taxonomy legislation and national green finance strategy, and the creation of infrastructure for the definition, measurement and management of climate-related financial risks have been prioritized by policy-making institutions.

İş Leasing aims to benefit more from national and international green finance markets by closely monitoring the studies on the development of sustainable finance instruments and the green bond market in our country.



TURSEFF (TÜRKIYE SUSTAINABLE ENERGY FINANCING FACILITY)

İş Leasing proceeds to promote green ventures as one of the designated financial institutions within the umbrella of TurSEFF (Türkiye Sustainable Energy Financing Facility), since 2020. An essential success story was achieved in 2021 with 305 projects funded by İş Leasing under the umbrella of TurSEFF, the majority of which were environmentally friendly agricultural initiatives.

The Turkish Sustainable Energy Financing Facility, or TurSEFF, is a financing initiative which was designed with the notion of sustainability at its heart. TurSEFF, the Turkish implementation of the SEFF/GEFF initiative carried out by the EBRD (European Bank for Reconstruction and Development) in 26 countries around the world, provides financing and technical support to green investments of SMEs, large companies, municipalities and public institutions. These green investments cover all components of sustainability in a wide range from electric motor replacement of SMEs to roof and land type solar energy investments, from sustainable energy projects made by large enterprises through ESCO to public transportation, drinking water, waste water and energy investments of municipalities.

Notable achievements via projects supported by İş Leasing within the scope of TurSEFF;



1

40 MILLION EUROS FUNDING IS GENERATED

ANNUAL ENERGY SAVINGS REACHED 4.6 MILLION EUROS

2



3

12.3 MW OF INSTALLED POWER WAS ADDED IN THE FIELD OF RENEWABLE ENERGY

48,777 TONS OF CARBON EMISSIONS WERE AVOIDED

4



5

14 THOUSAND MWH ENERGY EFFICIENCY WAS ACHIEVED

ENVIRONMENTAL PERFORMANCE INDICATORS

İş Leasing finalized the corporate greenhouse gas inventory calculation based on 2021 with an operational control approach. Internationally accepted IPCC (Intergovernmental Panel on Climate Change) and GHG Protocol (Greenhouse Gas Protocol) are taken as reference in the greenhouse gas inventory calculation approach of the Company. IPCC, TIER-1 methodology was used for the greenhouse gas calculations of İş Leasing within the determined limits, and the TIER-2 methodology was used for the activity data when national information is available. In corporate greenhouse gas electricity emission factor calculations, Türkiye Elektrik Üretim A.Ş. production data is used based on 2021. TIER-2 methodology was followed as a method for Scope-2 energy indirect greenhouse gas emissions. In the inventory calculations of İş Leasing, emission factors in the IPCC 5th Evaluation Report, which is the most common and reliable source for country-specific emission factors, and country-specific lower calorific values and density data of fuels are used.

Greenhouse Gas Emissions by Scope, 2021

Emissions	CO ₂	CH ₄	N ₂ O	Ton CO ₂ e	Percentage (%)
Scope 1	372.67	0.49	5.36	378.52	70.52
Scope 2	20.23	0.01	0.06	20.30	3.78
Scope 3	137.89	0.00	0.02	137.92	25.70
Total	530.79	0.50	5.44	536.74	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.

When the emission scopes are compared, the biggest emission source of İş Leasing is Scope 1 emissions, which has a share of 70.52% with 378.52 tCO₂e. Scope 2 emissions have a share of 3.78% with 20.03 tCO₂e, and Scope 3 emissions have a share of 25.70% with 137.92 tCO₂e.

Scope 1 Emission Distribution, 2021

Fuel Type	2021 (tCO ₂ e)	Percentage (%)
Company vehicles (diesel)	167.76	44.32
Company vehicles (gasoline)	141.90	37.49
Natural gas	67.51	17.84
LPG	0.02	0.01
Generator (diesel)	1.33	0.35
Total	378.52	100.00

The largest share in Scope 1 emissions is the fuel consumption of diesel company vehicles with 44.32%, corresponding to 167.76 tCO₂e greenhouse gas emissions. After the emissions from company vehicles, the largest share belongs to natural

gas fuel consumption with 17.84%. Greenhouse gas emissions from natural gas consumption have been calculated as 67.51 tCO₂e for 2021. Emissions from diesel fuel generators have a share of 1.33 tCO₂e with a share of 0.35%, while emissions from LPG consumption have a share of 0.02 with a share of 0.02 tCO₂e.

Scope 3 Emissions Distribution, 2021

Fuel Type	2021 (tCO ₂ e)	Percentage (%)
Capital assets	9.85	7.25
Company office equipment	6.89	5.07
Computer equipment	1.03	0.76
Computer	1.93	1.42
Fuel and energy related activities	92.33	67.97
Emissions from company vehicles (diesel) transmission/distribution	38.36	28.24
Emissions from company vehicles (gasoline) transmission/distribution	38.34	28.23
Emissions from fuel (natural gas) transmission/distribution	12.04	8.86
Emissions from generator (diesel) transmission/distribution	0.31	0.23
Emissions from electricity transmission/distribution	3.28	2.41
Waste originating from the operation	0.02	0.02
Paper consumption	0.02	0.02
Business trips	2.33	1.72
Business flights – domestic flights	0.55	0.41
Business flights – short haul (Europe)	1.78	1.31
Employee transportation	31.30	23.04
Shuttles	31.30	23.04
Total	135.84	100.00

İş Leasing's Scope 3 emissions specified under the Greenhouse Gas Protocol are calculated in the categories of capital assets, fuel and energy-related activities, waste originating from the operation, business trips and transportation of employees. Fuel and energy-related activities have the largest share among the categories, with 67.97%. Emissions in the category are caused by transmission losses for fuel and electricity, and its total emissions are 92.33 tCO₂e. The second biggest emission source is the transportation of employees with 23.04%. In this category, İş Leasing's emissions from shuttle usage for employees are calculated and its total emissions are 31.3 tCO₂e. The third largest source of emissions belongs to the category of capital assets. In this category, company office equipment has a share of 5.07%, computer equipment 0.76% and computers 1.42%. The total emission from capital goods is 9.85 tCO₂e and its share in Scope 3 emissions is 7.25%. Business travels have a share of 1.72% with 2.33 tCO₂e, while the share of emissions from paper consumption is 0.02%.

