

T. İŞ BANKASI A.Ş.

2026 CDP Report

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C1. Introduction

(1.1) In which language are you submitting your response?

☒ English

(1.2) Select the currency used for all financial information disclosed throughout your response.

☒ TRY

(1.3) Provide an overview and introduction to your organization.

(1.3.1) Type of financial institution

☒ Bank

(1.3.2) Organization type

☒ Publicly traded organization

(1.3.3) Description of organization

Türkiye İş Bankası A.Ş. ("İşbank") is the first national bank of the Republic of Türkiye, founded on 26 August 1924, and the country's largest private bank. İşbank is publicly traded on Borsa İstanbul (BIST), equity ticker ISCTR (Group C shares), and is a constituent of the BIST Sustainability Index and BIST Sustainability 25 Index. As of 31 December 2025 the Bank had total assets of TRY 4,624.9 billion (solo basis), 20,630 employees, 997 domestic branches and 22 foreign branches (plus 2 representative offices), 6,855 ATMs, and approximately 25.8 million customers. Shareholder structure: The İşbank Members' Supplementary Social Security and Charity Fund Foundation holds 38.66%, the Atatürk Shares 28.09% (dividends directed to Türk Dil Kurumu and Türk Tarih Kurumu), and free float 33.25%. İşbank is a signatory of the UN Global Compact (since 2012) and a member of the Net-Zero Banking Alliance (NZBA) since April 2022, committing to a net-zero financed-emissions portfolio by 2050 aligned with the Paris Agreement, and a UNEP FI Principles for Responsible Banking signatory (since 2020). The Bank applies the PCAF methodology for financed emissions. İşbank announced its first 2030 sectoral emission-intensity reduction targets in 2023 (vs 2021 base year): energy -61%, cement -21%, iron & steel -10%; with coal phase-out by 2040. In 2024 the Bank finalized targets for the remaining carbon-intensive NZBA sectors (vs 2023 base year): aluminium -7%, real estate -36%, road freight transport -20%, oil & gas -15% by 2030; and, as the first Turkish bank with agriculture targets: wheat -14%, maize -15%, rice -16% by 2030. In 2025 the Bank published its Climate Transition Plan (the first Turkish bank with sectoral decarbonization roadmaps) and a Board-approved Coal Phase-Out Policy setting a coal phase-out by 2040.

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

(1.4.1) End date of reporting year

12/31/2025

(1.4.2) Alignment of this reporting period with your financial reporting period

☒ Yes

(1.4.3) Indicate if you are providing emissions data for past reporting years

☒ Yes

(1.4.4) Number of past reporting years you will be providing Scope 1 emissions data for

☒ 1 year

(1.4.5) Number of past reporting years you will be providing Scope 2 emissions data for

☒ 1 year

(1.4.6) Number of past reporting years you will be providing Scope 3 emissions data for

☒ 1 year

(1.4.1) What is your organization’s annual revenue for the reporting period?

278754673000

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	☒ Yes

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

☒ Yes

(1.6.2) Provide your unique identifier

TRAI SC TR91N2 (for Group C shares)

ISIN code - equity**(1.6.1) Does your organization use this unique identifier?**☒ Yes**(1.6.2) Provide your unique identifier***TRAISC TR91N2 (for Group C shares)***CUSIP number****(1.6.1) Does your organization use this unique identifier?**☒ No**Ticker symbol****(1.6.1) Does your organization use this unique identifier?**☒ No**SEDOL code****(1.6.1) Does your organization use this unique identifier?**☒ No**LEI number****(1.6.1) Does your organization use this unique identifier?**☒ No

D-U-N-S number**(1.6.1) Does your organization use this unique identifier?**☒ Yes**(1.6.2) Provide your unique identifier**

628123515

Other unique identifier**(1.6.1) Does your organization use this unique identifier?**☒ No**(1.7) Select the countries/areas in which you operate.**☒ Türkiye**(1.9) What was the size of your organization based on total assets value at the end of the reporting period?**

4624940162000

(1.10) Which activities does your organization undertake, and which industry sectors does your organization lend to, invest in, and/or insure?**Banking (Bank)****(1.10.1) Activity undertaken**☒ Yes

(1.10.3) Reporting the portfolio value and % of revenue associated with the portfolio

☒ Yes, both the portfolio value and the % of revenue associated with it

(1.10.4) Portfolio value based on total assets

4624940162000

(1.10.5) % of revenue

100

(1.10.6) Type of clients

- ☒ Corporates (Large companies)
- ☒ Corporates (SMEs)
- ☒ Family offices / high-net-worth individuals
- ☒ Retail clients

(1.10.7) Industry sectors your organization lends to, invests in, and/or insures

- | | |
|---|--|
| ☒ Retail | ☒ Manufacturing |
| ☒ Apparel | ☒ Infrastructure |
| ☒ Services | ☒ Power generation |
| ☒ Materials | ☒ Transportation services |
| ☒ Hospitality | ☒ Food, beverage & agriculture |
| ☒ Biotech, health care & pharma | |

Investing (Asset manager)**(1.10.1) Activity undertaken**☒ No**Investing (Asset owner)****(1.10.1) Activity undertaken**☒ No**Insurance underwriting (Insurance company)****(1.10.1) Activity undertaken**☒ No**(1.24) Has your organization mapped its value chain?****(1.24.1) Value chain mapped**☒ Yes, we have mapped or are currently in the process of mapping our value chain**(1.24.2) Value chain stages covered in mapping**☒ Upstream value chain☒ Portfolio**(1.24.3) Highest supplier tier mapped**☒ Tier 1 suppliers

(1.24.4) Highest supplier tier known but not mapped

☒ Tier 2 suppliers

(1.24.5) Portfolios covered in mapping

☒ Banking (Bank)

(1.24.7) Description of mapping process and coverage

İşbank maps its Tier 1 suppliers and its financed (Banking) portfolio for climate- and nature-related risks. Upstream mapping uses supplier surveys and transaction-level environmental & social (E&S) reviews; portfolio mapping uses PCAF financed-emissions accounting, sectoral climate heatmapping, the UNEP FI / PRB Portfolio Impact Analysis Tool, ENCORE and the TNFD LEAP approach, and is integrated with IFRS S2 / TSRS-aligned disclosure.

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

(1.24.1.1) Plastics mapping

☒ No, but we plan to within the next two years

(1.24.1.5) Primary reason for not mapping plastics in your value chain

☒ No standardized procedure

(1.24.1.6) Explain why your organization has not mapped plastics in your value chain

Currently, the bank is developing a comprehensive mapping strategy for its portfolio. This initiative is expected to be completed within the next two years. The mapping process requires detailed analysis and data collection, which are resource-intensive and time-consuming. After completing this process, the bank will prioritize the life cycle of plastics and commence related mapping activities. Moreover, the lack of a standardized, generally accepted and financial sector-specific framework and tool for plastic mapping process is one of the reasons why it is not a priority focus.

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

1

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Short term is defined as 0–1 year. The short-term period covers the monitoring of environmental targets and the planning of immediate actions in line with the Bank's current strategic priorities. In this timeframe, the Bank prioritizes the implementation of sustainability projects that deliver rapid returns, such as energy efficiency and waste management. These actions aim to reduce operational costs while improving environmental performance.

Medium-term

(2.1.1) From (years)

1

(2.1.3) To (years)

5

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Medium term is defined as 1–5 years. In this period, the Bank focuses on strengthening institutional resilience against climate-related risks and gradually integrating sustainability principles into its business model. Key priorities include the development of environmentally friendly products, renewable energy investments, projects that mitigate climate risks, and R&D activities. These actions represent more comprehensive transformation steps with longer return periods.

Long-term**(2.1.1) From (years)**

5

(2.1.2) Is your long-term time horizon open ended?☒ Yes**(2.1.4) How this time horizon is linked to strategic and/or financial planning**

Long term is defined as 5 years and beyond. This period represents the implementation of the Bank's climate strategy shaped by its net-zero targets. It includes preparing for systemic transformations such as climate change and regulatory developments, decarbonizing the credit portfolio, and setting strategic transformation goals to achieve net-zero commitments. The Bank's interim targets for 2030, its coal phase-out strategy by 2040, and sectoral emission reduction commitments extending to 2050 are concrete examples of its long-term strategic vision. These targets form the foundation for identifying, assessing, and managing long-term environmental risks and opportunities.

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process

	Process in place	Dependencies and/or impacts evaluated in this process
	☒ Yes	☒ Both dependencies and impacts

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	☒ Yes	☒ Both risks and opportunities	☒ Yes

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

- ☒ Climate change
- ☒ Forests
- ☒ Water
- ☒ Biodiversity

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

- ☒ Dependencies
- ☒ Impacts
- ☒ Risks
- ☒ Opportunities

(2.2.2.3) Value chain stages covered

- ☒ Direct operations
- ☒ Upstream value chain

(2.2.2.4) Coverage

- ☒ Partial

(2.2.2.5) Supplier tiers covered

- ☒ Tier 1 suppliers

(2.2.2.7) Type of assessment

- ☒ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

- ☒ Annually

(2.2.2.9) Time horizons covered

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

(2.2.2.10) Integration of risk management process

- ☒ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

- ☒ Site-specific
- ☒ Local
- ☒ Sub-national
- ☒ National

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

- ☒ ENCORE
- ☒ LEAP (Locate, Evaluate, Assess and Prepare) approach, TNFD
- ☒ Other commercially/publicly available tools, please specify :Think Hazard

Enterprise Risk Management

- ☒ Enterprise Risk Management
- ☒ Other enterprise risk management, please specify :Internal Company Methods

International methodologies and standards

- ☒ IPCC Climate Change Projections
- ☒ ISO 14001 Environmental Management Systems

Databases

- ☒ Nation-specific databases, tools, or standards, please specify

Other

- ☒ Desk-based research
- ☒ External consultants
- ☒ Internal company methods
- ☒ Materiality assessment
- ☒ Scenario analysis

(2.2.2.15) Risk types and criteria considered

Acute physical

- ☒ Cyclone, hurricane, typhoon
- ☒ Drought
- ☒ Flood (coastal, fluvial, pluvial, ground water)
- ☒ Heat wave
- ☒ Heavy precipitation (rain, hail, snow/ice)

Chronic physical

- ☒ Changing precipitation patterns and types (rain, hail, snow/ice)
- ☒ Changing temperature (air, freshwater, marine water)
- ☒ Increased severity of extreme weather events
- ☒ Sea level rise
- ☒ Water stress

Policy

- ☒ Carbon pricing mechanisms
- ☒ Changes to international law and bilateral agreements
- ☒ Changes to national legislation
- ☒ Increased pricing of water

Market

- ☑ Changing customer behavior
- ☑ Inadequate access to water, sanitation, and hygiene services (WASH)
- ☑ Lack of availability and/or increased cost of certified sustainable material
- ☑ Rise in risk-based pricing of insurance policies (beyond demand elasticity)

Reputation

- ☑ Impact on human health
- ☑ Increased concern and/or negative feedback from partners and stakeholders
- ☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g., GHG emissions, deforestation & conversion, water stress, excessive bycatch)

Technology

- ☑ Dependency on water-intensive energy sources
- ☑ Transition to lower emissions technology and products
- ☑ Transition to water efficient and low water intensity technologies and products
- ☑ Transition to water intensive, low carbon energy sources
- ☑ Unsuccessful investment in new technologies

Liability

- ☑ Exposure to sanctions and litigation
- ☑ Non-compliance with regulations and legislation
- ☑ Regulation and supervision of environmental risk in the financial sector

(2.2.2.16) Partners and stakeholders considered

- | | |
|-------------|---------------------|
| ☑ NGOs | ☑ Local communities |
| ☑ Employees | ☑ Investors |
| ☑ Suppliers | ☑ Regulators |

(2.2.2.17) Has this process changed since the previous reporting year?
☒ Yes
(2.2.2.18) Further details of process

We have integrated the latest version of the ENCORE tool and database, together with TNFD's LEAP approach, into our framework for identifying, assessing, and managing environmental risks and opportunities. Based on ENCORE, we map the dependencies and pressures of sectoral activities along with their materiality levels in our operations, thereby identifying business areas exposed to higher environmental risks and opportunities that need to be prioritized. While the tools and methodologies used for risk identification and assessment may differ depending on the type of risk, İşbank's Enterprise Risk Management (ERM) framework integrates environmental issues into company-wide risk management processes with a holistic approach. Environmental risks arising from upstream and direct operations are considered as part of our operational, reputational, and climate risk taxonomies, and are incorporated into risk assessments at both top-down and bottom-up levels. Environmental issues arising from upstream activities and direct operations are mainly associated with three major management functions at the Bank: suppliers, office buildings, and other stakeholders. Key suppliers in terms of size and dependency are included in the assessments. Results of the analyses indicate that suppliers operating in the energy, construction, paper, plastic, and transportation sectors exhibit a higher impact on the environment, whereas the environment-related dependency of service providers is higher in the food and construction sectors. In response, various criteria are taken into consideration during supplier evaluations. For instance, whether the legal requirements for the disposal of waste generated from the Bank's activities are met, whether recycled materials are used, and the frequency of environmental emergencies are evaluated. For procurements with high environmental impact, suppliers are expected to submit the required documents. No goods or services are purchased from suppliers who fail to meet expectations. The Bank also has the authority to audit suppliers when deemed necessary. Environmental concerns related to our daily operations are relatively low and mainly associated with our head office buildings, data centers, and branches. Considering the geographical distribution of the Bank's assets and operations, vulnerability to physical water-related risks such as flooding and heavy rainfall is assessed under the Physical Damage Risk category using the Top-Down Risk Assessment methodology. Geographic exposure to hazards such as drought and flooding is assessed using ThinkHazard data, alongside official national data sources. In addition, the Bank conducts an annual Environmental Risk Assessment for its direct and supply chain operations, covering issues such as waste management, compliance with regulatory requirements, and employee health and safety. Managing the environmental concerns of various stakeholders (investors, regulators, customers, employees, etc.) is also an important element of the Bank's direct operations. This issue is considered an integral part of reputational risk management. To better manage both the positive and negative effects, the Bank has integrated its ESG performance score (Sustainalytics) into its reputational risk monitoring tool, the "Reputation Risk Index."

