

## Sustainability Principles Compliance Framework

PRINCIPLES	COMPLIANCE	DEFINITION
<b>A. General Principles</b>		
<b>A1. Strategy, Policy and Targets</b>		
The Board of Directors determines material ESG issues, risks and opportunities and creates ESG policies accordingly. In terms of the effective implementation of these policies; internal directives, business procedures of Companies etc. can be prepared. The Board of Directors takes decisions for these policies and they are publicly disclosed.	Yes	<a href="#">Home &gt; About Us &gt; Sustainability &gt; Our Policies</a>
Determines the company Strategy in line with the ESG policies, risks and opportunities. It determines and publicly discloses its short and long term goals in line with the Company Strategy and ESG policies.	Yes	<a href="#">2021 Integrated Annual Report;</a> Global Tendencies, Risks, Opportunities and Forecasts, page 26-28 Our Business Model: İşbank Banking, page 30-31 Reliable Financial Actor, page 52-53, 84-85, 98-99 Responsible Operations, page 110, 111, 114, 116, 120, 122 Good Corporate Citizen, page 134, 136, 192, 193 <a href="#">2021 CDP Climate Change Report,</a> page 23-30
<b>A2. Implementation/Monitoring</b>		
It determines and publicly discloses 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 within the maximum periods determined for the public disclosure of the annual activity reports in the relevant regulations of the Board.	Yes	<a href="#">2021 Integrated Annual Report;</a> İşbank Committees, Sustainability Committee, page 148  <a href="#">Home &gt; About Us &gt; Sustainability &gt; Our Organization</a>
It forms implementation and action plans in line with the determined short and long term targets and publicly discloses them.	Yes	<a href="#">2021 Integrated Annual Report;</a> Global Tendencies, Risks, Opportunities and Forecasts, page 26-28 Our Business Model: İşbank Banking, page 30-31 Reliable Financial Actor, page 54, 85, 99 Responsible Operations, page 111, 116, 122 Good Corporate Citizen, page 136 <a href="#">2021 CDP Climate Change Report,</a> page 23-30
It determines the Key ESG Performance Indicators (KPI) and announces them on a yearly basis. In the presence of verifiable data, it presents KPIs with local and international sector comparisons	Yes	<a href="#">2021 Integrated Annual Report;</a> Key Performance Indicators, page 53, 85, 99, 111, 115, 135, 193
Discloses innovation activities that improve sustainability performance for business processes or products and services.	Yes	<a href="#">2021 Integrated Annual Report;</a> Responsible Products and Services, page 74-75 Products and Services Contributing to a Green Economy, page 92-97 Projects to Improve Customer Experience, page 428-431 <a href="#">Home &gt; About Us &gt; Sustainability &gt; Responsible Products and Services</a>

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<b>A3. Reporting</b>		
It reports its sustainability performance, goals and actions at least once a year and makes it public. Discloses the information on sustainability activities within the scope of the annual report.	Yes	<a href="#">Home &gt; About Us &gt; Sustainability &gt; Our Reports</a> <a href="#">İşbank 2021 Integrated Annual Report</a> <a href="#">2021 CDP Climate Change Report</a>
It is essential to share information that is important for stakeholders in understanding the position, performance and development of the company in a direct and concise manner. It can also disclose detailed information and data on the corporate website, and prepare separate reports that directly meet the needs of different stakeholders.	Yes	<a href="#">Home &gt; About Us &gt; Sustainability</a> <a href="#">Home &gt; About Us &gt; Investor Relations</a>
It exercises maximum care in terms of transparency and reliability. It objectively explains all kinds of developments about material issues in disclosures and reporting within the scope of the balanced approach.	Yes	<a href="#">2021 Integrated Annual Report;</a> Sustainability Priorities, page 33-36 Changes in Material Issues of İşbank, page 465 Sustainability Management, page 38
It gives information about which of the United Nations (UN) 2030 Sustainable Development Goals its activities are related to.	Yes	<a href="#">2021 Integrated Annual Report;</a> Contribution to Sustainable Development Goals, page 46-49
Makes disclosure regarding the lawsuits filed and / or concluded against environmental, social and corporate governance issues.	Yes	<a href="http://www.kap.org.tr/tr/Bildirim/977504-973221-952353-947832-945276-928647">www.kap.org.tr/tr/Bildirim/977504-973221-952353-947832-945276-928647</a>
<b>A4. Verification</b>		
If verified by independent third parties (independent sustainability assurance providers), it discloses its sustainability performance measurements to the public and endeavors to increase such verification processes.	Yes	<a href="#">2021 Integrated Annual Report;</a> Non-Financial Data Reporting Guide and Independent Assurance Report, page 462-470
<b>B. Environmental Principles</b>		
Discloses its policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs in the field of environmental management.	Yes	<a href="#">2021 Integrated Annual Report;</a> We Take Responsibility to Mitigate Negative Impacts of Our Operations, page 110-119
Complies with environmental laws and other relevant regulations and discloses them.	Yes	Management of Environmental Impacts, page 117
Explains the limitations of the environmental report to be included in the report to be prepared within the scope of the Sustainability Principles, reporting period, reporting date, data collection process and reporting conditions.	Yes	<a href="#">2021 Integrated Annual Report;</a> About the Report, page 5 Non-Financial Data Reporting Guide and Independent Assurance Report, page 462-470
Describes the highest level responsible, relevant committees and duties in the company on the issue of environment and climate change.	Yes	<a href="#">2021 Integrated Annual Report;</a> Sustainability Management, page 38 İşbank Committees, Sustainability Committee, page 148 <a href="#">Home &gt; About Us &gt; Sustainability &gt; Our Organization</a> <a href="#">2021 CDP Climate Change Report, Page 2-6</a>