ENVIRONMENTAL PERFORMANCE INDICATORS (CONTINUED)

Energy Consumption, 2021		
Fuel Type	2021 (GJ)	Percentage (%)
Vehicle Fuels	4,230.48	71.80
Company vehicles (diesel)	2,229.57	37.84
Company vehicles (gasoline)	2,000.91	33.96
Building Fuel and Electricity	1,392.63	28.20
Electricity	159.97	2.71
Natural gas	1,202.29	20.40
LPG	0.35	0.01
Generator (diesel)	17.82	0.30
Total	5,623.11	100.00

Measurements indicate that İş Leasing's energy consumption was primarily driven by the usage of fuel for its cars (71.80%) and fuel and electricity for its buildings (28.20%) in 2021. Diesel fueled vehicles account for 37.84%, while gasoline fueled vehicles account for 33.96%. Their energy content is 2.229.57 GJ for diesel vehicles and 2.000.91 GJ for gasoline vehicles. Considering the energy distribution based on fuel and electricity consumption in the buildings, it is seen that natural gas with 1,202.29 GJ, 20.40%, electricity with 159.97 GJ and 2.71%, since the General Directorate procures its electricity consumption from renewable energy sources (IREC), electricity-renewable (IREC) With 281.35 GJ, 4.78%, with 17.82 GJ, diesel fuel generators have a share of 0.30% and with 0.35 GJ, LPG has a share of 0.01%.

I-REC (International Renewable Energy Certificate), defined as Renewable Energy or Green Energy Certificate, provides traceability of the source and attribute of the energy produced and shows that the electricity used is produced from renewable energy sources. It is one of the basic documents for the studies carried out for the purpose of sustainability. İş Leasing saves a total of 281.35 GJ with its I-REC certificates. This value corresponds to 35.71 tCO₂e greenhouse gas reduction.

İş Leasing's greenhouse gas emissions are calculated by consolidating greenhouse gas activity data. Data are the data obtained from the meters billed by the distributor companies. The main factors that can affect data quality are the accuracy of the measuring instruments, the calibration of the measuring instruments, and deviations in temperature and pressure for some fuels. In the calculation of other indirect emissions, the 10% uncertainty rate used by the IPCC for unknown sources is taken as reference. In the analysis made with the uncertainty levels for the activity data and emission factors related to the emission sources of İş Leasing, the uncertainty of the greenhouse gas inventory of İş Leasing for 2021 was calculated as 3.4%. An uncertainty ratio of less than 5% is considered reasonable.

Water Consumption			
	2020	2021	Difference (%)
Water consumption (m ³)	1,353	658	-51.37
Emission due to water consumption (tCO ₂ e)	0.20	0.09	

Water Consumption, Detailed				
Location	Area (m ²)	Number of Employees	Total Water Consumption (m ³)	
			2020	2021
Headquarters	2,029	101	1171	465
Branches	1,038	43	182	193

Paper Waste			
	2020	2021	Difference (%)
Paper Waste (kg)	1,282	972	-24.18

As for electronic waste, a total of 38 end-of-life electronic wastes, including 17 Desktops, 1 DLT Backup Unit, 13 Monitors, 1 Notebook, 2 Servers, 2 Switches, and 2 printers, were sent for recycling. 22 usable desktop computers were donated to four different schools within the scope of corporate social responsibility.

In 2021, there were no penalties assessed against İş Leasing within the scope of environment or environmental management issues.

ENVIRONMENTAL PERFORMANCE INDICATORS (CONTINUED)

Employees of İş Leasing are well aware of our country's geography which carries an inherent huge risk of water stress and water shortages due to climate crisis. The company makes maximum efforts to prevent waste, save water and reduce paper waste in its operating locations. Cumulative water consumption and emission arising from water consumption in 2021 at the Company's locations decreased by 51% whereas paper waste decreased by 24% compared to 2020.

**EMISSION
REDUCTION
DUE TO WATER
CONSUMPTION**

51% ↓

**PAPER
WASTE
REDUCTION**

24% ↓



SUPPORTING COMMUNITY DEVELOPMENT AND ALLOWING FAIR MOBILITY

İş Leasing aims to expand its corporate sustainability and green transformation approach throughout the entire value chain



Human Resources Practices	42
Corporate Social Responsibility	50
Social Performance Indicators	51

HUMAN RESOURCES PRACTICES

The main purpose of human resources activities is to become the most preferred company in the leasing sector and to develop strategies that prioritize employee happiness and job satisfaction.

İş Leasing employs a talent management system, which emphasizes employee satisfaction.

İş Leasing, one of the leading companies in leasing sector in Türkiye, adopts an approach that implements sustainable and transparent human resources policies respectful to human rights and mindful of employee satisfaction along with sustainable finance and green transformation vision. It offers its employees an inclusive and professional working environment with fair and equal opportunities, aims to maintain lasting employment relationships in human resources policies by ensuring the health and safety of its employees according to legal regulations and practices and by continuously investing in employee development. İş Leasing's human resources strategy is to efficiently manage its human resources, which it regards as its most important asset, in line with its vision, mission and goals; to form an elite, dynamic, creative, difference making, effective, and highly competitive and valuable team; to attract qualified labor through improvement and change; to continuously support the development of professional knowledge, skills, and organizational and personal abilities of the team; and to

motivate and develop practices in order to raise employee performance to the top.

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

DISTRIBUTION BY GENDER AND AGE GROUP

Embracing fair mobility in equal representation, İş Leasing plays an active role in reducing inequalities for inclusive, diversified and sustainable development, and in balancing female employment rate and executive representation in the finance sector upon awareness that women's participation in social and economic life is invaluable. Since its inception, the Company embraced female employee support as a constant principle. In order to reinforce this approach in the international arena, it aims to share its goal of being an equitable and inclusive company in the leasing sector with all its stakeholders and the public, by signing the United Nations Women's Empowerment Principles (UN WEPs) in 2022. In 2021, İş Leasing's female employment ratio was 51%, and female executive ratio was 38%.

İş Leasing's employees between the ages of 30-45 has a large proportion (76%) in the Company. The age range of 18-30 corresponds to 8% of the Company's human resources, while 16% of the Company consists of employees over age 45.