(2.2.4) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts related to your portfolio activities?

	Process in place covering this portfolio	Dependencies and/or impacts related to this portfolio evaluated in this process
Banking (Bank)		

	Process in place covering this portfolio	Dependencies and/or impacts related to this portfolio evaluated in this process
	☒ Yes	☒ Both dependencies and impacts

(2.2.5) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities related to your portfolio activities?

	Process in place covering this portfolio	Risks and/or opportunities related to this portfolio are evaluated in this process	Is this process informed by the dependencies and/or impacts process?
Banking (Bank)	☒ Yes	☒ Both risks and opportunities	☒ Yes

(2.2.6) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities related to your portfolio activities.

Banking (Bank)

(2.2.6.1) Environmental issue

- ☒ Climate change
- ☒ Forests
- ☒ Water
- ☒ Biodiversity

(2.2.6.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this portfolio

- ☒ Dependencies
- ☒ Impacts
- ☒ Risks
- ☒ Opportunities

(2.2.6.3) % of portfolio covered by the assessment process in relation to total portfolio value

100

(2.2.6.4) Type of assessment

- ☒ Qualitative and quantitative

(2.2.6.5) Industry sectors covered by the assessment

- | | |
|---|---|
| ☒ Retail | ☒ Fossil Fuels |
| ☒ Apparel | ☒ Manufacturing |
| ☒ Services | ☒ Infrastructure |
| ☒ Materials | ☒ Power generation |
| ☒ Hospitality | ☒ Transportation services |
| ☒ Food, beverage & agriculture | |
| ☒ Biotech, health care & pharma | |

(2.2.6.6) Frequency of assessment

- ☒ Annually

(2.2.6.7) Time horizons covered

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

(2.2.6.8) Integration of risk management process

- ☒ Integrated into multi-disciplinary organization-wide risk assessment process

(2.2.6.9) Location-specificity used

- ☒ Site-specific
- ☒ Local
- ☒ Sub-national
- ☒ National

(2.2.6.10) Tools and methods used

- | | |
|--|---|
| ☒ ENCORE | ☒ CDP Disclosure Framework |
| ☒ Risk models | ☒ UNEP FI Portfolio Impact Analysis Tool for Banks |
| ☒ Stress tests | ☒ Other, please specify : Think Hazard, Physical Climate Risk S&P Global, CBAM |
| Exposure Indexes | |
| ☒ Scenario analysis | |
| ☒ Internal tools/methods | |

(2.2.6.11) Risk type and criteria considered

Acute physical

- | | |
|---|---|
| ☒ Drought | ☒ Wildfires |
| ☒ Tornado | ☒ Subsidence |
| ☒ Avalanche | ☒ Cold wave/frost |

- ☑ Heat wave
- ☑ Landslide
- ☑ Flood (coastal, fluvial, pluvial, ground water)
- ☑ Storm (including blizzards, dust, and sandstorms)

Chronic physical

- ☑ Heat stress
- ☑ Soil erosion
- ☑ Solifluction
- ☑ Water stress
- ☑ Sea level rise
- ☑ Temperature variability
- ☑ Precipitation or hydrological variability
- ☑ Increased severity of extreme weather events
- ☑ Water availability at a basin/catchment level
- ☑ Changing temperature (air, freshwater, marine water)

Policy

- ☑ Carbon pricing mechanisms
- ☑ Increased pricing of water
- ☑ Regulation of contaminants
- ☑ Changes to national legislation
- ☑ Limited or lack of river basin management

Market

- ☑ Changing customer behavior
- ☑ Uncertainty in market signals
- ☑ Lack of availability and/or increased cost of raw materials
- ☑ Rise in risk-based pricing of insurance policies (beyond demand elasticity)
- ☑ Inability to attract co-financiers and/or investors due to uncertain risks related to the environment
- ☑ Contraction of insurance markets, leaving clients exposed and changing the risk parameters of the credit

- ☑ Cyclone, hurricane, typhoon
- ☑ Heavy precipitation (rain, hail, snow/ice)

- ☑ Coastal erosion
- ☑ Saline intrusion
- ☑ Soil degradation
- ☑ Groundwater depletion
- ☑ Changing wind patterns
- ☑ Changing precipitation patterns and types (rain, hail, snow/ice)

- ☑ Uncertainty and/or conflicts involving land tenure rights and water rights

Reputation

- ☑ Increased concern and/or negative feedback from partners and stakeholders
- ☑ Insurance underwriting that could create or contribute to systemic risk for the economy
- ☑ Lending that could create or contribute to systemic risk for the economy
- ☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)
- ☑ Stakeholder conflicts concerning water resources at a basin/catchment level

Technology

- ☑ Transition to increasing renewable content
- ☑ Transition to lower emissions technology and products
- ☑ Transition to water efficient and low water intensity technologies and products
- ☑ Transition to water intensive, low carbon energy sources
- ☑ Unsuccessful investment in new technologies

Liability

- ☑ Exposure to sanctions and litigation
- ☑ Non-compliance with regulations and legislation
- ☑ Regulation and supervision of environmental risk in the financial sector

(2.2.6.12) Partners and stakeholders considered

- ☑ Customers

(2.2.6.13) Further details of process

The majority of İşbank's material environmental risks and opportunities stem from its commercial credit portfolio. Through its Enterprise Risk Management (ERM) framework, İşbank integrates environmental issues into company-wide risk management with a holistic approach, assessing them alongside traditional risks such as credit, operational, liquidity and reputational risk. To evaluate its own operations and its loan portfolio, İşbank uses an Environmental Dependency and Impacts Assessment that combines the ENCORE tool and database with the TNFD LEAP approach. By matching the dependencies and impacts of sectoral activities with their share in the portfolio, it identifies the sectors and clients exposed to higher environmental risks and opportunities across the relevant time horizons that must be prioritized. İşbank also conducts a portfolio impact analysis in line with the UNEP FI Principles for Responsible Banking (PRB), with a published Impact Report. For

climate risk, İşbank applies a two-phase approach to its commercial credit portfolio. First, a monthly sectoral Climate Change Risk Heat Map identifies the sectors to prioritize in scenario analysis and in the risk appetite framework; qualitative and quantitative assessments of transition and physical risks are translated into a five-level scale (Low, Medium-Low, Medium, Medium-High, High). A Board-approved risk appetite and tolerance limit caps the share of high-risk sectors in the total commercial portfolio (13.4% at 31 December 2025, no breach in 2025); it is monitored monthly by the Risk Management Division and reported quarterly to the Risk Committee and, via the Audit Committee, to the Board of Directors. Second, sectors rated High are prioritized for scenario analysis. A carbon tax scheme is assessed as a major risk to loan quality: customer financials are stressed under different carbon price levels using the NGFS scenario framework, across five carbon-intensive sectors (electricity generation, metal, cement, road freight and air freight transport), to measure the effect on probability of default and quantify the impact on expected credit loss. Customers in carbon-intensive sectors are expected to be materially affected by such regulations.

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

☒ Yes

(2.2.7.2) Description of how interconnections are assessed

İşbank assesses the interconnections between environmental dependencies, impacts, risks and opportunities through its Environmental Dependency and Impacts Assessment tool, combining the ENCORE tool and database with the TNFD LEAP approach (Locate, Evaluate, Assess, Prepare), integrated with the Bank's Climate Risk Management Framework so issues are assessed together, not separately. Locate: ENCORE identifies the sectors, operations, clients and suppliers most dependent on nature or exerting the greatest pressure on it, across own operations and the loan portfolio. Evaluate: dependencies and impacts are assessed for materiality, prioritizing higher-risk sectors, so high exposure to carbon-intensive sectors is recognized as a material impact that can become strategic and financial risk. Assess: these are linked to financial outcomes across credit quality, portfolio composition, regulatory exposure and reputation. Climate and water-driven transition and physical risks are analyzed together via an environmental risk matrix, a monthly five-level climate heat map and UNEP FI/NGFS/IPCC scenario analysis, with biodiversity and deforestation being added. For example, a possible carbon tax is modeled on the portfolio under NGFS scenarios for cement, road freight, air transport, non-renewable power and metals, so an exposure without a decarbonisation pathway is treated as higher credit risk. Prepare: findings feed the integrated risk management framework, where Climate Change Risk is defined in the Risk Catalog with its interactions with other risks, enabling strategy adjustment and identification of opportunities and trade-offs. The interconnections span all three issues. On the climate-water axis, drought and water stress may weaken the productivity and repayment capacity of agriculture and hydroelectric clients. In response, the Bank treats climate adaptation and transition finance as key opportunities, supporting water efficiency solutions and gradually increasing solar and wind. On the climate-land-use axis, decarbonisation roadmaps and 2030 targets for wheat, maize and rice sit at the climate-agriculture interface. Coal shows the end-to-end assessment: highly carbon-intensive activities create transition and reputation risks such as declining asset quality, and the phase-out itself carries portfolio implications the Bank weighs. İşbank does not finance greenfield coal and natural gas-fired thermal power plants or new coal mine investments (İşbank Exclusion List) and will phase out coal financing by 2040 via its Coal Phase-Out Policy and Climate Transition Plan. The transition also creates opportunity: the Bank keeps its net-zero-by-2050 roadmap for portfolio emissions (maintained after the NZBA became a guidance-oriented framework in 2025) and, having met its TL 300 billion sustainable finance target early in 2025, raised it to TL 650 billion by end-2028 (TL 446 billion, 69%, disbursed), with renewables at 78% of electricity-generation lending.

(2.2.8) Does your organization consider environmental information about your clients/investees as part of your due diligence and/or environmental dependencies, impacts, risks and/or opportunities assessment process?

	We consider environmental information
Banking (Bank)	☒ Yes

(2.2.9) Indicate the environmental information your organization considers about clients/investees as part of your due diligence and/or environmental dependencies, impacts, risks and/or opportunities assessment process, and how this influences decision-making.

Banking (Bank)

(2.2.9.1) Environmental issues covered

- ☒ Climate change
- ☒ Forests
- ☒ Water

(2.2.9.2) Type of environmental information considered

- | | |
|---|---|
| ☒ Emissions data | ☒ Water discharge treatment data |
| ☒ Energy usage data | ☒ Water withdrawal and/or consumption volumes |
| ☒ Climate transition plans ecosystems | ☒ Commitment to eliminate deforestation and conversion of other natural |
| ☒ CDP questionnaire response | |
| ☒ Emissions reduction targets | |

(2.2.9.3) Process through which information is obtained

- ☑ Directly from the client/investee
- ☑ Public data sources

(2.2.9.4) Industry sectors covered by due diligence and/or risk assessment process

- | | |
|---------------------------------|---------------------------|
| ☑ Retail | ☑ Fossil Fuels |
| ☑ Apparel | ☑ Manufacturing |
| ☑ Services | ☑ Infrastructure |
| ☑ Materials | ☑ Power generation |
| ☑ Hospitality | ☑ Transportation services |
| ☑ Food, beverage & agriculture | |
| ☑ Biotech, health care & pharma | |

(2.2.9.5) % of portfolio covered by the process in relation to total portfolio value

37

(2.2.9.6) Total portfolio value covered by the process

1695688394338

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

- ☒ Qualitative
- ☒ Quantitative

(2.4.2) Indicator used to define substantive effect

- ☒ Other, please specify :equity

(2.4.3) Change to indicator

- ☒ % decrease

(2.4.4) % change to indicator

- ☒ 1-10

(2.4.6) Metrics considered in definition

- ☒ Time horizon over which the effect occurs
- ☒ Likelihood of effect occurring

(2.4.7) Application of definition

In assessing the nature, likelihood, and magnitude of climate-related risks and opportunities, the Bank applies both quantitative thresholds and qualitative factors. In determining the financial materiality threshold, performance and capital indicators commonly used in the banking sector are taken into account. Accordingly, the lower of 5% of the Bank's three-year average consolidated profit before tax or 1% of its equity has been adopted as the threshold. In setting this threshold, sectoral applications and international reporting frameworks were evaluated, and the threshold may be updated in line with future developments. In addition to this quantitative threshold, qualitative assessments are also incorporated to capture strategic, reputational, and regulatory considerations. In determining whether a climate-related risk or opportunity is substantive, the Bank evaluates how often the effect is likely to occur, the time horizon over which it is expected to materialize, and its probability of occurrence. Time horizons are applied as short-term (0 to 1 year), medium-term (1 to 5 years), and long-term (more than 5 years). These dimensions are integrated within a matrix approach, in which financial impact thresholds are combined with time horizon and likelihood, while qualitative elements further refine the assessment. This ensures a balanced and comprehensive determination of materiality across the Bank's climate-related risks and opportunities.

Opportunities

(2.4.1) Type of definition

- ☒ Qualitative
- ☒ Quantitative

(2.4.2) Indicator used to define substantive effect

- ☒ Other, please specify :equity

(2.4.3) Change to indicator

- ☒ % increase

(2.4.4) % change to indicator

- ☒ 1-10

(2.4.6) Metrics considered in definition

- ☑ Frequency of effect occurring
- ☑ Time horizon over which the effect occurs
- ☑ Likelihood of effect occurring

(2.4.7) Application of definition

In assessing the nature, likelihood, and magnitude of climate-related risks and opportunities, the Bank applies both quantitative thresholds and qualitative factors. In determining the financial materiality threshold, performance and capital indicators commonly used in the banking sector are taken into account. Accordingly, the lower of 5% of the Bank's three-year average consolidated profit before tax or 1% of its equity has been adopted as the threshold. In setting this threshold, sectoral applications and international reporting frameworks were evaluated, and the threshold may be updated in line with future developments. In addition to this quantitative threshold, qualitative assessments are also incorporated to capture strategic, reputational, and regulatory considerations. In determining whether a climate-related risk or opportunity is substantive, the Bank evaluates how often the effect is likely to occur, the time horizon over which it is expected to materialize, and its probability of occurrence. Time horizons are applied as short-term (0 to 1 year), medium-term (1 to 5 years), and long-term (more than 5 years). These dimensions are integrated within a matrix approach, in which financial impact thresholds are combined with time horizon and likelihood, while qualitative elements further refine the assessment. This ensures a balanced and comprehensive determination of materiality across the Bank's climate-related risks and opportunities.