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Describes the incentives it offers for the management of environmental issues, including the achievement of goals.	Yes	<a href="#">2021 CDP Climate Change Report</a> , page 6-7
Explain how environmental matters are integrated into business goals and strategies	Yes	<a href="#">2021 Integrated Annual Report</a> ; Our Business Model: İşbank Banking, page 30 Global Tendencies, Risks, Opportunities and Forecasts, page 26-28 Reliable Financial Actor, page 84, 97-91 Responsible Operations, page 114 Good Corporate Citizen, page 132  <a href="#">2021 CDP Climate Change Report</a> , page 20-21
Discloses the sustainability performances for business processes or products and services and the activities to improve this performance.	Yes	<a href="#">Home &gt; About Us &gt; Sustainability &gt; Responsible Products and Services</a>  <a href="#">2021 Integrated Annual Report</a> ; Responsible Products and Services, page 74-75 Products and Services Contributing to a Green Economy, page 92-97 Responsible Operations, page 108 Stakeholder Expectations and İşbank's Response, page 39-40
Explains how it manages environmental issues not just in terms of direct operations, but throughout the company's value chain and integrates suppliers and customers into its strategies.	Yes	Supply Chain Management, page 110-113  <a href="#">Home &gt; About Us &gt; Sustainability &gt; Our Policies &gt; Supplier Code Of Conduct</a>
It explains whether it is involved in policy making processes on environmental issues (sectoral, regional, national and international), its cooperation with the associations, related organizations and non-governmental organizations it is a member of, and the tasks it has taken, if any, and the activities it supports.	Yes	<a href="#">2021 Integrated Annual Report</a> ; Contribution to Sustainable Development Goals, page 44-45, Corporate Memberships, page 436  <a href="#">Home &gt; About Us &gt; Sustainability &gt; Memberships and Initiatives</a>
Reports information on its impacts in a periodically comparable manner within the scope of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect)), air quality, energy management, water and wastewater management, waste management, biodiversity impacts).	Yes	<a href="#">2021 Integrated Annual Report</a> ; Environmental Impact, page 114-117 <a href="#">Home &gt; About Us &gt; Sustainability &gt; Responsible Banking &gt; Our Environmental Impact</a>
Describes the standard, protocol, methodology and base year details used to collect and calculate its data.	Yes	<a href="#">2021 Integrated Annual Report</a> ; Environmental Impact, page 114-117 Non-Financial Data Reporting Guide and Independent Assurance Report, page 462-470
Discloses the status of environmental indicators for the reporting year (increase or decrease) in comparison with previous years.	Yes	<a href="#">2021 Integrated Annual Report</a> ; Environmental Impact, page 114-117  <a href="#">2021 CDP Climate Change Report</a> , page 30-40  <a href="#">Home &gt; About Us &gt; Sustainability &gt; Responsible Banking &gt; Our Environmental Impact</a>