Distribution of Employees by Gender (%)			
	2019	2020	2021
Female	51%	51%	51%
Male	49%	49%	49%

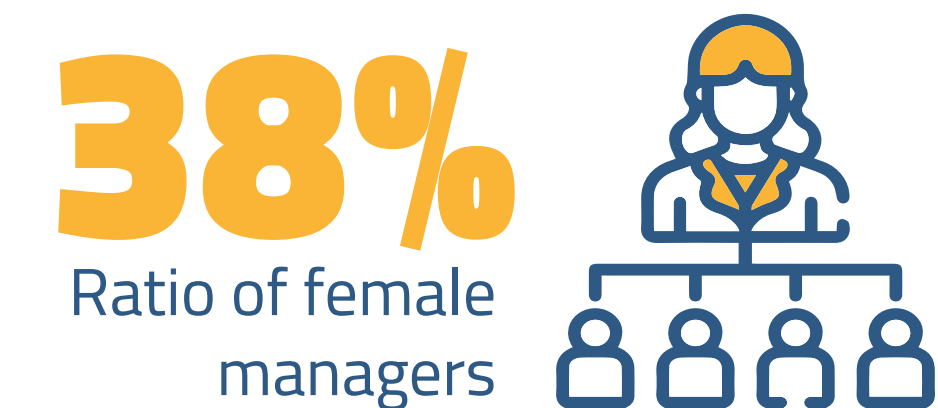
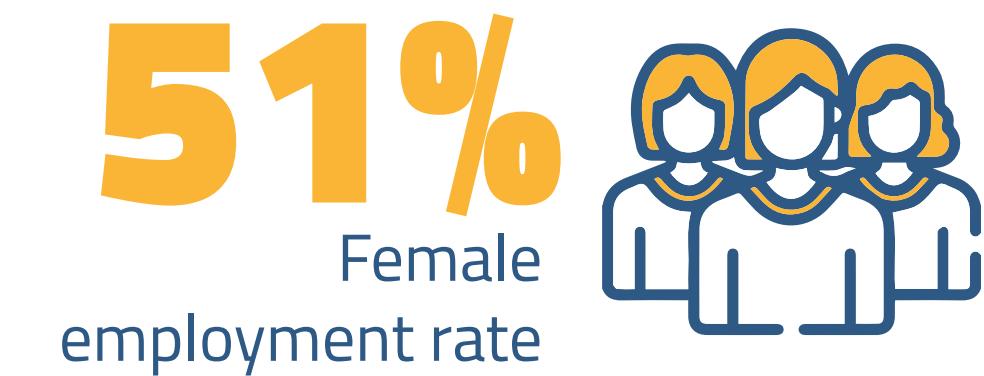
Distribution of Mid-level and High-level Executives by Gender (%)			
	2019	2020	2021
Female	40%	38%	38%
Male	60%	62%	62%

Distribution of Employees by Age (%)			
	2019	2020	2021
18-30	19%	11%	8%
30-45	72%	74%	76%
45+	9%	15%	16%

Employee Turnover			
	2019	2020	2021
New Recruits	11	13	15
Job Terminations	20	10	13

Distribution of Employees Requiring Special Attention (%)			
	2019	2020	2021
Female	2	2	2
Male	0	1	1

In 2021, 13 employees resigned from İş Leasing. The number of employees who left their jobs voluntarily due to different reasons is 9 and it corresponds to 6% of the total employees. The employee turnover rate in the Company was 9.4%.



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

HUMAN RESOURCES PRACTICES (CONTINUED)

We support new ideas and suggestions to achieve success.

In order to systematically ensure the active participation of employees in decision-making processes, İş Leasing creates proper mechanisms where employees can express themselves, and evaluates these mechanisms for Company and employee development, and transfers them into managerial decision processes. The advanced corporate culture that embraces democratic suggestions, complaints and improvement mechanisms is İş Leasing's clearest assurance in the field of human resources. A suggestion system where employees can submit their suggestions regarding activities and practices, as well as an online communication platform where employees can directly send all kinds of requests and complaints to the senior management, is active in the Company. İş Leasing, which highly regards the opinions and suggestions of its employees and believes that success is a march together, receives the opinions of the employees through the Corporate Portal via the already existing "Employee Committee", and evaluates them effectively and implements improvement activities.

İş Leasing employees are informed about the objectives and activities of the Company through performance appraisal meetings, and they also have access to information published on the Corporate Portal internal sharing system.

İş Leasing employees have various opportunities to develop their careers within the Company.

Improvement areas are identified by regular employee satisfaction surveys and improvements are made. In this context, a high level of motivation and talented employee loyalty is achieved.

TALENT MANAGEMENT

İş Leasing considers investing in human resources, its most important asset, as one of its sustainability priorities.

In light of organizational and individual development needs, İş Leasing considers investing in human resources, its most important asset, as one of its sustainability priorities. İş Leasing family is mindful of importance of training for employees at all levels, and within this scope, training programs are planned, monitored and evaluated in three different areas: professional, managerial and personal development.

In line with its main strategy, İş Leasing also embraces the principles of sustainability-oriented corporate integrity, transformation and capacity increase, as well as funding the projects that will support economic growth and domestic employment in line with Green Development principles.

Within the scope of its green development and digitalization vision, the creation of globally defined new job descriptions is imperative to İş Leasing and it accelerates its efforts to expand fair mobility practices across the entire value chain in the 2022-2024 period.

Well aware of the importance of a well-designed performance management system in employee development, performance evaluations are carried out regularly at İş Leasing for professional, managerial and personal development of its employees. In 2021, 94% of the employees were subjected to a regular performance evaluation process. Performance evaluation results are shared with employees through feedback covering the entire year.

Percentage of Employees Receiving Regular Performance Feedback (%)

2019	2020	2021
96%	94%	94%

TRAINING

Training in İş Leasing

	2019	2020	2021
Total (person X hours)	1,120	158	575
Female	628	113	228
Male	492	45	347

İş Leasing believes that one of the basic components of sustainable success is regular training activities, and accordingly organizes trainings in line with corporate and employee needs. In addition, Company employees are encouraged for trainings of The Banks Association of Türkiye, employee training is subsidized for the licenses under professional licensing directive, and examination and license fees are covered by the Company. In 2021, trainings were provided to Company employees on anti-bribery and anti-corruption combat, sustainability and OHS, thus contributions were made to employee knowledge and awareness.

IN 2021, 499 HOURS OF TRAINING ACTIVITIES WERE CARRIED OUT WITHIN THE SCOPE OF TECHNICAL AND MANAGERIAL SKILLS AND 342 HOURS OF TRAINING ACTIVITIES WERE CARRIED OUT WITHIN THE SCOPE OF CAREER DEVELOPMENT.

499

hours of managerial skills training



342

hours of career development training



TRAINING (CONTINUED)

With sustainability trainings, we accelerate the integration of sustainability into all our processes and our corporate culture.

TECHNICAL TRAININGS

- » IT Audit Training-Online
- » Accounting in Financial Institutions
- » Financial Restructuring Training
- » Advanced Microsoft Excel Training
- » Comparative and Applied International Financial Reporting Standards (IFRS) and Turkish Accounting Standards (TMS) Education
- » Legal Follow-up Process in Non-Performing Loans Follow-up Law Training
- » SPL Investor Relations Concerns Training-Online
- » Turkish and World Economy: Indicators and Developments Training
- » Compliance Program Training

CAREER DEVELOPMENT TRAININGS

- » Effective Sales Management in VUCA Terms
- » Sales Performance Management in VUCA Terms

The training expenses of İş Leasing's employees in 2021 totaled 78,642 TL.