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

☒ Yes, both within our direct operations or upstream value chain, and within our portfolio

Forests

(3.1.1) Environmental risks identified

☒ Yes, only in our portfolio

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

☒ Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

As a financial institution, activities such as deforestation, land-use change for agricultural or industrial purposes, timber harvesting, or the direct production, trade, or use of forest-risk commodities do not form part of our own operations. As such, environmental risks related to deforestation are currently not considered to have a material impact on our direct activities. Nonetheless, we remain attentive to potential indirect exposures through our financing and investment activities, and continue to monitor emerging expectations and developments in this area.

Water

(3.1.1) Environmental risks identified

☒ Yes, both within our direct operations or upstream value chain, and within our portfolio

Plastics

(3.1.1) Environmental risks identified

☒ No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

☒ Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

As a financial institution, activities such as production of plastic polymers, production of durable plastic components, production / commercialization of durable plastic goods (including mixed materials), production / commercialization of plastic packaging, production of goods packaged in plastics and provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services) are not applicable within our operations. As such, environmental risks related to plastics are currently not considered to have a material impact on our direct activities.

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

☒ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Policy

- ☒ Carbon pricing mechanisms

(3.1.1.4) Value chain stage where the risk occurs

- ☒ Banking (Bank) portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

- ☒ Credit risk

(3.1.1.6) Country/area where the risk occurs

- ☒ Türkiye

(3.1.1.9) Organization-specific description of risk

Under the NGFS Net Zero 2050 scenario and other ambitious decarbonisation scenarios, climate change mitigation and environmental sustainability regulations at national and international levels, such as the Carbon Border Adjustment Mechanism (CBAM) and Emissions Trading Systems (ETS), are expected to become more widespread and strict. These regulations may create direct or indirect cost pressures on sectors covered by CBAM, including cement, electricity, iron and steel, aluminum, fertilisers and hydrogen, as well as on other emissions-intensive sectors. As climate and environmental compliance requirements become more stringent, customers with high emissions intensity may fail to implement transition investments aimed at reducing emissions from their production processes in a timely manner, resulting in increased operating costs and weakened cash flows. Consequently, default probabilities may rise and Expected Credit Loss (ECL) provisions may increase within credit portfolios. This risk is considered a transition risk factor that may affect the Bank's financial performance over the medium and long term through overall portfolio exposure to carbon-intensive sectors rather than through individual customer exposures. During the current reporting period, this risk has not had a material impact on the Bank's financial performance.

(3.1.1.10) % of portfolio value vulnerable to this risk

- ☒ 1-10%

(3.1.1.11) Primary financial effect of the risk

☒ Increased credit risk

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

☒ Medium-term

☒ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

☒ Very likely

(3.1.1.14) Magnitude

☒ Medium-high

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Since there was no official carbon tax mechanism in Türkiye in the reporting year, an effect can not be quantified. An ETS or carbon tax is expected to be implemented in the medium-term and could effect İşbank's clients in the medium and long-term, particularly those in carbon-intensive sectors (e.g. energy, cement production, transportation, and metal) by increasing their operating costs. This might increase credit risk if these clients struggle to meet financial obligations, potentially affecting loan payments. As a result, expected credit loss (ECL) of İşbank's carbon-intensive loans could increase, negatively affecting the overall loan portfolio value. If the balance sheet value of loan provisions increase, this will be reflected adversely on the net operating income. As a result, Bank's net income decreases, reducing the overall profitability and capital substantially. These effects are expected to be amplified in the long-run, as some of the assets become stranded due to perpetually high operating costs. The anticipated financial effect in the medium term is projected in the range of TRY 933 million to TRY 2.17 billion, reflecting the potential cost of increased provisions and reduced net income. In the long run, these effects are expected to be amplified as some assets may become stranded due to persistently high operating costs, with the long-term financial impact estimated between TRY 933 million and TRY 2.38 billion.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

☒ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

933862697

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

2175864942

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

933862697

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

2383287677

(3.1.1.25) Explanation of financial effect figure

The anticipated effects of a carbon tax on the Bank's financial position are quantified using the NGFS reference scenarios and the UNEP FI/Oliver Wyman "Transition Check" methodology, covering five carbon-intensive sectors (energy, cement, air transportation, freight transportation and metal production) over medium- and long-term horizons. Client financials are stressed under different carbon price levels based on customized NGFS Current Policies, Below 2°C, Delayed Transition and Net Zero scenarios. Probability of default (PD) rates are derived from a PD model built solely on financial metrics affected by the carbon tax (operating costs, revenues, profitability, etc.). The impact on the Bank is calculated as the sum of the differences between clients' post-tax expected credit losses (ECL) and their base ECLs (no tax), with ECL defined per IFRS 9 as $EAD \times LGD \times PD$. About 1,200 clients with an aggregate EAD of TRY 235 billion are included. In both horizons, clients face higher operational costs, partly passed through to prices in line with sectoral supply and demand elasticities; for most clients, operating costs rise while production and revenue fall. For simplicity, LGDs are assumed stable (weighted average 43.6%). The carbon price is anticipated to range between USD 11.5 and 381.3/tCO₂ with an increasing trend. Across the four scenarios, the lowest financial impact occurs under Current Policies and the highest under Net Zero. Under NGFS Current Policies, a carbon price of USD 11.5/tCO₂ is assumed for both horizons, with an estimated impact of TRY 841 million. Under Delayed Transition, the price remains constant in the medium term (to 2030) and rises to USD 72.5/tCO₂ in the long term (2035), with an anticipated impact of TRY 1.24 billion. Under Net Zero 2050, the price rises to USD 257.4/tCO₂ in the medium term and USD 381.3/tCO₂ in the long term, with impacts of TRY 1.96 billion and TRY 2.38 billion respectively. In addition to the national carbon pricing mechanism, İşbank has estimated the deterioration in the PD of companies expected to be affected by CBAM, which entered into force in 2026, using the Climate Policy Relevant Sectors (CPRS) classification and IMF assumptions. By including these CBAM impacts—TRY 92 million under Current Policies and TRY 235 million under Net Zero 2050—the total anticipated financial effect on ECL provisions was finalized.

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

☑ Establish organization-wide targets

(3.1.1.27) Cost of response to risk

35000000

(3.1.1.28) Explanation of cost calculation

In order to mitigate climate related credit risk that may stem from its portfolio, İşbank took various actions in the reporting year such as implementing transition pathways, enforcement of exclusion policies, enhancing customer due-diligence and employee trainings. Costs incurred were, consultancy fees related to portfolio decarbonization and climate transition initiatives, ongoing operational implementation of credit-related climate measures including the enforcement of coal and natural gas exclusion policies, sector specific scenario analyses, and the continuation of “Climate Change Risk” dijital training for the Bank’s employees development costs incurred in the reporting year.

(3.1.1.29) Description of response

The financial implications of the transition to a low-carbon economy are addressed at a strategic level. To manage the potential impacts of transition- related risks on the credit portfolio, sector-specific decarbonisation targets, credit policies, risk appetite practices and climate finance instruments are utilised. These practices aim to limit the deterioration in portfolio quality and increases in credit risk that may arise from transition risks. In line with its 2050 net-zero commitment, İşbank has established 2030 emissions reduction targets for all carbon-intensive sectors. The Bank supports the transition efforts of customers operating in these sectors and publicly discloses progress towards these targets on an annual basis. The Climate Transition Plan, prepared in line with the sectoral decarbonisation pathways developed in 2024, was published in 2025. Aligned with the Paris Agreement, the Plan sets out science-based and actionable transition pathways, including roadmaps and concrete actions tailored to the needs of customers operating in sectors identified as carbon-intensive. The Plan aims to support customers throughout their transition journeys, reduce emissions-intensive activities and strengthen long-term portfolio resilience. In addition, the Bank continues to expand its sustainable finance activities to support its customers’ investments related to the transition to a low- carbon economy and has increased its sustainable finance commitment to TL 650 billion by 2028. Credit allocations to carbon-intensive sectors are monitored within established risk appetite limits. Furthermore, initiatives are being undertaken to enhance customers’ capacity to comply with regulations such as the European Green Deal and the Carbon Border Adjustment Mechanism (CBAM). As CBAM is progressively implemented, potential carbon costs for customers to be affected by the mechanism are expected to be quantified and incorporated into credit assessment and feasibility analysis.

Forests

(3.1.1.1) Risk identifier

☒ Risk2

(3.1.1.2) Commodity

Forests commodity

☒ Timber products

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☒ Other policy risk, please specify :EUDR - Deforestation Regulation

(3.1.1.4) Value chain stage where the risk occurs

☒ Banking (Bank) portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

☒ Credit risk

(3.1.1.6) Country/area where the risk occurs

☒ Türkiye

(3.1.1.9) Organization-specific description of risk

The EU Deforestation Regulation (EUDR) is expected to become applicable from late December 2026 for large and medium-sized operators and traders. It aims to prevent deforestation and forest degradation linked to the production and trade of soy, palm oil, cattle, cocoa, coffee, rubber and wood, as well as derived products such as leather, chocolate, furniture and paper. Given the structure of Turkey's exports to the EU, timber and derived products (wood, paper, packaging and furniture) represent the primary potential risk exposure within the Bank's portfolio, while the financial risk assessment covers all corporate clients falling under the scope of EUDR. The regulation may lead to additional compliance and operational costs for EU-exporting companies that are not adequately prepared, arising from supply chain traceability, due diligence, monitoring and related obligations. Increased compliance costs and potential supply chain disruptions may affect cash flows, alter cost structures and weaken debt repayment capacity, which in turn may increase default probabilities and create a risk of deterioration in the Bank's asset quality. 3.5% of İşbank's commercial loan portfolio is concentrated in sectors subject to EUDR and may be exposed to risks related to this policy.

(3.1.1.10) % of portfolio value vulnerable to this risk

☒ 1-10%

(3.1.1.11) Primary financial effect of the risk

☒ Increased credit risk

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

☒ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

☒ Likely

(3.1.1.14) Magnitude

☒ Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Since EUDR was not official in the reporting year, there was no quantifiable realized effect for the reporting period. The main EUDR obligations are scheduled to apply at the end of 2026 and could affect İsbank's clients, particularly exporters within the scope of EUDR, by creating additional compliance and therefore increasing their operating costs. This might increase credit risk if these clients struggle to meet financial obligations, potentially affecting loan payments. As a result, expected credit loss (ECL) of those clients could increase, negatively affecting the overall loan portfolio value. If the balance sheet value of loan provisions increases, this will be reflected adversely on the net operating income of affected commercial customers. As a result, Bank's net income decreases, reducing the overall profitability. The estimated financial impact range of this risk is projected at TRY 18 million to TRY 73 million, which reflects the potential increase in provisions and related adverse effects on profitability. The financial effects are expected to materialize primarily over the medium term as EUDR requirements become applicable.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

☒ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

18000000

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

73000000

(3.1.1.25) Explanation of financial effect figure

Anticipated effects of emerging "European Union Deforestation Regulation - EUDR" on commercial loan portfolio is quantified by evaluating the related sectors which are covered under by this regulation. By segregating each customer according to their NACE codes, the share of relevant sectors quantified, which constitutes 2% of the total commercial loan portfolio in the reporting year. In order to calculate the minimum and maximum anticipated financial effect figure, it's assumed that Probability of Default (PD) values are increased by 2% and 8% respectively. ECL is calculated by the IFRS9 definition: Exposure at default (EAD) x Loss given default (LGD) x PD. The effect of the emerging EUDR on portfolio is calculated as the sum of the differences between clients' ECLs after EUDR and their base ECL (without anticipated EUDR effect). Minimum and maximum anticipated financial effect (ECL increase) range is calculated as 18 million TRY to 73 million TRY.

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

☒ Establish organization-wide targets

(3.1.1.27) Cost of response to risk

0

(3.1.1.28) Explanation of cost calculation

The response to this risk is carried out entirely within the Bank's existing organisational structure and does not require any incremental expenditure. Monitoring of EUDR developments, identification and assessment of clients within the scope of the regulation, integration of the findings into credit evaluation and portfolio monitoring processes, and engagement with exposed clients are performed by the Bank's existing Sustainability, Credit Risk and Corporate Banking teams as part of their ordinary responsibilities. These activities are absorbed within the teams' regular workload and existing operating budgets, and no additional staff, external consultancy, system investment or other dedicated resources have been allocated for this purpose. Accordingly, the cost of response to this risk is reported as zero. The Bank will reassess this position if the scope or complexity of EUDR-related requirements necessitates dedicated resources in the future.

(3.1.1.29) Description of response

İşbank has carried out several initiatives to mitigate deforestation-related risks and generate positive forest impacts through its portfolio. All financed projects must comply with national forestry laws, and ESG risks are assessed via the ÇESMOD methodology, which includes habitat and sensitive area analysis. For projects with potential forest impacts, İşbank requires mitigation actions such as relocating trees or planting new ones. Tree planting commitments, particularly in linear projects and thermal power plants, are embedded in contracts and monitored annually. In the reporting year, 52 investments were subject to Environmental and Social Risk Assessment, supported by 32 site visits. As part of the ÇESMOD process, forest-related risks are assessed at the project level, and tree-planting commitments are incorporated into financing contracts and monitored annually. The Bank continued the "81 Forests in 81 Cities" project in cooperation with the General Directorate of Forestry and TEMA Foundation. Tree-planting ceremonies were held in a total of 27 provinces during the year. The initiative aims to plant 2.2 million saplings across all 81 provinces over five years, supporting forest conservation and environmental awareness. İşbank also continued the "Forest for the Future" project with TEMA Foundation. Through İşCep, customers earn carbon points by selecting environmentally friendly banking transactions and daily activities. When the points reach the relevant threshold, İşbank plants a sapling on behalf of the customer through TEMA Foundation. By the end of the reporting year, the project had reached 782,312 participants and resulted in 491,373 saplings being planted. In addition, through the "Great Nature Model: Türkiye" project, field studies were conducted in 33 national parks, where sound, image and scanning data were collected and combined with open-source academic information to support nature and biodiversity conservation and awareness.