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Sets short and long term goals and discloses these goals to reduce its environmental impact. It is recommended that these goals be determined based on Science as suggested by the United Nations Conference of the Parties on Climate Change. If there is progress in the reporting year with respect to the targets set before, it provides information on the subject.	Yes	<a href="#">2021 Integrated Annual Report;</a> Environmental Impact, page 114-117  <a href="#">2021 CDP Climate Change Report,</a> page 24
Discloses its strategy and actions for combating the climate crisis.	Yes	<a href="#">2021 Integrated Annual Report;</a> We Take Responsibility for Climate Action, page 84-88  <a href="#">2021 CDP Climate Change Report,</a> page 20-30  <a href="#">Home &gt; About Us &gt; Sustainability &gt; Responsible Banking &gt; Combating Climate Change</a>
Describes the program or procedures for preventing or minimizing the potential negative impact of the products and / or services it offers; explains the actions to reduce greenhouse gas emissions of third parties.	Yes	<a href="#">2021 Integrated Annual Report;</a> Environmental and Social Risk Management in Loans, page 89-91 Financing Renewable Energy, page 92 Products and Services Contributing to a Green Economy, page 92-97  <a href="#">Home &gt; About Us &gt; Sustainability &gt; Responsible Products and Services &gt; Products Contributing to the Green Economy</a>
Discloses the actions taken to mitigate its environmental impacts, the total number of projects and initiatives carried out along with the environmental benefits / benefits cost savings they provide.	Yes	<a href="#">2021 Integrated Annual Report;</a> Environmental Impact, page 114-117
It reports the total energy consumption data (excluding raw materials) and explains the energy consumption as Scope-1 and Scope-2.	Yes	<a href="#">2021 Integrated Annual Report;</a> Environmental Impact, page 114-117  <a href="#">Home &gt; About Us &gt; Sustainability &gt; Responsible Banking &gt; Our Environmental Impact</a>
Provides information on electricity, heat, steam and cooling generated and consumed in the reporting year.	Yes	<a href="#">2021 Integrated Annual Report;</a> Environmental Impact, page 114-117  <a href="#">Home &gt; About Us &gt; Sustainability &gt; Responsible Banking &gt; Our Environmental Impact</a>
Carries out studies on increasing the use of renewable energy, transition to zero or low carbon electricity and explains these studies.	Yes	<a href="#">2021 Integrated Annual Report;</a> Environmental Impact, page 114-117
Discloses data on its renewable energy production and consumption.	Yes	<a href="#">2021 Integrated Annual Report;</a> Environmental Impact, page 114-117
Develops energy efficiency projects and explains the amount of energy consumption and emission reduction enabled by these studies.	Yes	<a href="#">2021 CDP Climate Change Report,</a> page 27-30, 35-36  <a href="#">2021 Integrated Annual Report;</a> Responsible Operations, page 108

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Reports the amount of water withdrawn, used, recycled and discharged from underground or aboveground, its sources and procedures (Total water withdrawal by source, water sources affected by water withdrawal; percentage and total volume of recycled and reused water, etc.).	Yes	<a href="#">2021 Integrated Annual Report;</a> Environmental Impact, page 114-117 Non-Financial Data Reporting Guide and Independent Assurance Report, page 462-470  <a href="#">Home &gt; About Us &gt; Sustainability &gt; Responsible Banking &gt; Our Environmental Impact</a>
Discloses whether its operations or activities are included in any carbon pricing system (Emission Trading System, Cap & Trade or Carbon Tax).	Irrelevant	İşbank's operations or activities are not included in the carbon pricing system. It is known that legal authorities are working on establishing a local carbon trading system. All national and international developments are followed closely and development opportunities are evaluated in this area.
Discloses the carbon credit information accumulated or purchased during the reporting period.	No	İşbank aims to reduce the total Scope-1 and Scope-2 greenhouse gas emissions calculated in accordance with the International GHG Protocol by 38% by 2025, 65% by 2030, and to zero by 2035, and to carry out activities as carbon-neutral as of 2035. As of 2021, İşbank has started to use renewable energy in all of its operational points that can be supplied, and has already reached its targets for 2025 and 2030. İşbank primarily carries out focused efforts to reduce its direct and indirect emissions, and in the following periods, it will also be able to consider the purchase of carbon credits in order to zero the emissions it has reduced to a minimum.
Explains the details if carbon pricing is applied within the company.	No	At this stage, there is no carbon pricing practice in our bank. On the other hand, all activities of our Bank are in a continuous development with the ESG focus, and the implementation of the carbon pricing practice will be evaluated in the following period.
Discloses all compulsory and voluntary platforms where reports its environmental information.	Yes	<a href="#">2021 Integrated Annual Report;</a> Initiatives Supported in the Field of Sustainability, page 44-45  <a href="#">2021 CDP Climate Change Report,</a>  <a href="#">2021 CDP Water Security Report</a>  <a href="#">Home &gt; About Us &gt; Sustainability &gt; Responsible Banking &gt; Our Environmental Impact</a>