In line with the training needs analysis, it is planned to conduct a 6-hour "New Vision of Sustainability Management and Corporate Greenhouse Gas (GHG) Calculation" training for 28 members of the Sustainability Committee in 2022. İş Leasing periodically carries out content and needs analysis studies in order to provide its employees with appropriate and visionary trainings every year within the scope of sustainability, transition to circular economy, green development and decarbonization priorities.

Distribution of Trainings	
Bribery and Anti-Corruption Training	2021
Number of People	139
Person x Hours	139
Sustainability Education	2021
Number of People	141
Person x Hours	846



STAKEHOLDER OPINIONS

ANIL ÇELİKBAŞ

İŞ LEASING

“SUSTAINABILITY IS A PERSPECTIVE THAT EMBRACES ALL ASPECTS OF IMPROVING AND SUPPORTING THE RESOURCES OF THE PLANET WE LIVE IN. FUTURE GENERATIONS SHOULD ALSO HAVE ACCESS TO THE RESOURCES WE HAVE TODAY.”

“As an İş Leasing employee, I am proud of our company's nature-friendly and firm stance.”



It is critical that leasing sector supports access to funding and capital investments in strategically important sectors for sustainable growth.

Putting sustainability approach into the core of its business model, İş Leasing carries out ecologically innovative activities such as paper consumption reduction in its operations, garbage sorting in offices, increasing employee awareness through trainings on the importance of sustainability, and environmental cleaning activities with employee participation.

In line with the sustainability strategy, the areas that İş Leasing is most successful are garbage sorting in the offices, raising stakeholders' awareness through environmental cleaning activities, increasing anti-bribery and anti-corruption trainings, supporting female employment and the principle of equality among all employees, contributing to the reduction of greenhouse gas emissions by prioritizing renewable energy projects, and minimizing energy consumption. With these strategic decisions, the aim is to use the existing resources in a more balanced and sustainable way, to reduce greenhouse gas emissions, and to increase the stakeholders' awareness by following a nature-friendly policy. The Company actions on all these subjects play an essential role in raising social awareness by creating a kind of butterfly effect for its stakeholders.

Possessing an effective corporate governance to ensure sustainable employee performance, İş Leasing has adopted a transparent, accountable and ethical management style. Our company, which has a transparent management approach equidistant from its employees, firmly establishes a relationship of trust between all employees.

Sustainability is a perspective that embraces all sorts of improvement and support for the resources of the planet we live in. The main sustainability issues that İş Leasing should focus on are developing recycling projects for wastes that are difficult to dissolve in nature such as plastics, batteries, etc., implementing plans that increase water efficiency, encouraging employees to develop sustainability action plans.

I am very pleased to work in an entity that makes positive contributions to its employees about the future of our country and that is a pioneer in the sector with a firm stance in social responsibility. I consider myself very lucky to be a part of this Company due to several reasons such as its contributions of educational technological equipment to new generations in a rapidly changing world; its support for sustainable life with the business world and precautions against global warming as a member of SKD, the regional unit and business partner of the World Business Council for Sustainable Development in Türkiye; its support for sustainable agriculture and food; its collaboration initiatives with other companies in supporting sustainable finance, circular economy and sustainable industry; and its efforts to lead the sector by assuming social responsibility; and especially because it is one of the leading companies in the sector in female employment.

Working in an organization that respects nature is crucial in order to fulfill our responsibility to future generations. With a firm stance on sustainability, İş Leasing takes environmentally friendly steps and carries out nature-friendly projects by strategic decisions. In order to protect the environment, it does not support projects that poison nature, air and food with chemicals. As an İş Leasing employee, I am proud of our company's nature-friendly and firm stance.

İş Leasing strives to provide the best possible working environment for its employees, and contributes to the personal development of its employees with its dynamic working environment embracing continuous development. Having a clear job description, the opportunity to work with multiple managers, the opportunity to participate in meetings with foreign stakeholders, the advanced technological infrastructure, the presence of a clear vision and mission all make significant contributions to my personal and professional development as an İş Leasing employee. İş Leasing, a subsidiary of Türkiye's largest bank, makes its employees feel special with its approach and regard for employees. Despite the adverse market conditions, our company always stands by its employees and protects them against inflation.

İş Leasing believes that one of the basic components of sustainable success is regular training activities, and organizes trainings in line with corporate and employee needs. İş Leasing constantly raises employee awareness in sustainability by embracing sustainability trainings.

STAKEHOLDER OPINIONS (CONTINUED)

ARIF ERGİN

TURSEFF – CHIEF MARKETING ADVISOR

İŞ LEASING IS BECOMING ONE OF THE PROMINENT FINANCIAL INSTITUTIONS IN THE SECTOR BY INCORPORATING “SUSTAINABILITY FINANCE” APPROACH WITH ITS INNOVATIVE AND SUSTAINABLE LEASING SOLUTIONS DEVELOPED FOR VITAL SECTORS FOR THE CLIMATE CRISIS SUCH AS AGRICULTURE.

“The need for green finance products that need to be developed for the financing of global transformation and green investments is increasing.”



While the world's population is expected to reach 10 billion people in the next thirty years, people's demand for products, food, energy and water necessary for their lives have placed a great pressure on the already scarce resources even today. Besides, majority of the population now live in cities and city dwelling rate is increasing every day. The only way to meet the increasing needs of cities for housing, public transportation, clean water, food and energy with scarce resources under pressure is to introduce and expand sustainable systems centered around efficiency and circularity in all aspects of life.

Our planets ecology has come to the point of depletion due to human built economic systems. Climate crisis has now become one of the most important future concerns for even ordinary people on the street. Organizations such as European Union and United Nations took a leading role to bring a global solution to global climate crisis, and started implementing their sustainability action plans aimed at efficient use of resources to combat the climate crisis. For example, the European Union declared its concrete targets with its action plan labeled the Green Deal, and started implementing several mechanisms that will connect its member states and business partners. According to this plan, all EU countries have started to work with the goal of reducing net greenhouse gas emissions to zero by 2050. The EU Green Deal action plan considers green transformation as a global and holistic development goal that 'does not exclude anyone and anywhere' and works in harmony with the Global Development Goals set by the United Nations under seventeen main headlines.

This global transformation undoubtedly brings with it an enormous funding need. The need for developing green funding services to fund green investments includes many subtitles such as banking, insurance, leasing and wealth management, heralding an imminent huge transformation in the entire financial system. The laws of the sustainability concept, which started globally and spread out to countries

in waves, are forcing financial markets, academic world, public and private sectors to change irrevocably.