Water**(3.1.1.1) Risk identifier**

☑ Risk3

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

☒ Water stress**(3.1.1.4) Value chain stage where the risk occurs**☒ Banking (Bank) portfolio**(3.1.1.5) Risk type mapped to traditional financial services industry risk classification**☒ Credit risk**(3.1.1.6) Country/area where the risk occurs**☒ Türkiye**(3.1.1.7) River basin where the risk occurs**

- | | |
|---|--|
| ☒ Coruh | ☒ Asi (Orontes) |
| ☒ Maritsa | ☒ Tigris & Euphrates |
| ☒ Sakarya | ☒ Other, please specify : Bursa-İznik, Susurluk, Western Black Sea, Yeşilırmak, |
| Konya Closed, Gediz, Küçük Menderes, Büyük Menderes, Southern Aegean, Western Mediterranean, Antalya, Akarçay, Burdur Lakes, Seyhan, Ceyhan, | |
| Eastern Black Sea, Aras, Zapsuyu Basins | |
| ☒ Van Golu | |
| ☒ Kizilirmak | |

(3.1.1.9) Organization-specific description of risk

Climate-related physical risks may arise from acute events such as extreme precipitation, floods, wildfires, landslides and heatwaves, as well as from chronic changes including rising average temperatures, drought, water stress and shifting climate patterns. These risks may adversely affect the operations, cash flows, production capacity and financial resilience of customers in the Bank's credit portfolio. Drought, water stress and other water-related effects of extreme temperature increases may weaken the operational performance, revenue-generating capacity and thus repayment capacity of customers, particularly those in agriculture, energy, food, mining and other water-intensive sectors. These effects may be reflected in the Bank's credit risk parameters and provisioning calculations, resulting in higher Expected Credit Loss (ECL) provisions and pressure on financial performance. As a concrete example, sunflower production in Türkiye decreased by 13.8% in 2023 due to increasing water stress, and production declines exceeding 60% were observed in some companies within the Bank's portfolio as a result of prolonged drought and severe water stress. While no substantive financial impact was realised on the Bank's financial statements during the reporting year, the adverse effects of these physical risks are expected to become increasingly pronounced in the long term.

(3.1.1.10) % of portfolio value vulnerable to this risk

☒ 1-10%

(3.1.1.11) Primary financial effect of the risk

☒ Increased credit risk

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

☒ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

☒ Likely

(3.1.1.14) Magnitude

☒ Medium-high

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

At İşbank, the anticipated financial effect of physical climate risks on the Bank's financial position primarily transmits through credit risk metrics within the lending portfolio. Compared to the previous year, physical climate risk stress testing, which covered only agriculture, has been expanded to include all companies operating in climate-sensitive sectors with an outstanding credit balance exceeding TRY 10 million (TRY 1 million for the agricultural sector). In all cases, companies with outstanding credit balances above TRY 200 million have been included within the scope of the impact assessment regardless of sector classification. The scope of the analysis has been expanded to include extreme temperatures, drought, extreme precipitation, floods, wildfires and landslides. Therefore, the specific financial effect of water stress alone can no longer be isolated from other chronic physical climate risks. The rise in water stress may lead to an increase in the production costs for clients, as the costs of technologies required for irrigation and water access, along with energy and labor costs, are expected to rise. In addition, reduced production will decrease agricultural income, which will increase the risk of default for firms in the agricultural sector. The lower yields of water-dependent crops could negatively affect the overall performance of the Bank's credit portfolio. Increased financial hardships of customers due to the decreased yields potentially increase non-performing loans (NPLs) and negatively affect asset quality. Also, increased provisions because of the increase in expected credit loss (ECL) of the agriculture production sector would cause the Bank's revenue to diminish relative to its potential. Drought may limit power generation in HEPP (Hydroelectric Power Plants), directly affecting electricity sales revenue; extreme precipitation may disrupt material processing and project timelines in construction, causing operational cost overruns and delays.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

☒ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

994406254

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

1988813708

(3.1.1.25) Explanation of financial effect figure

Using ThinkHazard data sources, geographical risk assessments were conducted at the customer level for each physical risk type. Physical climate risk stress testing has been expanded to include all companies operating in climate-sensitive sectors with an outstanding credit balance exceeding TRY 10 million (TRY 1 million for the agricultural sector). In all cases, companies with outstanding credit balances above TRY 200 million have been included within the scope of the impact assessment regardless of sector classification. Based on the assessment results, a Climate Impact Factor (CIF) was calculated for each customer to quantify exposure to physical climate risks, and the total impact on ECL provisions was estimated accordingly. Unlike the previous year's analysis, which involved stress testing only the Probability of Default (PD) parameter, the Loss Given Default (LGD) parameter was also stress tested to reflect physical risk factors. The estimated financial effect range -from TRY 994 million to TRY 1.98 billion- represents the projected total incremental ECL provisions resulting from these stressed PD and LGD parameters under different climate pathways. İşbank rates the anticipated long-term impact of the consolidated portfolio physical risk Medium-High under RCP 8.5 and Medium under RCP 4.5.

(3.1.1.26) Primary response to risk

Engagement

☒ Engage with customers

(3.1.1.27) Cost of response to risk

33579791

(3.1.1.28) Explanation of cost calculation

To address chronic risks such as water stress and drought, the Bank provides technical advisory and adaptation support to customers and trains its employees. In 2025, agricultural engineers engaged under the İmeceMobil platform provided specialised advisory to selected branch customers on agricultural and ecological issues (TRY 29,624,999). The Bank met with 3,000 farmers through recurring farmer meetings (TRY 1,496,115), with a related "Social Impact Analysis" study (TRY 1,851,600), and allocated TRY 2,069,442 to regenerative agriculture in Hatay with the Wheat Association for post-earthquake recovery. Given hydroelectric plants' exposure to these risks, the Bank aims to increase the share of other renewables in its portfolio through products such as "Solar Loan by İşbank", supported by the Solarvis PV pre-feasibility software (TRY 607,076). The ÇESMOD and Project Rating models, introduced in previous years for credit risk assessment, incurred no cost in the reporting year.

(3.1.1.29) Description of response

The Bank expands financing and solutions supporting customer investments in adaptation, efficiency and resource management to build resilience against physical climate risks. To address water stress and drought, financing for efficient water use and water recovery investments is prioritised. In agriculture, smart farming technologies, good and organic agricultural practices, pressurised irrigation systems and digital agriculture solutions help producers adapt to changing climate conditions. Through the İmeceMobil platform, weather forecasts, agricultural notifications, satellite monitoring, irrigation management and fertilisation planning are provided, complemented by advisory services from agricultural engineers. The Bank also organises "Next Generation Farmer Meetings" with academics to raise customer awareness, reaching 35,000 producers to date; a social impact analysis was conducted in the reporting year to measure their effectiveness. In collaboration with the Pressurised Irrigation Manufacturers Association (BASUSAD), "Correct Irrigation Techniques" trainings were held at Specialised Agricultural Branches, and support continued for the project with the Wheat Association for Supporting Ecological Living providing regenerative agriculture training to earthquake-affected producers in Hatay. The Bank encourages customers to obtain TARSIM insurance to transfer risk, and trains its employees on agricultural risks including water stress. To mitigate the dependence of hydroelectric plants on water resources, İşbank is diversifying its renewable portfolio towards solar and wind, supported by dedicated "Solar Loans" and the Solarvis PV pre-feasibility tool. The Bank uses the ÇESMOD model to evaluate sector-specific environmental and social issues and the Project Rating Model to strengthen credit risk evaluation and monitoring.

Water

(3.1.1.1) Risk identifier

☒ Risk4

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☒ Heavy precipitation (rain, hail, snow/ice)

(3.1.1.4) Value chain stage where the risk occurs

☒ Direct operations

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

☒ Operational risk

(3.1.1.6) Country/area where the risk occurs☒ Türkiye**(3.1.1.7) River basin where the risk occurs**☒ Other, please specify :Marmara Basin**(3.1.1.9) Organization-specific description of risk**

Acute physical climate risks may adversely affect the Bank's business continuity. The assessment of these risks is significantly shaped by İşbank's number of employees, ATM and branch network, and geographical footprint. Particularly under the RCP 8.5 and NGFS Current Policies scenarios, which assume high temperature increases and climate variability, Türkiye is expected to experience short-duration but high-intensity climate events after 2030. In major cities, limited infrastructure capacity, urban density and the simultaneous effects of climate anomalies may increase the frequency and severity of extreme precipitation and floods. Accordingly, branches, ATM networks, operation centres, data centres and logistics infrastructure may face higher risks of physical damage, while such events may also disrupt business continuity, raise employee safety concerns and interrupt customer services. An analysis of extreme precipitation events causing temporary operational disruptions at the Bank between 2013 and 2025 shows that Istanbul stands out from other provinces in the number of branch-level incidents, driven both by the large number of branches in the province and by the frequency of severe precipitation events across the city. Istanbul is also a focus because buildings critical in terms of value and business continuity, such as the Headquarters, TUTOM (Tuzla Technology & Operation Centre) and the Atlas Data Centre, are located there.

(3.1.1.11) Primary financial effect of the risk☒ Decreased revenues due to reduced production capacity**(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization**☒ Long-term**(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon**☒ Likely**(3.1.1.14) Magnitude**☒ Medium-low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

In the long term, heavy precipitation is expected to have an unprecedentedly increased effect on financial results of the Bank. In such a case, primary adverse effect will be on revenues. Due to frequent and long-lasting service disruptions, branches may be unable to generate revenue and performance temporarily impacted, which in turn may adversely affect Bank's profitability and reputation. Historical data between 2013-2025 demonstrates this trend, with the Bank recording almost 300 heavy precipitation-driven operational disruptions. İstanbul accounts for the largest share of these events at 37% (110 branches), a concentration projected to intensify in frequency and severity over the long term. In addition, Banks' branches that exposed to heavy precipitation may experience and repair/renovation costs arose in some of damaged buildings. The Bank may also incur additional expenses in order to sustain workplace and employee safety in such disasters. Additionally, İşbank insures its assets, including owned buildings/equipment, and rental branches against physical risks. If such physical risks increase, Renewal of insurance policies may result in higher annual insurance premiums. Considering these factors, the estimated long-term financial impact of heavy precipitation on the Bank is projected to be in the range of TRY 6.5 million to TRY 445.4 million, reflecting both lost revenue from operational disruptions and increased expenses for asset repair, safety measures, and insurance premiums.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

☒ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

6507973

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

445361680

(3.1.1.25) Explanation of financial effect figure

To quantify operational risks, the Bank employs not only the current regulatory method—the Basic Indicator Approach—but also the Advanced Measurement Approach (AMA). İşbank's internal capital model for operational risk is based on determining appropriate distributions for Unit of Measure (UoM) level Internal Loss Data (ILD), External Loss Data (ELD), and Scenario Analysis (ScA) data. Bank uses A customized integration method is applied to combine ILD, ELD, and ScA data, after which Monte Carlo simulation is used to estimate Value at Risk (VaR) for each operational risk category at various confidence intervals. By performing 1M simulations, the loss curves estimated on a category basis are combined using a copula-based method. Correlation factors between risks, as well as the risk mitigation effects of the Bank's various operational risk insurance policies are incorporated into the model to calculate net VaR. The calculated net VaR at 99.9% confidence level is taken as the capital requirement for operational risk in accordance with the principles of the internal measurement approach. To estimate the potential impact of various climate events on the magnitude of operational risk, the "Scenario Analysis" module of the Bank's internal capital model has been utilized. In order to calculate the anticipated minimum and maximum financial effect, "Heavy Precipitation" scenario analysis is integrated into aforementioned model. In this scenario analysis, various assumptions have been employed, including the proportion of branches, ATMs, and employees that could be affected by the event; the extent of physical damage; the scale of service disruptions; and the expenditure required to ensure employee safety. In the model, following 3 category, Employee Health & Safety, Damage to Physical Assets and Business Disruption, where their corresponding weights are assumed as 0,6%, 32,2% and 67,2% respectively. These assumptions have been developed using current and historical data, as well as global climate scenario projections and expert judgment. The difference between the stressed model and the base model is considered as the potential effect of the climate event. The minimum and maximum anticipated financial effect figure for the heavy precipitation is TRY 6.5 – 445.4 million respectively. Maximum effect reflects the assumptions related to RCP8.5, the worst-case scenario, and the minimum effect similarly employs the assumptions of Net-Zero 2050, the best-case scenario.

(3.1.1.26) Primary response to risk

Policies and plans

☒ Use risk transfer instruments

(3.1.1.27) Cost of response to risk

198624055

(3.1.1.28) Explanation of cost calculation

Insurance premium of TRY 198,624,055 allocated to insuring Bank-owned buildings and equipment and rented branches. Because the Bank's insurance contracts cover a bundle of physical perils (earthquake, flood, fire, wind damage, collision, vandalism and others), premium pricing cannot be separated by peril, so the full premium is reported against the consolidated direct-operations risk. Business continuity and disaster-management activities and training incurred no additional cost, being conducted as business-as-usual within existing operating budgets.

(3.1.1.29) Description of response

To limit the impacts of physical climate risks on the Bank's direct operations, business continuity, operational resilience and disaster management practices are continuously strengthened. The potential impacts of acute physical climate risks, including extreme weather events, heatwaves, floods and water stress, on operations are regularly assessed, and critical business processes are reviewed to support operational continuity. In this context, İsbank has implemented its Business Continuity Management program since 2009. Aligned with the ISO 22301 Standard and national regulations, the Program is overseen directly by the CEO via the Disaster and Emergency Coordination Office. Measures are taken to safeguard uninterrupted service capacity at data centers, digital banking infrastructure and critical technical systems, and ongoing initiatives are carried out to enhance operational resilience. In addition, within the scope of disaster and emergency management, plans covering risk assessment, preparedness, response and recovery processes are implemented and regularly supported through training, testing and drill activities. Furthermore, initiatives related to energy efficiency, resource efficiency and sustainable building practices are implemented to reduce the operational impacts of physical climate risks.