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<b>C. Social Principles</b>		
<b>C1. Human Rights and Employee Rights</b>		
Forms a Human Rights and Employee Rights Policy with a commitment to fully comply with the Universal Declaration of Human Rights, ILO Conventions which Turkey has confirmed and the legal framework and regulations governing the operation of corporate life in Turkey. Discloses the policy in question and the roles and responsibilities associated with its implementation.	Yes	<a href="#">Home &gt; About Us &gt; Sustainability &gt; Our Policies &gt; Human Rights And Human Resources Policy</a>
Provides equal opportunity in recruitment processes. Considering the supply and value chain effects, it includes fair labor, improvement of labor standards, women's employment and inclusion issues (such as women, men, religious belief, language, race, ethnic origin, age, disability, refugee, etc.) in its policies.	Yes	<a href="#">Home &gt; About Us &gt; Sustainability &gt; Our Policies &gt; Human Rights And Human Resources Policy</a> <a href="#">Home &gt; About Us &gt; Sustainability &gt; Our Policies &gt; Supplier Code Of Conduct</a> <a href="#">Home &gt; About Us &gt; Sustainability &gt; Our Policies &gt; Gender Equality Policy</a>
Describes the measures taken throughout the value chain for the protection of groups sensitive to certain economic, environmental, social factors (low-income groups, women, etc.) or securing minority rights / equal opportunities.	Yes	<a href="#">Home &gt; About Us &gt; Sustainability &gt; Our Policies &gt; Supplier Code Of Conduct</a> <a href="#">2021 Integrated Annual Report;</a> Supply Chain Management, page 39-40 Equal Opportunity and Diversity, page 127-129 Financial Inclusion, page 76-80
Reports developments regarding discrimination, inequality, human rights violations, forced labor and corrective practices. Explain the regulations to prevent child labor.	Yes	<a href="#">2021 Integrated Annual Report;</a> Equal Opportunity and Diversity, page 127-129 GRI Content Index, page 474
Explains policies regarding investment in employees (training, development policies), compensation, vested benefits, right to unionize, work / life balance solutions and talent management. Determines dispute resolution processes by creating mechanisms for employee complaints and dispute resolution. It regularly explains the activities carried out to ensure employee satisfaction.	Yes	<a href="#">2021 Integrated Annual Report;</a> We Take Responsibility for Our Employees, page 120-131 <a href="#">Home &gt; About Us &gt; Investor Relations &gt; Corporate Governance &gt; Remuneration Policy</a> <a href="#">Home &gt; About Us &gt; Investor Relations &gt; Corporate Governance &gt; Ethical Principles and Code of Conduct</a>
Creates occupational health and safety policies and makes them public. Explain the precautions and accident statistics taken to prevent work accidents and to protect health.	Yes	<a href="#">Home &gt; About Us &gt; Sustainability &gt; Our Policies &gt; Occupational Health and Safety Policy</a> <a href="#">2021 Integrated Annual Report;</a> Occupational Health and Safety, page 126 Occupational Health and Safety Data, page 456
Creates and publicly discloses personal data protection and data security policies.	Yes	<a href="#">Home &gt; Privacy Policy</a> <a href="#">Home &gt; About Us &gt; Investor Relations &gt; Corporate Governance &gt; Personal Data Protection Policy</a>