Türkiye Sustainable Energy Financing Facility: TurSEFF, as its name suggests, is a funding program developed around the concept of sustainability. TurSEFF, the Türkiye version of the GEF initiative carried out by the EBRD (European Bank for Reconstruction and Development) in 26 countries around the world, can provide funding and technical support to green investments of SMEs, large companies, municipalities and public institutions. These green investments cover a wide range of all sustainability components from electric motor replacement in SMEs to roof and land type solar energy investments, and from sustainable energy projects of large enterprises through ESCO to public transportation, drinking water, waste water and energy investments of municipalities.

After İş Leasing became one of the TurSEFF partner financing institutions in 2021, several joint activities and projects were funded on the basis of sustainability. A total of 305 projects, mainly green projects from the agricultural sector, were financed and a notable success story was achieved in a frame of one short year;

- » A total of 305 green projects were financed with TurSEFF.
- » € 40 million funded for these projects.
- » The annual savings achieved amounted to € 4,622.155.
- » Realized 12.3 MWe1 installed capacity in renewable energy.
- » 48,777 tons of carbon emissions were avoided.
- » 14 thousand MWh of energy efficiency achieved through financed projects.

In addition to the funding and technical support given to sustainability projects within the scope of TurSEFF, TurSEFF also provides awareness and capacity building support to all relevant sector stakeholders, companies and partnering banks and leasing institutions. The aim here is to ensure both environmental and financial sustainability. To boost knowledge and interest in green investments by awareness raising activities is targeted to promote these investments in our country.

In this context, İş Leasing and TurSEFF cooperated successfully and organized multiple capacity building events in a short time. While a total of 112 people attended 26 trainings organized in the fields of Resource Efficiency, Renewable Energy, and Sustainability in the Textile and Agriculture Sector, TurSEFF Trainers' Training (TOT) was given to 12 people, contributing to the continuity of the sustainability concept within the organization.

İş Leasing is becoming one of the prominent financial institutions in the sector by incorporating “sustainability finance” approach with its innovative and sustainable leasing solutions developed for vital sectors for the climate crisis such as agriculture and by its quick TurSEFF adaptation. İş Leasing's sustainability-oriented approach is already turning into a success story for TurSEFF, since incorporation of sustainability-oriented financing solutions for partnering financial institutions is among the main objectives of TurSEFF.

STAKEHOLDER OPINIONS (CONTINUED)

OKAN B. ACAR

HASEL İSTİF MAKİNALARI SAN. TİC. A.Ş.
GENERAL MANAGER

“WE BELIEVE THAT İŞ LEASING WILL SET AN EXAMPLE AND BE A LEADER IN THE SECTOR WITH THE PROJECTS IT HAS IMPLEMENTED AND CONTINUE TO IMPLEMENT IN THE FIELD OF SOCIAL BENEFIT AND SOCIAL RESPONSIBILITY.”

İş Leasing is among rare companies in Türkiye in its sector, acting on ethical issues such as honesty, impartiality, reliability, transparency and respect for the environment. We are pleased with lasting cooperation we have established in line with the adherence to and adoption of business ethics by İş Leasing employees.

We believe the areas İş Leasing is most successful at in line with its sustainability approach are digital transformation, corporate governance and business ethics, talent management and communication with stakeholders. In addition to these, we expect it to create significant awareness by leading the leasing sector in energy and climate change, and environmental and social risk management.

Working on a response in line with its prioritization analysis to climate change, one of the biggest problems of our time, İş Leasing focuses its sustainability strategy on energy and resource efficiency, waste management, support for the transition to a low-carbon economy, environmental and social risk management, employment support, corporate integrity and transformation. The main elements of its sustainability strategy are classified as energy, water, raw material and resource efficiency, funding renewable energy projects, funding projects that will support employment in the country, support for the transition to a low-carbon economy, environmental and social risk assessment of investment projects, waste management and corporate integrity and transformation.

In order to create social benefit, İş Leasing should increase its activities in the field of social responsibility, and continue its projects in the field of social responsibility for an educated society and a clean and healthy environment. We think that İş Leasing will become an exemplary leader in its sector by its past and future projects in this field.

Regardless of the sector, digitalization today comes first among topics we talk about. With digitalization, our lives began to change rapidly and business methods began to differ in many sectors. We believe that one of the most important focal points of sustainability for İş Leasing should be digital transformation which was ubiquitous in recent years. We expect İş Leasing to focus on primarily digitalization, as well as sustainable financial performance, climate change, energy efficiency, communication with stakeholders and protection of natural resources.

“We are pleased with lasting cooperation we have established in line with the adherence to and adoption of business ethics by İş Leasing employees.”



EMPLOYEE RIGHTS

Together with our employees, we support egalitarian and transparent policies that respect human rights throughout our entire value chain.

İş Leasing complies with the principles of the United Nations Global Compact, which it aims to become a signatory member in 2022, as well as international norms and legal regulations about employee rights practices.

The main principles of İş Leasing's Human Resources Policy, which value inclusiveness, equality and competence, are summarized below:

- » The principle of equal employment opportunity to people under equal conditions is embraced and written recruitment criteria is defined.
- » Starting from recruitment to all human resources processes, discrimination on the basis of race, religion, language, ethnicity, age and gender is never allowed with an impartial approach. Universal human rights are respected, human rights violations are not accepted in any way, and all employees are protected against physical and emotional abuse. In addition, development of the human rights of all its employees under its umbrella are supported.
- » Child labor, forced labor, abuse of employee rights or situations that may even insinuate these practices are not allowed within İş Leasing activities.

- » Due care is exercised to ensure that the working environment and conditions are safe, positive and of high standards and to make improvements as required.
- » Decisions about trainings, assignments and promotions are based on objective data.
- » A transparent and "equal pay for equal work" principle is embraced in employee compensation. All kinds of perks and benefits granted to all titles and positions are defined. Pay discrimination between male and female employees is not practiced and is categorically not tolerated.
- » Decisions and developments regarding employees are shared with them.
- » In order to support professional, managerial and personal development and career planning of the employees, annual trainings are planned and attendance is maintained.
- » Thanks to the Company's Corporate Portal, which was created to increase in-house information sharing and to make communication with employees more effective, all employees are provided with the opportunity to quickly access the regulations, the work of the departments, job descriptions and assignments, performance management practices, current announcements and auxiliary resources.
- » An orientation program is implemented to accelerate the adjustment process of new recruits at the Company and to increase their productivity at work.
- » Job descriptions, individual targets and performance and rewarding criteria are determined by the Company management and announced to the employees.

During the reporting period, no complaints about discrimination were sent to the Company executives by the employees.