Climate change**(3.1.1.1) Risk identifier**

☒ Risk5

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☒ Heat wave

(3.1.1.4) Value chain stage where the risk occurs

☒ Direct operations

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

☒ Operational risk

(3.1.1.6) Country/area where the risk occurs

☒ Türkiye

(3.1.1.9) Organization-specific description of risk

Climate change-related acute physical risks may adversely affect the Banks business continuity through sudden and rapidly intensifying climate events. The impact assessment of these risks is significantly influenced by the number of employees, the ATM and branch network, and the geographical distribution of operations. Particularly under the RCP 8.5 and NGFS Current Policies scenarios, which assume high temperature increases and climate variability, average temperatures across Türkiye are expected to increase significantly after 2040, with varying impacts across different regions. A significant portion of the impacts on the Bank's direct operations may arise from reduced employee productivity under extreme heat conditions, interruptions in service continuity and increased cooling requirements. Accordingly, under severe physical risk scenarios, a substantial portion of the anticipated financial impact is expected to stem from operational disruptions, increased operating costs and declines in employee productivity.

(3.1.1.11) Primary financial effect of the risk

☒ Decreased revenues due to reduced production capacity

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

☒ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

☒ Likely

(3.1.1.14) Magnitude

☒ Medium-low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

In the long term, heat wave is expected to have an unprecedentedly heightened effect on financial results of the Bank. Under severe physical risk scenarios, a substantial portion of the impacts on the Bank's direct operations arises from reduced employee productivity under extreme heat conditions, interruptions in service continuity, and increased cooling requirements. Climate scenario projections indicate that the frequency and severity of extreme temperature events will intensify across Türkiye over the long term. Service disruptions across physical and digital channels, directly threaten business continuity and revenue generation. To maintain operational continuity and sustain workplace health and safety across its branch network and operational units, the Bank anticipates higher operating costs associated with increased conditioning system loads, continuous power supply solutions, energy consumption, and infrastructure maintenance. As physical climate risks escalate, insurance policy renewals for owned buildings and equipment may result in higher annual premiums. Considering these cumulative factors, the estimated long-term financial impact of heat waves on the Bank is projected to be in the range of TRY 2.5 million to TRY 543 million.

(3.1.1.17) Are you able to quantify the financial effect of the risk?
☒ Yes
(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

2510916

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

543107617

(3.1.1.25) Explanation of financial effect figure

To quantify operational risks, the Bank employs not only the current regulatory method—the Basic Indicator Approach—but also the Advanced Measurement Approach (AMA). İşbank's internal capital model for operational risk is based on determining appropriate distributions for Unit of Measure (UoM) level Internal Loss Data (ILD), External Loss Data (ELD), and Scenario Analysis (ScA) data. Bank uses A customized integration method is applied to combine ILD, ELD, and ScA data, after which Monte Carlo simulation is used to estimate Value at Risk (VaR) for each operational risk category at various confidence intervals. By performing 1M simulations, the loss curves estimated on a category basis are combined using a copula-based method. Correlation factors between risks, as well as the risk mitigation effects of the Bank's various operational risk insurance policies are incorporated into the model to calculate net VaR. The calculated net VaR at 99.9% confidence level is taken as the capital requirement for operational risk in accordance with the principles of the internal measurement approach. To estimate the potential impact of various climate events on the magnitude of operational risk, the "Scenario Analysis" module of the Bank's internal capital model has been utilized. In order to calculate the anticipated minimum and maximum financial effect, "Heat Wave" scenario analysis is integrated into aforementioned model. In this scenario analysis, various assumptions have been employed, including the proportion of branches, ATMs, and employees that could be affected by the event; the extent of physical damage; the scale of service disruptions; and the expenditure required to ensure employee safety. In the model, following 3 category, Employee Health & Safety, Damage to Physical Assets and Business Disruption, where their corresponding weights are assumed as 1,3%, 13,0% and 85,7% respectively. These assumptions have been developed using current and historical data, as well as global climate scenario projections and expert judgment. The difference between the stressed model and the base model is considered as the potential effect of the climate event. The minimum and maximum anticipated financial effect figure for the heat wave is TRY 2.5 – 543 million respectively. Maximum effect reflects the assumptions related to RCP 8.5, the worst-case scenario, and the minimum effect similarly employs the assumptions of Net-Zero 2050, the best-case scenario.

(3.1.1.26) Primary response to risk

Policies and plans

☒ Use risk transfer instruments

(3.1.1.27) Cost of response to risk

198624055

(3.1.1.28) Explanation of cost calculation

Insurance premium of TRY 198,624,055 allocated to insuring Bank-owned buildings and equipment and rented branches. Because the Bank's insurance contracts cover a bundle of physical perils (earthquake, flood, fire, wind damage, collision, vandalism and others), premium pricing cannot be separated by peril, so the full premium is reported against the consolidated direct-operations risk. Business continuity and disaster-management activities and training incurred no additional cost, being conducted as business-as-usual within existing operating budgets.

(3.1.1.29) Description of response

To limit the impacts of physical climate risks on the Bank's direct operations, business continuity, operational resilience and disaster management practices are continuously strengthened. The potential impacts of acute physical climate risks, including extreme weather events, heatwaves, floods and water stress, on operations are regularly assessed, and critical business processes are reviewed to support operational continuity. In this context, İsbank has implemented its Business Continuity Management program since 2009. Aligned with the ISO 22301 Standard and national regulations, the Program is overseen directly by the CEO via the Disaster and Emergency Coordination Office. Measures are taken to safeguard uninterrupted service capacity at data centers, digital banking infrastructure and critical technical systems, and ongoing initiatives are carried out to enhance operational resilience. In addition, within the scope of disaster and emergency management, plans covering risk assessment, preparedness, response and recovery processes are implemented and regularly supported through training, testing and drill activities. Furthermore, initiatives related to energy efficiency, resource efficiency and sustainable building practices are implemented to reduce the operational impacts of physical climate risks.

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

☒ Assets

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

197485963713

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

☒ 1-10%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

395395774162

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

☒ 1-10%

(3.1.2.7) Explanation of financial figures

It has been identified that 4.3% of the Bank's assets are vulnerable to climate-related transition risks, while 8.5% are vulnerable to climate-related physical risks. Further details on the substantive risks are provided under Question 3.1.1.

Forests

(3.1.2.1) Financial metric

☒ Assets

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

52300244917

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

☒ 1-10%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

☒ Less than 1%

(3.1.2.7) Explanation of financial figures

It has been identified that 1.1% of the Bank's assets are vulnerable to climate-related transition risks. A substantive risk is detailed under Question 3.1.1.

Water

(3.1.2.1) Financial metric

☒ Assets

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue☒ Less than 1%**(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)**

385395774162

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue☒ 1-10%**(3.1.2.7) Explanation of financial figures***It has been identified that 8.5% of the Bank's assets are vulnerable to climate-related transition risks. A substantive risk is detailed under Question 3.1.1.*

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate change	☒ Yes, we have identified opportunities, and some/all are being realized
Forests	☒ Yes, we have identified opportunities, and some/all are being realized
Water	☒ Yes, we have identified opportunities, and some/all are being realized

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

☒ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☒ Increased sales of existing products and services

(3.6.1.4) Value chain stage where the opportunity occurs☒ Banking portfolio**(3.6.1.5) Country/area where the opportunity occurs**☒ Türkiye**(3.6.1.8) Organization specific description**

İşbank's strengthening environmental, social and governance position improves its access to green and climate-focused international funding at favourable terms and with a more diversified investor base, supporting the expansion of its sustainable lending. İşbank received a new loan of EUR 100 million from Proparco, the private sector representative of the French Development Agency, with a final maturity of 5 years. This loan will strengthen the Bank's support for climate finance projects while also being used to meet the financing needs of micro, small and medium-sized clients.

(3.6.1.9) Primary financial effect of the opportunity☒ Increased access to capital**(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization**☒ Medium-term**(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon**☒ Virtually certain (99–100%)**(3.6.1.12) Magnitude**☒ Medium-high

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

In 2025, İşbank secured a TL 5.01 billion (EUR 100 million) five-year loan from Proparco, the private-sector arm of the French Development Agency, dedicated to strengthening the Bank's support for climate finance. Access to this dedicated climate-finance funding broadened the Bank's funding diversity and supported the expansion of its climate-related lending in the reporting year.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

☒ Yes

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

5011730000

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

7942982000

(3.6.1.23) Explanation of financial effect figures

The minimum figure of TL 5,011,730,000 is the five-year loan secured in 2025 from Proparco, the private-sector arm of the French Development Agency, converted from EUR 100 million at the year-end EUR/TRY rate of 50.1173. The maximum figure of TL 7,942,982,000 was calculated by converting EUR 100 million at an estimated EUR/TRY rate, based on the Medium-Term Program of Türkiye. This loan will strengthen the Bank's support for climate finance, so it is a dedicated climate use-of-proceeds instrument and is taken as the financial effect for this opportunity. Only this loan is included: the Bank's other 2025 sustainable funding, such as its sustainable Eurobonds, is issued under the Sustainable Finance Framework with mixed green and social use of proceeds, and is therefore excluded to avoid over-attributing non-climate funding to a climate opportunity.

(3.6.1.24) Cost to realize opportunity

0

(3.6.1.25) Explanation of cost calculation

This opportunity is pursued through the Bank's regular lending and funding activities, and no material additional cost is incurred to realize it.

(3.6.1.26) Strategy to realize opportunity

İşbank realizes this opportunity by securing dedicated climate-finance funding from international development finance institutions such as Proparco, under its Sustainable Finance Framework, and channelling these resources into its climate-related lending.

Forests**(3.6.1.1) Opportunity identifier**

☒ Opp2

(3.6.1.2) Commodity

Not applicable

☒ Not applicable

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☒ Increased sales of existing products and services

(3.6.1.4) Value chain stage where the opportunity occurs

☒ Banking portfolio

(3.6.1.5) Country/area where the opportunity occurs

☒ Türkiye

(3.6.1.8) Organization specific description

The opportunity arises from differentiating existing products within the Bank's retail banking portfolio through environmental incentives. Through the Geleceğe Orman (Forest for Future) program, İşbank integrates environmental action into the credit card experience. Customers earn Carbon Points by opting for digital credit card statements, setting up automatic credit card payments, obtaining a digital card, and using Maximum TEMA or Maximum Pati cards. They can also earn points by selecting digital slips and statements, and other environmentally-conscious actions. These actions reduce the use of timber-derived paper and translate customers' environmental actions into sapling donations. A comparison of 2024 and 2025 data for the same customer group participating in Geleceğe Orman showed a substantial increase in credit card transaction count and credit card transaction volume. Annual interest, fee and commission income generated by this customer group increased by approximately TRY 50 million. These results demonstrate increased product usage and income within the participating customer group, supporting the opportunity's connection to the Bank's retail banking portfolio. By expanding participation, the Bank aims to further strengthen customer engagement and increase associated transaction volumes and revenue potential.

(3.6.1.9) Primary financial effect of the opportunity

- ☒ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

- ☒ Short-term
- ☒ The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

- ☒ Virtually certain (99–100%)

(3.6.1.12) Magnitude

- ☒ Medium-low

(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

During 2025, Geleceğe Orman supported customer engagement through environmental incentives. For the same customer group participating in Geleceğe Orman in 2025, credit card transaction count and transaction volume increased substantially. Annual interest, fee and commission income generated by this group increased approximately TRY 50 million. The quantified financial performance measure is the year-on-year increase in income generated by the participating customer group. Higher transaction volumes also demonstrate increased activity within the retail banking portfolio.

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

In the short term, İşbank anticipates that the positive trend observed in 2025 will continue as participation in Geleceğe Orman expands across its retail customer base. Increased engagement with the Bank's existing card, payment and digital banking services is expected to support further growth in transaction volumes and in the interest, fee and commission income generated by participating customers.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

☒ Yes

(3.6.1.16) Financial effect figure in the reporting year (currency)

131839010

(3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

109113840

(3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

163670760

(3.6.1.23) Explanation of financial effect figures

The financial effect figures are based on aggregate interest, fee and commission income generated by Geleceğe Orman participants through their use of the Bank's existing banking products and services. The reporting-year figure represents total income from this customer group, while the short-term minimum and maximum figures reflect revenue estimates based on the group's income data and average monthly income levels. The figures link participating customers' banking activity to financial performance within the Bank's retail banking portfolio. They are presented as gross revenue, with program expenditure disclosed separately under the cost to realize the opportunity.

(3.6.1.24) Cost to realize opportunity

5187295

(3.6.1.25) Explanation of cost calculation

The reported cost to realize the opportunity represents the directly traceable cost of saplings purchased for the Geleceğe Orman program during the reporting year. In 2025, 61.027 saplings were purchased, resulting in a total cost of TRY 5.187.295.

(3.6.1.26) Strategy to realize opportunity

The Bank realizes this opportunity by embedding environmental actions and incentives into existing card, payment and digital banking services through Geleceğe Orman. Customers receive carbon points for selecting digital slips and statements and opting out of printed ATM receipts. These points contribute to sapling donations through the TEMA Foundation. The program's digital and gamified structure encourages participation and engagement with existing banking products. The Bank aims to build on the participation and banking activity observed in 2025 by expanding adoption across its retail customer base, supporting continued product usage and associated revenue opportunities. The Bank monitors participation in environmental tasks, paperless ATM transactions and sapling donations. The comparison of participating customers' transaction volumes and interest, fee and commission income across 2024 and 2025 provides an additional basis for assessing the program's commercial potential alongside its environmental outputs.