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Creates an ethical policy (including work, work ethics, compliance processes, advertising and marketing ethics, open information, etc.) and discloses it to the public.	Yes	<a href="#">Home &gt; About Us &gt; Investor Relations &gt; Corporate Governance &gt; Ethical Principles and Code of Conduct</a>
Explains the work within the scope of social investment, social responsibility, financial inclusion and access to finance.	Yes	<a href="#">2021 Integrated Annual Report;</a> We Take Responsibility for Future Generations, page 192-198 Financial Inclusion, page 76-80
Organizes information meetings and training programs for employees on ESG policies and practices.	Yes	<a href="#">2021 Integrated Annual Report;</a> Talent Management, page 129-131 Equal Opportunity and Diversity, page 127-129 Human Resources Data, page 455
<b>C2. Stakeholders, International Standards and Initiatives</b>		
Carries out its activities in the field of sustainability by taking into account the needs and priorities of all stakeholders (employees, customers, suppliers and service providers, public institutions, shareholders, society and non-governmental organizations, etc.).	Yes	<a href="#">2021 Integrated Annual Report;</a> Sustainability Priorities, page 33-35 Stakeholder Expectations and İşbank's Response, page 39-40
Regulates and publicly discloses a customer satisfaction policy regarding the management and resolution of customer complaints.	Yes	<a href="https://www.isbank.com.tr/en/contact-us">https://www.isbank.com.tr/en/contact-us</a> <a href="https://www.isbank.com.tr/en/contact-form">https://www.isbank.com.tr/en/contact-form</a> <a href="https://www.isbank.com.tr/iletisim-formu-takip">https://www.isbank.com.tr/iletisim-formu-takip</a> <a href="#">2021 Integrated Annual Report;</a> Flawless Customer Experience, page 71
Conducts stakeholder communication continuously and transparently; It explains which stakeholders, for what purpose, on what issue and how often it communicated, and the developments in sustainability activities.	Yes	<a href="#">2021 Integrated Annual Report;</a> Stakeholder Expectations and İşbank's Response, page 39-40
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), Climate Related Financial Disclosures Task Force (TCFD) etc.).	Yes	<a href="#">2021 Integrated Annual Report;</a> About the Report, page 5 Initiatives Supported in the Field of Sustainability, page 44-45 <a href="#">2021 CDP Climate Change Report,</a>
Publicly discloses the international organizations or principles (Equator Principles, United Nations Environment Program Finance Initiative (UNEP-FI), United Nations Global Principles (UNGC), United Nations Principles for Responsible Investment (UNPRI) etc.) which it is a signatory or member of, and international principles adopted (International Capital Market Association (ICMA) Green / Sustainable Bond Principles).	Yes	<a href="#">2021 Integrated Annual Report;</a> İşbank's Sustainability Journey, page 32 Initiatives Supported in the Field of Sustainability, page 44-45
Makes concrete efforts to be included in Borsa Istanbul Sustainability Index and international sustainability indices (Dow Jones Sustainability Index, FTSE4Good, MSCI ESG Indices, etc.).	Yes	<a href="#">2021 Integrated Annual Report;</a> Initiatives Supported in the Field of Sustainability, page 44-45

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<b>D. Corporate Governance Principles</b>		
Makes maximum effort to comply with all Corporate Governance principles as well as the mandatory Corporate Governance principles within the scope of the Capital Markets Board Corporate Governance Communiqué numbered II-17.1.	Yes	<a href="#">2021 Integrated Annual Report;</a> Corporate Governance Compliance Report, page 163-169 Corporate Governance Information Form, page 170-180
Takes into account the sustainability issue, the environmental impacts of its activities and the principles in this regard while determining its corporate management strategy.	Yes	<a href="#">2021 Integrated Annual Report;</a> Sustainability Priorities, page 33 Sustainability Management, page 38 We Take Responsibility for a Transparent Management, page 134 <a href="#">2021 CDP Climate Change Report,</a> page 2
Takes the necessary measures to comply with the principles regarding the stakeholders and to strengthen the communication with the stakeholders and applies to the opinions of stakeholders in determining the measures and strategies in the field of sustainability as stated in the Corporate Governance Principles.	Yes	<a href="#">2021 Integrated Annual Report;</a> Sustainability Priorities, page 33 Sustainability Management, page 38
Works on raising awareness on the issue of sustainability and its importance through social responsibility projects, awareness activities and trainings.	Yes	<a href="#">2021 Integrated Annual Report;</a> We Take Responsibility for Future Generations, page 192-198
Strives to become a member of international standards and initiatives on sustainability and to contribute to studies.	Yes	<a href="#">2021 Integrated Annual Report;</a> İşbank's Sustainability Journey, page 32 Initiatives Supported in the Field of Sustainability, page 44-45 Corporate Memberships, page 436 <a href="#">Home &gt; About Us &gt; Sustainability &gt; Memberships and Initiatives</a>
Explains policies and programs for the fight against bribery and corruption and the principle of tax integrity	Yes	<a href="#">Home &gt; About Us &gt; Sustainability &gt; Our Policy &gt; Anti-Bribery And Anti-Corruption Policy</a>  Our bank's tax obligations are fulfilled within the framework of the relevant legislation. Detailed information about its tax liability can be found under the heading "Explanations on Tax Applications"  <a href="https://www.isbank.com.tr/en/about-us/financial-statements">https://www.isbank.com.tr/en/about-us/financial-statements</a>