İş Leasing aims to create a working environment that supports employee loyalty and happiness in line with its employee satisfaction-oriented Human Resources Policy. In this direction, various support practices (rights) have been adopted that will contribute positively to raise the living standards of employees and increase their welfare.

İş Leasing employees work 3 days at the office and 2 days remotely. In 2021, it is aimed to maintain productivity by physically employing a minimum number of employees in the office, except official mandates requiring work at home due to pandemic, in a way that will not disrupt the work. In the last quarter of 2021 and the current pandemic conditions of 2022, the hybrid system (3 days office, 2 days remote work) continues.

İş Leasing Human Resources practices comply with the principles of the United Nations Global Compact.

OCCUPATIONAL HEALTH AND SAFETY

In 2021, 184 hours OHS training was provided in total.

For İş Leasing, the health and safety of its employees have top priority and can never be compromised. The Covid-19 pandemic has made it imperative that all institutions make OHS practices more comprehensive and integrated in the 2020-2021 period.

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

Sustaining safe and healthy working environments is as essential as creation of these environments for İş Leasing. In order to increase the OHS awareness of the employees, İş Leasing switched to online environment after pandemic for OHS trainings, which were carried out face to face before. Additionally, the online trainings organized by the Ministry of Labor and Social Security, Center for Labor and Social Security Training and Research (ÇASGEM) were assigned to the Company employees with the guidance of the Company's OHS Specialist. In 2021, 23 employees of İş Leasing received 8 hours of OHS training. OHS trainings are compulsory for new employees upon recruitment and renewed every 3 years for existing employees.

On OHS-related matters, İŞMER is consulted. In this context, there is a specialist and a company doctor assigned to İş Leasing. The Company undergoes regular OHS audits and implements review and improvement activities and other development plans with a high-attendance OHS meeting every 3 months.

Periodic examinations of newly recruited employees are carried out by the Company doctor.

In case of an emergency, the Emergency Evacuation Plans were revised and the employees were notified. All subjects within the framework of the law such as Emergency Plans, Search and Rescue Teams, First Aid Teams' Occupational Health and safety trainings, periodic examinations, emergency evacuation plans, control of fire extinguishers, and on-the-job trainings are actively monitored.

There is no work accident or occupational disease encountered within the body of İş Leasing in 2021.

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

In order to accelerate the transition to a low-carbon economy, İş Leasing encourages its suppliers to make sustainability-oriented investments.

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

İş Leasing requires that all procurement processes comply with its Sustainability Policy. It embraces a responsible procurement approach in its purchasing operations and conducts a fair, honest and impartial process in supplier selection. Operational risk exposure is possible as a result of disruptions or negativities that may occur due to environmental and social factors in the supply chain.

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

İş Leasing continues its efforts to achieve sustainable business success and to be a pioneer in supply chain sustainability. In this regard, it takes the best practices as its guide to build a financially strong, environmentally friendly and reliable supply chain.

CORPORATE SOCIAL RESPONSIBILITY

İş Leasing capitalizes on its pioneering role in sustainable finance by transferring it into corporate social responsibility activities.

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

supporting those in need with donations and aids whenever obliged by social solidarity, as a basic principle of social responsibility approach. In this context, donations were made to Purple Roof (Mor Çatı) particularly on the International Women's Day on March 8. In addition, donations on behalf of the employees are made to Turkish Education Foundation's (TEV) Scholarship Fund for the birthday celebrations of the Company employees. Within the framework of cooperation with TEV, support is provided for the education of girls.

İş Leasing cares about the world we live in and values our forests, one of the biggest sources of oxygen. It continues its efforts to introduce new green areas for society and nature with sapling donations.

In order to increase financial inclusion and literacy, İş Leasing assists Association of Financial Institutions in its events and briefings demonstrating leasing and its advantages, and it also provides subsequent information to all stakeholders on its website.

İş Leasing will continue to make every effort to fulfill its responsibilities in line with the aim of providing sustainable value and benefit to all its stakeholders and society through open and transparent corporate governance policies and practices.

By assuming responsibility along with its stakeholders, İş Leasing became a member of Business World and Sustainable Development Association (BCSD Türkiye), regional partner of the World Business Council for Sustainable Development (WBCSD) in Türkiye, since 2020. Membership aim was to make contributions to support economic growth, ensure social welfare, and ensure

continuous development at national and international level.

In this context under the leadership of BCSD Türkiye, İş Leasing involved in the activities of:

- » The Transition to Low Carbon Economy and Efficiency Working Group, in order to share its knowledge and experience with the business world through its policies and regulations in the field of climate change, to contribute to the discussions in this field, to guide the business world in the adaptation process to climate change by making use of the international structure of WBCSD, and to ensure that good practices from around the world are transferred to our country
- » Sustainable Agriculture and Access to Food Working Group, in order to ensure that the principles of sustainable agriculture are improved and expanded with good practices.
- » Sustainable Industry and Circular Economy + Plastics Working Group, on raising awareness in the business world about circular economy, enhanced cooperation and interaction
- » Sustainable Finance and Risk Management Working Group, in order to keep sustainable finance topic on the agenda of business world and to spread good practices.
- » Working Group on Women Employment and Equal Opportunities, with the aim of raising awareness, developing strategies and collaborations to create workplaces sensitive to gender equality, propagating UN WEPs (United Nations Women's Empowerment Principles) signatory companies, setting policies and targets in this area.

Believing that social and national benefit cannot be realized without social welfare, İş Leasing also transfers its pioneering role in the sustainable finance into corporate social responsibility activities and firmly marches towards a sustainable future with the support of its stakeholders.

SOCIAL PERFORMANCE INDICATORS

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

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

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

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

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

SOCIAL PERFORMANCE INDICATORS (CONTINUED)

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

Job Terminations	2020	2021
Female	5	8
Male	5	5
Total	10	13

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

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

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

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

ANNEXES



55
number of active sustainable projects funded

We aim to be the first carbon neutral leasing company by 2024 in our sector by reducing carbon footprint of our operations to zero level.