Water

(3.6.1.1) Opportunity identifier

☒ Opp3

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Capital flow and financing

☒ Access to blue bonds, green bonds and debt-for-nature swaps

(3.6.1.4) Value chain stage where the opportunity occurs

☒ Banking portfolio

(3.6.1.5) Country/area where the opportunity occurs

☒ Türkiye

(3.6.1.6) River basin where the opportunity occurs

☒ Other, please specify :All river basins in Türkiye

(3.6.1.8) Organization specific description

Growing investor appetite for blue finance and rising water and wastewater investment needs create a funding and lending opportunity for İşbank in the protection of water and aquatic ecosystems.

(3.6.1.9) Primary financial effect of the opportunity

☒ Increased access to capital

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization☒ Short-term**(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon**☒ Very likely (90–100%)**(3.6.1.12) Magnitude**☒ Medium**(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons**

At the beginning of 2026, İşbank carried out Türkiye's first blue bond issuance in international markets, in the total amount of TL 2,131,000,000 (USD 50 million) with a five-year maturity, directing the proceeds to projects titled Conservation of Terrestrial and Aquatic Biodiversity and Sustainable Water and Wastewater Management and Climate Change Adaptation. The Bank anticipates that access to blue finance will support the growth of its water-related lending.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?☒ Yes**(3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)**

2131000000

(3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

3441500000

(3.6.1.23) Explanation of financial effect figures

The minimum figure of TL 2,131,000,000 is İşbank's first blue bond issuance, converted from USD 50 million at the year-end USD/TRY rate of 42.62. The maximum figure of TL 3,441,500,000 was calculated by converting USD 50 million at an estimated USD/TRY rate based on the Medium-Term Program of Türkiye. The proceeds are dedicated to sustainable water and wastewater management and to the conservation of aquatic ecosystems.

(3.6.1.24) Cost to realize opportunity

0

(3.6.1.25) Explanation of cost calculation

This opportunity is pursued through the Bank's regular lending and funding activities, and no material additional cost is incurred to realize it.

(3.6.1.26) Strategy to realize opportunity

İşbank realizes this opportunity through its Sustainable Bonds Framework and blue bond issuance, channelling the proceeds into sustainable water and wastewater management and the protection of aquatic ecosystems.

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

☒ Assets

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

5011730000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

☒ Less than 1%

(3.6.2.4) Explanation of financial figures

İşbank identifies and evaluates opportunities arising from climate change most widely through its product and service portfolio. In this context, we work to further develop and diversify our sustainable and environmentally friendly product, service and loan portfolio range every year.

Forests

(3.6.2.1) Financial metric

☒ Assets

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

50400000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

☒ Less than 1%

(3.6.2.4) Explanation of financial figures

İşbank identifies and evaluates forest-related opportunities through its product and service portfolio. Through the Geleceğe Orman (Forest for the Future) program, environmental incentives are embedded into the Bank's existing card, payment and digital banking services and translating environmentally-conscious actions into sapling donations through the TEMA Foundation.

Water**(3.6.2.1) Financial metric**

☒ Assets

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

2131000000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

☒ Less than 1%

(3.6.2.4) Explanation of financial figures

İşbank identifies and evaluates opportunities arising from water security most widely through its product and service portfolio. In this context, we work to further develop and diversify our sustainable and environmentally friendly product, service and loan portfolio range every year.

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

☒ Yes

(4.1.2) Frequency with which the board or equivalent meets

☒ More frequently than quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

☒ Executive directors or equivalent

☒ Non-executive directors or equivalent

☒ Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

☒ Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

The purpose of the Board Diversity Policy is to set principles, procedures and goals aimed at ensuring diversity in the Board of Directors of İşbank.

(4.1.6) Attach the policy (optional)

board_diversity_policy.pdf

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	☒ Yes
Forests	☒ Yes
Water	☒ Yes
Biodiversity	☒ Yes

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.**Climate change****(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue**☒ Board-level committee**(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board**☒ Yes**(4.1.2.3) Policies which outline the positions' accountability for this environmental issue**☒ Board Terms of Reference**(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item**☒ Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

- ☑ Overseeing and guiding scenario analysis
- ☑ Overseeing the setting of corporate targets
- ☑ Monitoring progress towards corporate targets
- ☑ Overseeing and guiding value chain engagement
- ☑ Approving corporate policies and/or commitments
- ☑ Monitoring the implementation of a climate transition plan
- ☑ Overseeing and guiding the development of a business strategy
- ☑ Overseeing and guiding acquisitions, mergers, and divestitures
- ☑ Overseeing and guiding the development of a climate transition plan
- ☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- ☑ Overseeing and guiding public policy engagement
- ☑ Approving and/or overseeing employee incentives
- ☑ Overseeing and guiding major capital expenditures
- ☑ Monitoring the implementation of the business strategy
- ☑ Overseeing reporting, audit, and verification processes

(4.1.2.6) Scope of board-level oversight

- ☑ Risks and opportunities to our own operations
- ☑ Risks and opportunities to our banking activities
- ☑ The impact of our own operations on the environment
- ☑ The impact of our banking activities on the environment

(4.1.2.7) Please explain

The Board of Directors provides ultimate oversight of the Bank's efforts to identify, assess, and integrate climate-related risks and opportunities across the organization, and has mandated the Sustainability Committee (SC), a sub-committee, to focus on sustainability. The SC is chaired by the Chairperson of the Board and includes the Vice-Chairperson and two additional Board members as well as the Bank's Deputy Chief Executives and the Heads of the Risk Management and Investor Relations and Sustainability Divisions. Under the Board's mandate the SC develops the Bank's sustainability strategy, policies, and targets and submits them to the Board for approval, establishes targets and action plans and ensures coordination for their implementation, ensures that climate-related matters are incorporated into the Bank's strategic business plans, and tracks the progress of metrics and targets. The Board of Directors considers climate-related issues when reviewing and guiding the Bank's business strategy, major action plans, risk management policies, and budget plans, as well as when setting performance objectives and monitoring implementation and performance, and sustainability indicators are reflected in the Bank's remuneration system. At the Board level, the Risk Committee (RC), supported by the Audit Committee, is accountable for the following activities related to climate risk management: Reporting of climate risk indicators included in the Risk Appetite Framework (RAF), Establishing and reviewing climate risk policies, Preparing, developing, periodically reviewing, and updating the climate risk questionnaire, Designing, monitoring, and updating the climate risk heat map and climate risk scenario analyses, Periodic review and calibration of models used in the measurement of climate risk, Monitoring climate risk indicators and reporting to relevant committees, Periodic review and, when necessary,

updating of climate risk indicators. Second-line risk management activities are carried out by the Risk Management Division (RMD). İşbank's Climate Risk Taxonomy, Climate Risk Policy, Methodology and Principles Regarding the Measurement and Management of Climate Risk, and the Climate Risk RACI Matrix have been established by the RC and approved by the Board of Directors. Climate risk policies were reviewed at least annually by RMD, and submitted to the RC and, through the Audit Committee, to the Board for approval, with the Audit Committee monitoring compliance with the policy. In 2025, the most important climate-related decisions were the publication of the Coal Phase-Out Policy and a sector-level Climate Transition Plan setting out the Bank's decarbonization roadmap. Board-level oversight covers both the Bank's own operations and its banking (financed) value chain, including subsidiaries, loan and investment portfolios, and suppliers.

Forests

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

☒ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

☒ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

☒ Board Terms of Reference

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

☒ Scheduled agenda item in some board meetings – less than annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

- ☒ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- ☒ Approving corporate policies and/or commitments
- ☒ Overseeing and guiding public policy engagement
- ☒ Overseeing and guiding value chain engagement

(4.1.2.6) Scope of board-level oversight

- ☒ Risks and opportunities to our own operations
- ☒ Risks and opportunities to our banking activities
- ☒ The impact of our own operations on the environment
- ☒ The impact of our banking activities on the environment

(4.1.2.7) Please explain

The Board of Directors provides ultimate oversight of the Bank's efforts to identify, assess, and integrate forest-related risks and opportunities across the organization, and has mandated the Sustainability Committee (SC) to focus on sustainability, with forest-related risk managed within the Bank's enterprise risk management framework and its environmental and social risk assessment process. The SC is chaired by the Chairperson of the Board and includes the Vice-Chairperson and additional Board members as well as the Bank's Deputy Chief Executives and the Heads of the Risk Management and Investor Relations and Sustainability Divisions. Through the SC, the Board reviews and guides the assessment of forest-related dependencies, impacts, risks, and opportunities and guides the Bank's engagement with public institutions and stakeholders on related environmental matters. All financed projects are required to comply fully with forestry-related national legislation. The environmental and social risk assessment process of the Bank screens land-use, habitat, and sensitive-area impacts; large land-use projects such as major highway schemes are classified as high-risk (Category A); and tree-relocation, replanting, and afforestation commitments, in particular for linear projects and thermal power plants, are written into loan agreements and monitored on an annual basis. In the reporting year the Bank assessed its exposure to the EU Deforestation Regulation, which is due to enter into force at the end of 2025, identifying the agriculture and livestock, forestry, food and beverage, furniture, and paper-products sectors as the most exposed.

Water

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

- ☒ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

- ☒ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

- ☒ Board Terms of Reference

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

- ☑ Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

- | | |
|--|--|
| ☑ Overseeing and guiding scenario analysis | ☑ Overseeing and guiding public policy engagement |
| ☑ Overseeing the setting of corporate targets | ☑ Approving and/or overseeing employee incentives |
| ☑ Monitoring progress towards corporate targets | ☑ Overseeing and guiding major capital expenditures |
| ☑ Overseeing and guiding value chain engagement | ☑ Monitoring the implementation of the business strategy |
| ☑ Approving corporate policies and/or commitments | ☑ Monitoring the implementation of a climate transition plan |
| ☑ Overseeing and guiding the development of a business strategy | |
| ☑ Overseeing and guiding acquisitions, mergers, and divestitures | |
| ☑ Monitoring compliance with corporate policies and/or commitments | |
| ☑ Overseeing and guiding the development of a climate transition plan | |
| ☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities | |

(4.1.2.6) Scope of board-level oversight

- ☑ Risks and opportunities to our own operations
- ☑ Risks and opportunities to our banking activities
- ☑ The impact of our own operations on the environment
- ☑ The impact of our banking activities on the environment

(4.1.2.7) Please explain

The Board of Directors provides ultimate oversight of the Bank's efforts to identify, assess, and integrate water-related risks and opportunities across the organization, and has mandated the Sustainability Committee (SC) to focus on sustainability, with water-related financial risk managed within the Bank's enterprise risk management framework. The SC is chaired by the Chairperson of the Board and includes the Vice-Chairperson and additional Board members as well as the Bank's Deputy Chief Executives and the Heads of the Risk Management and Investor Relations and Sustainability Divisions. The Board considers water-related issues when reviewing and guiding the Bank's strategy, policies, and targets; the SC develops the water-related provisions of the Environmental and Social Impact Policy and submits them to the Board for approval, sets and monitors operational water-efficiency targets, and tracks compliance, which is verified through internal audit under SC supervision and disclosed in the Bank's sustainability reporting. The Bank's own operations are exposed to water-related physical risks, primarily heavy precipitation and flooding, particularly in İstanbul where its headquarters, branches, operational centres and ATM network are concentrated. These risks are assessed as part of the Bank's climate scenario analysis. The assessment supports operational resilience, business continuity and employee safety. Portfolio water risk, principally drought and water stress, is assessed and modelled within scenario analysis. In the reporting year through a collaboration, an AI-supported Water Management Platform was deployed that tracks real-time water consumption in industrial and commercial facilities and optimizes it by up to 20%, offering twelve months of service to customers using the Water Security Loan; it also ran irrigation-system loan campaigns and New Generation Farmer meetings, and the Bank carried out effective water-footprint measurement and efficiency work in collaboration with Frankfurt School of Finance & Management. In considering trade-offs, because drought cannot be prevented directly, the Board considers a strategy of reducing the risk weight of HEPP exposure and diversifying into solar and wind, balancing near-term asset-quality protection against continued support for water-dependent renewable and agricultural clients, whose agricultural cash-loan balance was approximately TRY 106 billion at year-end 2025. Board-level oversight covers both the Bank's own operations and its banking (financed) value chain.

Biodiversity**(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue**

☒ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

☒ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

☒ Board Terms of Reference

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

☒ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

- ☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- ☑ Approving corporate policies and/or commitments
- ☑ Overseeing the setting of corporate targets
- ☑ Monitoring progress towards corporate targets
- ☑ Overseeing and guiding public policy engagement

(4.1.2.6) Scope of board-level oversight

- ☑ Risks and opportunities to our banking activities
- ☑ The impact of our banking activities on the environment

(4.1.2.7) Please explain

The Board of Directors provides ultimate oversight of the Bank's efforts to identify, assess, and integrate climate-related risks and opportunities including biodiversity across the organization, and has mandated the Sustainability Committee (SC) to focus on sustainability. The SC is chaired by the Chairperson of the Board and includes the Vice-Chairperson and additional Board members as well as the Bank's Deputy Chief Executives and the Heads of the Risk Management and Investor Relations and Sustainability Divisions. Through the responsible committees, the Board takes into account the assessment of biodiversity-related dependencies, impacts, risks, and opportunities and recommends related policy provisions to the Board for approval. As part of its Environmental and Social Impact Assessments, the Bank considers biodiversity risks on a project-by-project basis when determining the risk categories of projects. The environmental and social risk assessment question set asks, on a project-by-project basis, whether a critical-habitat assessment and an offset strategy are required, together with sector-specific questions such as bat habitats and bird-migration routes, and projects in the high-biodiversity-risk Category A are required to prepare a Biodiversity Action Plan (BAP). Environmental dependencies and impacts are also assessed using the ENCORE database and the TNFD LEAP approach, and the Bank is working to incorporate biodiversity-loss risk into its environmental risk matrix and scenario analysis.

(4.2) Does your organization's board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

☒ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

- ☒ Consulting regularly with an internal, permanent, subject-expert working group
- ☒ Engaging regularly with external stakeholders and experts on environmental issues
- ☒ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
- ☒ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Academic

☒ Postgraduate education (e.g., MSc/MA/PhD in environment and sustainability, climate science, environmental science, water resources management, forestry, etc.), please specify :One of the Board members is enrolled in a PhD program in Banking and his research focuses on climate change risks in terms of capital requirements in the banking sector.

Experience

☒ Active member of an environmental committee or organization

Forests

(4.2.1) Board-level competency on this environmental issue

☒ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

- ☒ Consulting regularly with an internal, permanent, subject-expert working group
- ☒ Engaging regularly with external stakeholders and experts on environmental issues

Water

(4.2.1) Board-level competency on this environmental issue

☒ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

- ☒ Consulting regularly with an internal, permanent, subject-expert working group
- ☒ Engaging regularly with external stakeholders and experts on environmental issues
- ☒ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
- ☒ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Academic

☒ Postgraduate education (e.g., MSc/MA/PhD in environment and sustainability, climate science, environmental science, water resources management, forestry, etc.), please specify :One of the Board members is enrolled in a PhD program in Banking and his research focuses on climate change risks in terms of capital requirements in the banking sector.

Experience

☒ Active member of an environmental committee or organization

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	☒ Yes
Forests	☒ Yes
Water	☒ Yes
Biodiversity	☒ Yes

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☒ Chief Sustainability Officer (CSO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☑ Assessing environmental dependencies, impacts, risks, and opportunities
- ☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- ☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- ☑ Managing public policy engagement related to environmental issues
- ☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

- ☑ Measuring progress towards environmental corporate targets
- ☑ Measuring progress towards environmental science-based targets
- ☑ Setting corporate environmental policies and/or commitments
- ☑ Setting corporate environmental targets

Strategy and financial planning

- | | |
|---|---|
| ☑ Developing a climate transition plan | ☑ Managing environmental reporting, audit, and verification processes |
| ☑ Implementing a climate transition plan | ☑ Managing acquisitions, mergers, and divestitures related to environmental issues |
| ☑ Conducting environmental scenario analysis | ☑ Managing major capital and/or operational expenditures relating to environmental issues |
| ☑ Implementing the business strategy related to environmental issues | |
| ☑ Developing a business strategy which considers environmental issues | |

Other

- ☑ Providing employee incentives related to environmental performance

(4.3.1.3) Coverage of responsibilities

- ☑ Dependencies, impacts, risks, and opportunities related to our banking activities
- ☑ Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

(4.3.1.4) Reporting line

- ☒ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

- ☒ Quarterly

(4.3.1.6) Please explain

The Deputy Chief Executive in charge of the Investor Relations and Sustainability function assumes the role of Chief Sustainability Officer (CSO) (Sustainability Leader). CSO is responsible for steering İşbank's sustainability initiatives, ESG strategy including climate transition planning as well as and representing the Bank in sustainability communications, including stakeholder engagement and guiding the Bank's sustainability initiatives. Also, he/she organizes and mobilizes all related departments in throughout the Bank for setting ESG and climate-related goals targets and KPIs. The CSO follows the Bank's objectives and performance in terms of sustainability by coordinating sustainability activities among all relevant departments such as risk, strategy, allocation, sales and marketing.

Forests

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- ☒ Chief Sustainability Officer (CSO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- ☒ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- ☒ Managing public policy engagement related to environmental issues
- ☒ Managing value chain engagement related to environmental issues

(4.3.1.3) Coverage of responsibilities

- ☒ Dependencies, impacts, risks, and opportunities related to our banking activities
- ☒ Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

(4.3.1.4) Reporting line

- ☒ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

- ☒ Annually

(4.3.1.6) Please explain

Deputy Chief Executive in charge of Investor Relations & Sustainability function assumes the role of Chief Sustainability Officer (CSO) (Sustainability Leader) who is responsible for steering İşbank's sustainability initiatives and represents the Bank in sustainability fields. The Chief Sustainability Officer is responsible of determining, analyzing and managing the forest related risks and opportunities in concern of banking practices.

Water

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- ☒ Chief Sustainability Officer (CSO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

- ☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- ☑ Managing public policy engagement related to environmental issues
- ☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

- ☑ Monitoring compliance with corporate environmental policies and/or commitments
- ☑ Measuring progress towards environmental corporate targets
- ☑ Measuring progress towards environmental science-based targets
- ☑ Setting corporate environmental policies and/or commitments
- ☑ Setting corporate environmental targets

Strategy and financial planning

- ☑ Developing a climate transition plan issues
- ☑ Implementing a climate transition plan environmental issues
- ☑ Conducting environmental scenario analysis
- ☑ Implementing the business strategy related to environmental issues
- ☑ Developing a business strategy which considers environmental issues
- ☑ Managing acquisitions, mergers, and divestitures related to environmental issues
- ☑ Managing major capital and/or operational expenditures relating to environmental issues

Other

- ☑ Providing employee incentives related to environmental performance

(4.3.1.3) Coverage of responsibilities

- ☑ Dependencies, impacts, risks, and opportunities related to our banking activities
- ☑ Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

(4.3.1.4) Reporting line

- ☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

- ☑ Quarterly

(4.3.1.6) Please explain

Deputy Chief Executive in charge of Investor Relations & Sustainability function assumes the role of Chief Sustainability Officer (CSO) (Sustainability Leader) who is responsible for steering İşbank's sustainability initiatives and represents the Bank in sustainability fields. The Chief Sustainability Officer is responsible of determining, analyzing and managing the water related risks and opportunities in concern of banking practices and water-related risks and opportunities of our own operations. In addition, the CSO periodically monitors the resource consumption relative to targets.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- ☑ Chief Sustainability Officer (CSO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☑ Assessing environmental dependencies, impacts, risks, and opportunities
- ☑ Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

- ☑ Monitoring compliance with corporate environmental policies and/or commitments

Strategy and financial planning

- ☑ Developing a business strategy which considers environmental issues

(4.3.1.3) Coverage of responsibilities

- ☒ Dependencies, impacts, risks, and opportunities related to our banking activities
- ☒ Dependencies, impacts, risks, and opportunities related to our investing activities

(4.3.1.4) Reporting line

- ☒ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

- ☒ As important matters arise

(4.3.1.6) Please explain

The Deputy Chief Executive in charge of the Investor Relations and Sustainability function assumes the role of Chief Sustainability Officer (CSO) (Sustainability Leader). CSO is responsible for steering İşbank's sustainability initiatives, ESG strategy including climate transition planning as well as and representing the Bank in sustainability communications, including stakeholder engagement and guiding the Bank's sustainability initiatives. Also, he/she organizes and mobilizes all related departments in throughout the Bank for setting ESG and climate-related goals targets and KPIs. The CSO follows the Bank's objectives and performance in terms of sustainability by coordinating sustainability activities among all relevant departments such as risk, strategy, allocation, sales and marketing.

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

☒ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

10

(4.5.3) Please explain

Employees' economic and social rights are defined under the Remuneration Policy, which is established on the basis of the Collective Bargaining Agreement, the Bank's internal regulations and the provisions of the applicable legislation. The ultimate authority and responsibility for ensuring that remuneration practices are managed effectively within the relevant legislation and this Policy rest with the Bank's Board of Directors. The Bank applies an incentive-based remuneration system founded on specific sustainability-related performance indicators that reflect its strategic priorities.. Within senior management's targets, the weight of climate change-related sustainability targets averages between 10% and 20%, varying according to the differences in the respective areas of responsibility.

Forests

(4.5.1) Provision of monetary incentives related to this environmental issue

☒ No, but we plan to introduce them in the next two years

(4.5.3) Please explain

Currently, there are no specific KPIs defined for forests. The Bank continues to monitor regulatory and market developments regarding deforestation-related risks and opportunities, and plans to establish relevant KPIs in line with emerging frameworks and portfolio exposure.

Water

(4.5.1) Provision of monetary incentives related to this environmental issue

☒ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

10

(4.5.3) Please explain

All of the Bank's C-suite executives carry cost-optimization targets, which encompass İşbank's water and energy consumption costs. The relevant C-suite executives are incentivized to grow the Bank's sustainable finance portfolio, including increasing the volume of the Water Security Loan. In addition, as the Bank's principal facilities are internationally certified green buildings, compliance with the requirements of these certifications is a standing item on the agenda of the C-suite executives, which renders them responsible for water management and efficiency operations across the Bank. Furthermore, the Bank's Sustainability Leader carries an additional target relating to the Bank's inclusion in the Borsa İstanbul (BIST) Sustainability Index, which requires the fulfillment of a set of environmental, social and governance criteria, among them the Bank's water-efficiency operations. This target is similarly secured through the performance card and is reflected in annual remuneration.

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☒ Chief Sustainability Officer (CSO)

(4.5.1.2) Incentives

☒ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

- ☑ Progress towards environmental targets
- ☑ Achievement of environmental targets
- ☑ Organization performance against an environmental sustainability index
- ☑ Reduction in absolute emissions in line with net-zero target

Strategy and financial planning

- ☑ Achievement of climate transition plan

Emission reduction

- ☑ Reduction in emissions intensity
- ☑ Reduction in absolute emissions
- ☑ Emissions reductions across portfolio companies

Resource use and efficiency

- ☑ Reduction in water consumption volumes – direct operations
- ☑ Reduction in total energy consumption

(4.5.1.4) Incentive plan the incentives are linked to

- ☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

At the beginning of 2023, İşbank set out its commitment to provide 300 billion TL of sustainable financing over a 3 year period. Having reached this target ahead of schedule by 2025, the Bank revised its commitment upwards, setting a new sustainable finance goal of TRY 650 billion. This target is a core objective for all relevant C-Suite executives. Furthermore, last year we have established a personalized target setting and bonus system consisting of individual and team-based goals, for all employees in order to evaluate the employees' performance. Individual and team-based targets are included in the performance cards of employees, which affects their annual remuneration. In this regard, İşbank implements an incentive-based remuneration system for all employees including senior managers that incorporates specific KPIs related to sustainability including environmental issues in line with the Bank's strategic priorities. Our C-Suite executives have sustainability-related goals that vary according to their roles & responsibilities. In this context, our Sustainability Leader also has a task, assured via performance card, which affects annual remuneration, to set sectoral carbon reduction targets in line with our decarbonization targets, declare progress against these targets and increase the share of sustainability-themed loans.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The incentive system linked to achieving the decarbonization targets directly relates to the Bank's commitment to net zero emissions by 2050. At the same time, the incentive system includes the reduction of emission intensity and absolute emissions, which are among the performance indicators followed by our Bank in the transition to a carbon-free economy, also serves the same purpose.

Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☒ Chief Sustainability Officer (CSO)

(4.5.1.2) Incentives

☒ Bonus - % of salary

(4.5.1.3) Performance metrics

Resource use and efficiency

- ☒ Reduction of water withdrawals – direct operations
- ☒ Reduction in water consumption volumes – direct operations
- ☒ Improvements in water efficiency – direct operations
- ☒ Improvements in water accounting, reporting, and third-party verification

Pollution

- ☒ Improvements in wastewater quality – direct operations
- ☒ Reduction of water pollution incidents

(4.5.1.4) Incentive plan the incentives are linked to

☒ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

All C-Suite Executives have cost optimization targets including the water and energy consumption costs of İşbank. In addition to cost optimization, related C-suit managers are incentivized to increase sustainable finance portfolio, including increasing the volume of Water Security Loan. These targets are included in executives' performance cards which affect their annual remuneration. Also, since our main facilities are internationally certified green buildings (the Head Office certified with a BREEAM In-use Excellent, TUTOM Building certified with LEED Gold and Atlas Data Center certified with LEED v4 Gold for Data Centers); compliance with these certification requirements are always on the agenda of our C-Suite Executives which eventually make them responsible on water management and efficiency operations in the Bank. Moreover, C-Suite Executive who is in charge of Investor Relations and Sustainability Division, namely the CSO/Sustainability Leader of the Bank has an additional target of taking part in BIST Sustainability Index. Taking part in the mentioned Index requires fulfillment of a set of ESG criteria including the operations of water efficiency. This target is also assured via performance card, which affects the annual remuneration.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Such incentive system focuses on Performance-Based Remuneration that eventually contributes to achieve the Bank's environmental commitments. Specifically, İşbank's commitment in sustainable finance field is fed by a number of targets. CSO's annual remuneration is tied to performance cards that include targets for increasing the sustainable finance portfolio, such as the volume of Water Security Loans. These incentives encourage the CSO to prioritize and achieve these environmental goals. The CSO is responsible for ensuring that the bank's main facilities maintain their green building certifications (BREEAM In-use Excellent, LEED Gold, and LEED v4 Gold). Compliance with these certifications involves ongoing water management and efficiency operations, aligning with the bank's sustainability objectives. These monetary incentives ensure that the CSO is actively engaged in and accountable for the bank's environmental commitments, driving efforts towards sustainability and efficient resource management.

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	☒ Yes

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

- ☒ Climate change
- ☒ Forests
- ☒ Water
- ☒ Biodiversity

(4.6.1.2) Level of coverage

- ☒ Organization-wide

(4.6.1.3) Value chain stages covered

- ☒ Direct operations
- ☒ Upstream value chain
- ☒ Downstream value chain
- ☒ Portfolio

(4.6.1.4) Explain the coverage

The Bank's environmental policies cover the Bank's upstream value chain, operations, clients and portfolio.