GRI Content Index	54
UN Global Compact Index	58
Contact	59

ANNEX I - GRI CONTENT INDEX

GRI 102: FOUNDATION 2016 General Disclosures			
GRI Standard	Disclosure	Page numbers, explanations and/or URL	Omissions
GRI 102: General Disclosures 2016	Company Profile		
	102-1	About the Report p.3	-
	102-2	İş Leasing's Journey of Sustainable Finance p.7	-
	102-3	Contact p.59	-
	102-4	İş Leasing's Journey of Sustainable Finance p.7	-
	102-5	İş Leasing's Journey of Sustainable Finance p.7	-
	102-6	İş Leasing's Journey of Sustainable Finance p.7	-
	102-7	İş Leasing's Journey of Sustainable Finance p.7	-
	102-8	Social Performance Indicators p.50-51	-
	102-9	Responsible Supply Chain Management p.48	-
	102-10	There are no significant changes.	-
	102-11	Business Ethics and Compliance p.13-14 Corporate Governance p.13-14 Sustainability Principles Compliance Statement p.15 Sustainability Principles Compliance Report p.15-18 İş Leasing's Ethical Principles (Ethics Hotline, Anti-Bribery and Anti-Corruption, Taxes) p.19	-
	102-12	Communication with Stakeholders p.20	-
	102-13	Memberships p.21 Corporate Social Responsibility p.49	-
	Strategy		
102-14	Chairman and General Manager's Joint Message p.4-5	-	
102-15	Business Ethics and Compliance p.13 Corporate Governance p.13	-	

GRI 102: FOUNDATION 2016 General Disclosures			
GRI Standard	Disclosure	Page numbers, explanations and/or URL	Omissions
GRI 102: General Disclosures 2016 (continued)	Ethics and Integrity		
	102-18	Business Ethics and Compliance p.13-14 Corporate Governance p.13-14 Sustainability Principles Compliance Statement p.15 Sustainability Principles Compliance Report p.15-18 İş Leasing's Ethical Principles (Ethics Hotline, Anti-Bribery and Anti-Corruption, Taxes) p.19	-
	102-17	Business Ethics and Compliance p.13-14 Corporate Governance p.13-14 Sustainability Principles Compliance Statement p.15 Sustainability Principles Compliance Report p.15-18 İş Leasing's Ethical Principles (Ethics Hotline, Anti-Bribery and Anti-Corruption, Taxes) p.19	-
	Governance		
	102-18	Sustainability Systems p.27-28 Environmental and Social Risk Management System p.29-30 Business Ethics and Compliance p.13-14 Corporate Governance p.13-14 Sustainability Principles Compliance Statement p.15 Sustainability Principles Compliance Report p.15-18 İş Leasing's Ethical Principles (Ethics Hotline, Anti-Bribery and Anti-Corruption, Taxes) p.19	-
	102-19	Sustainability Systems p.27-28	-
	102-20	Sustainability Systems p.27-28	-
	102-21	Sustainability Management in İş Leasing (Management Approach, Strategic Priorities and Targets, Sustainable Finance) p.22-25	-
	102-22	Corporate Governance p.13-14 Sustainability Systems p.27-28	-
	102-23	Sustainability Systems p.27-28	-
	102-32	Sustainability Systems p.27-28	-

ANNEX 1 – GRI CONTENT INDEX (CONTINUED)

GRI 102: FOUNDATION 2016 General Disclosures				MATERIAL ISSUES Combating Climate Change and Adaptation, Energy Management, Water and Wastewater, Waste						
GRI Standard	Disclosure	Page numbers, explanations and/or URL	Omissions	GRI Standard	Disclosure	Page numbers, explanations and/or URL	Omissions			
GRI 102: General Disclosures 2016 (continued)	Stakeholder Engagement				GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Chairman and General Manager's Joint Message p.4-5 Sustainability Management in İş Leasing p.23 Strategic Priorities and Targets p.23-24 Sustainable Finance p.25 Environmental and Social Risk Management System p.29-30 Accelerating Transformation for Green Development – Combating the Climate Crisis and Decarbonization p.35-39	-		
	102-40	Communication with Stakeholders p.20	-	103-2 The management approach and its components			Chairman and General Manager's Joint Message p.4-5 Sustainability Management in İş Leasing p.23 Strategic Priorities and Targets p.23-24 Sustainable Finance p.25 Environmental and Social Risk Management System p.29-30 Accelerating Transformation for Green Development – Combating the Climate Crisis and Decarbonization p.35-39	-		
	102-41	Not available	-				103-3 Evaluation of the management approach	Chairman and General Manager's Joint Message p.4-5 Sustainability Management in İş Leasing p.23 Strategic Priorities and Targets p.23-24 Sustainable Finance p.25 Environmental and Social Risk Management System p.29-30 Accelerating Transformation for Green Development – Combating the Climate Crisis and Decarbonization p.35-39	-	
	102-42	Communication with Stakeholders p.20	-			GRI 302: Energy 2016		302-1 Energy consumption within the organization	Environmental Performance Indicators p.39	-
	102-43	Communication with Stakeholders p.20	-	GRI 303: Water And Effluents 2018				303-5 Water Consumption	Environmental Performance Indicators p.39-40	-
	102-44	Communication with Stakeholders p.20	-				GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Combating the Climate Crisis and Decarbonization p.35-39, Environmental Performance Indicators p.38	-
	Reporting Practice							305-2 Energy indirect (Scope 2) GHG emissions	Combating the Climate Crisis and Decarbonization p.35-39, Environmental Performance Indicators p.38	-
	102-45	About the Report p.3	-	305-4 GHG emissions intensity				Combating the Climate Crisis and Decarbonization p.35-39, Environmental Performance Indicators p.38	-	
	102-46	About the Report p.3	-	305-5 Reduction of GHG emissions				Combating the Climate Crisis and Decarbonization p.35-39, Environmental Performance Indicators p.38	-	
	102-47	Strategic Priorities and Targets p.23-25	-	GRI 306: Waste 2020	306-2 Waste by type and disposal method	Strategic Priorities and Targets (Transition to Circular Economy) p.23-24 Environmental Performance Indicators p.39-40	-			
	102-48	Strategic Priorities and Targets p.23-25	-		306-3 Significant spills	Environmental Performance Indicators p.39-40	-			
	102-49	Strategic Priorities and Targets p.23-25	-							
	102-50	About the Report p.3	-							
	102-51	Dec, 28 2021	-							
	102-52	Annually	-							
	102-53	About the Report p.3	-							
	102-54	About the Report p.3	-							
	102-55	GRI Content Index p.54-57	-							
102-56	No external audit has been performed.	-								

ANNEX 1 – GRI CONTENT INDEX (CONTINUED)

MATERIAL ISSUES Business Ethics and Corporate Governance			
GRI Standard	Disclosure	Page numbers, explanations and/or URL	Omissions
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Chairman and General Manager's Joint Message p.4-5 Strategic Priorities and Targets p.23-24 Business Ethics and Compliance p.13-14 Corporate Governance p.13-14 İş Leasing's Ethical Principles (Ethics Hotline, Anti-Bribery and Anti-Corruption, Taxes) p.19	-
	103-2 The management approach and its components	Chairman and General Manager's Joint Message p.4-5 Business Ethics and Compliance p.13-14 Corporate Governance p.13-14 İş Leasing's Ethical Principles (Ethics Hotline, Anti-Bribery and Anti-Corruption, Taxes) p.19	-
	103-3 Evaluation of the management approach	Chairman and General Manager's Joint Message p.4-5 Business Ethics and Compliance p.13-14 Corporate Governance p.13-14 İş Leasing's Ethical Principles (Ethics Hotline, Anti-Bribery and Anti-Corruption, Taxes) p.19	-
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Anti-Bribery and Anti-Corruption Efforts p.19	-
	205-2 Communication and training about anti-corruption policies and procedures	Anti-Bribery and Anti-Corruption Efforts p.19 Talent Management p.43	-
	205-3 Confirmed incidents of corruption and actions taken	Anti-Bribery and Anti-Corruption Efforts p.19	-
GRI 408: Child Labor 2016	408-1 Çocuk işçiliği vakaları açısından önemli risk altındaki operasyonlar ve tedarikçiler	Sustainability Principles Compliance Report p.15-18 Environmental and Social Risk Management System p.29-30 Employee Rights p.47	-
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Sustainability Principles Compliance Report p.15-18 Environmental and Social Risk Management System p.29-30 Employee Rights p.47	-

MATERIAL ISSUES Employee Well-Being			
GRI Standard	Disclosure	Page numbers, explanations and/or URL	Omissions
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Chairman and General Manager's Joint Message p.4-5 Human Resources Practices p.42-43	-
	103-2 The management approach and its components	Chairman and General Manager's Joint Message p.4-5 Human Resources Practices p.42-43	-
	103-3 Evaluation of the management approach	Chairman and General Manager's Joint Message p.4-5 Human Resources Practices p.42-43	-
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Resources Practices p.42-43, Social Performance Indicators p.50-51	-
MATERIAL ISSUES Diversity and Inclusion			
GRI Standard	Disclosure	Page numbers, explanations and/or URL	Omissions
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Strategic Priorities and Targets p.23-24 Human Resources Practices p.42-43	-
	103-2 The management approach and its components	Human Resources Practices p.42-43	-
	103-3 Evaluation of the management approach	Human Resources Practices p.42-43	-
GRI 401: Employment 2016	405-1 Diversity of governance bodies and employees	Human Resources Practices p.42-43, Social Performance Indicators p.50-51	-
	401-3 Parental leave	Social Performance Indicators p.50-51	-
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Resources Practices p.42-43, Social Performance Indicators p.50-51	-

ANNEX 1 – GRI CONTENT INDEX (CONTINUED)

MATERIAL ISSUES | Occupational Health and Safety

GRI Standard	Disclosure	Page numbers, explanations and/or URL	Omissions
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Occupational Health and Safety p.48	-
	103-2 The management approach and its components	Occupational Health and Safety p.48	-
	103-3 Evaluation of the management approach	Occupational Health and Safety p.48	-
GRI 403:Occupational Health and Safety 2016	205-1 Operations assessed for risks related to corruption	Occupational Health and Safety p.48, Social Performance Indicators p. 50-51	-

MATERIAL ISSUES | Talent Management

GRI Standard	Disclosure	Page numbers, explanations and/or URL	Omissions
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Chairman and General Manager's Joint Message p.4-5 Talent Management p.43 Employee Rights p.47	-
	103-2 The management approach and its components	Chairman and General Manager's Joint Message p.4-5 Talent Management p.43 Employee Rights p.47	-
	103-3 Evaluation of the management approach	Chairman and General Manager's Joint Message p.4-5 Talent Management p.43 Employee Rights p.47	-
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Social Performance Indicators p. 50-51	-
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Talent Management p.43 Social Performance Indicators p. 50-51	-
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Management p.43	-
	404-3 Percentage of employees receiving regular performance and career development reviews	Social Performance Indicators p. 50-51	-

MATERIAL ISSUES | Corporate Social Responsibility

GRI Standard	Disclosure	Page numbers, explanations and/or URL	Omissions
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Corporate Social Responsibility p.49	-
	103-2 The management approach and its components	Corporate Social Responsibility p.49	-
	103-3 Evaluation of the management approach	Corporate Social Responsibility p.49	-

MATERIAL ISSUES | Digital Transformation

GRI Standard	Disclosure	Page numbers, explanations and/or URL	Omissions
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Strategic Priorities and Targets p.23-24 Digital Transformation p.31-33	-
	103-2 The management approach and its components	Digital Transformation p.31-33	-
	103-3 Evaluation of the management approach	Digital Transformation p.31-33	-

MATERIAL ISSUES | Governance of Environmental and Social Impacts/Risks

GRI Standard	Disclosure	Page numbers, explanations and/or URL	Omissions
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Strategic Priorities and Targets p.23-24 Environmental and Social Risk Management System p.29-30	-
	103-2 The management approach and its components	Environmental and Social Risk Management System p.29-30	-
	103-3 Evaluation of the management approach	Environmental and Social Risk Management System p.29-30	-

MATERIAL ISSUES | International Compliance

GRI Standard	Disclosure	Page numbers, explanations and/or URL	Omissions
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Strategic Priorities and Targets p.23-24 Memberships p.21 Corporate Social Responsibility p.49	-
	103-2 The management approach and its components	Memberships p.21 Corporate Social Responsibility p.49	-
	103-3 Evaluation of the management approach	Memberships p.21 Corporate Social Responsibility p.49	-

ANNEX 2 - 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.	Sustainability Principles Compliance Report p.15-18 İş Leasing Sustainability Policy p.27 Employee Rights p.47
Principle 2: Make sure that they are not complicit in human rights abuses.	
LABOUR	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Sustainability Principles Compliance Report p.15-18 Business Ethics and Compliance p.13 İş Leasing Sustainability Policy p.27 Employee Rights p.47
Principle 4: The elimination of all forms of forced and compulsory labour.	Sustainability Principles Compliance Report p.15-18 Environmental and Social Risk Management System p.29-30 Employee Rights p.47
Principle 5: The effective abolition of child labour.	Sustainability Principles Compliance Report p.15-18 Environmental and Social Risk Management System p.29-30 Employee Rights p.47
Principle 6: The elimination of discrimination in respect of employment and occupation.	Sustainability Principles Compliance Report p.15-18 Employee Rights p.47
ENVIRONMENT	
Principle 7: Businesses should support a precautionary approach to environmental challenges.	
Principle 8: Undertake initiatives to promote greater environmental responsibility.	İş Leasing's Sustainability Policy p.27 Environmental and Social Risk Management System p.29-30 Accelerating Transformation for Green Development p.34-40 Corporate Social Responsibility p.49
Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	
ANTI-CORRUPTION	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	İş Leasing's Sustainability Policy p.27 Anti-Bribery and Anti-Corruption Efforts p.19

ANNEX 3 - CONTACT

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