(4.6.1.5) Environmental policy content

Environmental commitments

- ✓ Commitment to a circular economy strategy
- ✓ Commitment to avoidance of negative impacts on threatened and protected species
- ✓ Commitment to no trade of CITES listed species
- ✓ Commitment to stakeholder engagement and capacity building on environmental issues
- ✓ Commitment to respect legally designated protected areas
- ✓ Commitment to comply with regulations and mandatory standards
- ✓ Commitment to take environmental action beyond regulatory compliance

Climate-specific commitments

- ✓ Commitment to net-zero emissions
- ✓ Commitment to not invest in fossil-fuel expansion

Forests-specific commitments

- ✓ Commitment to conduct or support restoration and/or compensation to remedy for past deforestation or conversion
- ✓ Commitment to facilitate the inclusion of smallholders into the value chain

Water-specific commitments

- ✓ Commitment to reduce water consumption volumes
- ✓ Commitment to water stewardship and/or collective action
- ✓ Commitment to reduce water withdrawal volumes
- ✓ Commitment to reduce or phase out hazardous substances
- ✓ Commitment to control/reduce/eliminate water pollution
- ✓ Commitment to the conservation of freshwater ecosystems

Social commitments

- ✓ Adoption of the UN International Labour Organization principles
- ✓ Commitment to promote gender equality and women's empowerment

☒ Commitment to respect internationally recognized human rights

Additional references/Descriptions

☒ Recognition of environmental linkages and trade-offs

☒ Description of dependencies on natural resources and ecosystems

☒ Description of environmental requirements for procurement

☒ Description of biodiversity-related performance standards

☒ Description of impacts on natural resources and ecosystems

☒ Reference to timebound environmental milestones and targets

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

☒ Yes, in line with the Paris Agreement

☒ Yes, in line with Sustainable Development Goal 6 on Clean Water and Sanitation

(4.6.1.7) Public availability

☒ Publicly available

(4.6.1.8) Attach the policy

2025IntegratedReport.pdf,environment-and-social-impact-policy.pdf,sustainability-policy.pdf

(4.7) Does the policy framework for the portfolio activities of your organization include environmental requirements that clients/investees need to meet, and/or exclusion policies?

	Policy framework for portfolio activities include environmental requirements for clients/investees, and/or exclusion policies
Banking (Bank)	☒ Yes, our framework includes both policies with environmental client/investee requirements and environmental exclusion policies

(4.7.1) Provide details of the policies which include environmental requirements that clients/investees need to meet.

Banking (Bank)

(4.7.1.1) Environmental issues covered

- ☒ Climate change
- ☒ Forests
- ☒ Water

(4.7.1.2) Type of policy

- ☒ Credit/lending policy
- ☒ Engagement policy

(4.7.1.3) Public availability

- ☒ Publicly available

(4.7.1.4) Attach the policy

environment-and-social-impact-policy.pdf

(4.7.1.5) Value chain stages of client/investee covered by policy

- ☒ Direct operations and upstream/downstream value chain

(4.7.1.6) Industry sectors covered by the policy

- | | |
|---|--|
| ☒ Retail | ☒ Fossil Fuels |
| ☒ Apparel | ☒ Manufacturing |
| ☒ Services | ☒ Infrastructure |
| ☒ Materials | ☒ Power generation |
| ☒ Hospitality | ☒ International bodies |
| ☒ Transportation services | |
| ☒ Food, beverage & agriculture | |
| ☒ Biotech, health care & pharma | |

(4.7.1.7) Commodities covered by the policy

- ☒ All agricultural commodities

(4.7.1.8) Commodity value chain stage covered by the policy

- ☒ Production
- ☒ Manufacturing

(4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

100

(4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

Environmental and Social Impacts Policy principles and its annex, Exclusion List, have been determined by taking into account the factors such as bank's sustainability strategy, commitments, national and international good practices, global developments, stakeholder expectations, index requirements. İşbank, does not provide financing to the activities of companies that operate in the fields indicated İşbank Exclusion List.

(4.7.1.12) Requirements for clients/investees**Environmental commitments**

- ☒ Commitment to comply with regulations and mandatory standards
- ☒ Commitment to no trade of CITES listed species
- ☒ Commitment to stakeholder engagement and capacity building on environmental issues

Climate-specific commitments

- ☒ Commitment to 100% renewable energy regulations
- ☒ Commitment to not funding climate-denial or lobbying against climate
- ☒ Commitment to disclose Scope 1 emissions
- ☒ Commitment to disclose Scope 2 emissions
- ☒ Commitment to develop a climate transition plan
- ☒ Commitment to not invest in fossil-fuel expansion

Water-specific commitments

- ☒ Commitment to control/reduce/eliminate water pollution
- ☒ Commitment to reduce water withdrawal volumes
- ☒ Commitment to the conservation of freshwater ecosystems

Social commitments

- ☒ Adoption of the UN International Labour Organization principles
- ☒ Commitment to respect internationally recognized human rights

Additional references/Descriptions

☒ Description of grievance/whistleblower mechanism to monitor non-compliance with the environmental policy and raise/address/escalate any other greenwashing concerns

(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy

☒ Yes

(4.7.1.14) % of clients/investees compliant with the policy

100

(4.7.1.15) % of portfolio value that is compliant with the policy

99

(4.7.1.16) Target year for 100% compliance

☒ In more than 5 years

(4.7.2) Provide details of your exclusion policies related to industries, activities and/or locations exposed or contributing to environmental risks.

Banking (Bank)

(4.7.2.1) Type of exclusion policy

☒ All coal

(4.7.2.2) Fossil fuel value chain

☒ Upstream

☒ Midstream

☒ Downstream

(4.7.2.3) Year of exclusion implementation

2025

(4.7.2.4) Phaseout pathway

☒ New business/investment for new projects

☒ New business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2040

(4.7.2.6) Country/area the exclusion policy applies to

☒ Türkiye

(4.7.2.7) Description

İşbank rejects loan applications for activities on the İşbank Exclusion List, which is annexed to the Environmental and Social Impact Policy approved by the Board of Directors and in force since 31 December 2014. Building on its 2020 decision not to finance greenfield coal- and natural gas-fired thermal power plants and its 2021 decision not to finance new coal mining, the Bank published its Coal Phase-Out Policy in 2025, approved by the Board of Directors on 13 October 2025. Under this policy the Bank will gradually end the financing of coal and coal-related activities, beginning at the end of 2023 and continuing until a complete phase-out in 2040, excluding receivables transferred to non-performing accounts, and it does not provide new financing to existing or new customers expanding their coal production capacity.

(4.8) Does your organization include covenants in financing agreements to reflect and enforce your environmental policies?

	Covenants included in financing agreements to reflect and enforce policies
	☒ Yes

(4.8.1) Provide details of the covenants included in your organization’s financing agreements to reflect and enforce your environmental policies.

Row 1

(4.8.1.1) Environmental issue

- ☒ Climate change
- ☒ Forests
- ☒ Water
- ☒ Biodiversity

(4.8.1.2) Types of covenants used

- ☒ A purpose or use of proceeds clause that refers to a taxonomy aligned activity
- ☒ Covenants related to compliance with your environmental policies
- ☒ Margin or pricing depends on sustainability criteria

(4.8.1.3) Asset class/product types covered by covenants

- ☒ Corporate loans
- ☒ Project finance

(4.8.1.4) Criteria for how covenants are applied

- ☒ Depending on loan size

(4.8.1.5) % of clients covered by covenants

1

(4.8.1.6) % of portfolio covered in relation to total portfolio value

1

(4.8.1.7) Provide details on which environmental policies your covenants enforce and how

İşbank includes environmental requirements in its financing agreements through its environmental and social risk assessment process. All new investment projects financed by the Bank with an investment amount above USD 10 million are evaluated using the Environmental and Social Risk Assessment Tool (ÇESMOD), under which each project is assigned an environmental and social risk score. Where a project is assessed as high risk, an environmental and social action plan is agreed with the customer to eliminate or mitigate the identified impacts, and the follow-up of these actions is monitored, with the support of independent consultants where necessary. The ÇESMOD model determines the risk score first through an initial assessment based on the type of investment, such as new facility development, capacity expansion, additional facilities, or refinancing and procurement, and then through sector-specific assessments covering mining, manufacturing, infrastructure, chemistry, energy and renewable energy. For SME clients, environmental and social due diligence is conducted through the Sustainability Assessment System (SÜRAS). In addition, the Bank applies sustainability-linked pricing in certain loans, including its sustainability-linked syndicated loans, where the margin depends on the borrower's performance against defined sustainability criteria, and it includes use-of-proceeds clauses referring to taxonomy-aligned activities in its green and sustainable financing.

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?**(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?**☒ Yes**(4.10.2) Collaborative framework or initiative**

- ☒ Science-Based Targets Initiative (SBTi)
- ☒ UN Global Compact
- ☒ UNEP FI
- ☒ UNEP FI Principles for Responsible Banking
- ☒ World Business Council for Sustainable Development (WBCSD)

(4.10.3) Describe your organization's role within each framework or initiative

İşbank is a member of the United Nations Environment Programme Finance Initiative. As a member, the Bank participates in the initiative's work on sustainable finance and aligns its practices with UNEP FI frameworks and methodologies, including the use of the UNEP FI climate scenario analysis methodology in its climate risk assessment and its adoption of the Principles for Responsible Banking. İşbank is a signatory to the Principles for Responsible Banking. As a signatory, the Bank commits to aligning its business strategy with the Sustainable Development Goals and the Paris Agreement, sets and discloses impact-based targets, and reports annually on its progress across the six principle areas of Alignment, Impact and Target Setting, Clients and Customers, Stakeholders, Governance and Culture, and Transparency and Accountability. The Bank publishes a dedicated Principles for Responsible Banking report. İşbank committed to the Net Zero Banking Alliance in 2022, undertaking to align its lending and investment portfolios with net-zero by 2050. In that capacity the Bank has set science-based 2030 interim sectoral decarbonization targets, published a Coal Phase-Out Policy and a sector-level Climate Transition Plan. The Bank notes the 2025 restructuring of the Alliance, under which binding membership obligations were converted into a more flexible advisory framework. İşbank is a signatory to the UN Global Compact and a member of the UN Global Compact Network Türkiye. As a signatory, the Bank commits to the Ten Principles covering human rights, labor, the environment and anti-corruption, and submits an annual Communication on Progress. The Bank also contributes to the Network's Sustainable Banking and Finance Working Group.

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Yes

☒ Yes, we engaged directly with policy makers

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

☒ Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

☒ Paris Agreement

☒ Sustainable Development Goal 6 on Clean Water and Sanitation

(4.11.4) Attach commitment or position statement

2025IntegratedReport.pdf

(4.11.5) Indicate whether your organization is registered on a transparency register

☒ It is not possible or relevant for my organization or the intermediary organization to be registered

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

The Bank's external engagement activities are governed by the same structure that sets its environmental commitments, which ensures consistency. The Sustainability Committee, the Bank's highest sustainability authority, develops the Bank's environmental strategy, policies and targets for Board approval. These Board-approved positions, set out in publicly available Sustainability Policy and Environmental and Social Impact Policy and reflected in the Climate Transition Plan, net-zero and science-based targets and water commitments, define the positions the Bank may take in its external engagement. They anchor climate engagement in

the Paris Agreement and a just transition, and water engagement in improving water efficiency and quality and protecting water resources, consistent with SDG 6. The Bank supports public policies aligned with the Paris Agreement, including carbon pricing, renewable-energy deployment, energy efficiency, and sectoral decarbonization and an orderly and just transition. The Deputy Chief Executive responsible for Investor Relations and Sustainability, as Sustainability Leader, steers external engagement. The Investor Relations and Sustainability Division coordinates regulatory consultations and participation in sustainability-related initiatives, including trade associations, ensuring that positions taken align with the Bank's environmental commitments across all jurisdictions in which it operates, with the majority of its operations concentrated in Türkiye. The Division reviews direct public-policy engagements before participation and the climate-related positions and activities of initiatives, including trade associations, when joining and at least annually thereafter. The assessment considers consistency with Board-approved environmental policies, the Climate Transition Plan, net-zero commitments and support for the Paris Agreement, considering identified environmental impacts, risks and opportunities. Any potential inconsistency is escalated to the Sustainability Committee. The Bank may engage with the initiative within a defined timeframe and escalate the matter if unresolved; it may also publicly clarify its position or reconsider its participation or membership. The Committee reviews the policies, commitments annually. Through annual sustainability reporting, the Bank reports climate-related direct public-policy engagements, trade associations' climate-policy positions, alignment findings and actions taken, where applicable.

(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?

Row 1

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Green Asset Ratio and Guide on the Development of Heat Map Methodologies

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

☒ Climate change

☒ Water

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Financial mechanisms (e.g., taxes, subsidies, etc.)

☒ Sustainable finance

(4.11.1.4) Geographic coverage of policy, law, or regulation☒ National**(4.11.1.5) Country/area/region the policy, law, or regulation applies to**☒ Turkey**(4.11.1.6) Your organization's position on the policy, law, or regulation**☒ Support with no exceptions**(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation**☒ Participation in working groups organized by policy makers☒ Responding to consultations☒ Submitting written proposals/inquiries**(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)**

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

As an active member of the Sustainability Working Group of the Banks Association of Türkiye (TBB), İşbank continued to contribute to sustainable finance and climate risk management initiatives in 2025. The Bank participated in relevant studies and consultation processes, including the development of the Green Asset Ratio framework and climate risk management guidance. These efforts were reflected in the "Communiqué on the Calculation of Green Asset Ratio of Banks" and the "Guide on the Effective Management of Climate-Related Financial Risks by Banks," which entered into force following the Banking Regulation and Supervision Agency (BRSA)'s announcement on April 11, 2025. Building on its previous contributions to the Climate Risk Sub-Working Group, İşbank also supported the TBB's "Guidelines for Establishing Heat Map Methodologies," which provide a common approach for assessing climate-related risks across loan portfolios and identifying high-risk sectors. Water efficiency was addressed within the TBB's Green Asset Ratio studies, with particular focus on the agriculture and tourism sectors. Through these initiatives, İşbank supports the development of effective climate risk management and sustainable finance practices across the Turkish banking sector.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

☒ Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

☒ Paris Agreement

☒ Sustainable Development Goal 6 on Clean Water and Sanitation

(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

☒ Yes

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

☒ In mainstream reports

(4.12.1.2) Is your publication in line with a standard or framework?

☒ Yes

(4.12.1.3) Standard or framework the publication is in line with

- ☒ GRI
- ☒ IFRS
- ☒ Other, please specify :Integrated Reporting Framework (Framework) of the International Integrated Reporting Council (IIRC)

(4.12.1.4) Environmental issues covered in publication

- ☒ Climate change
- ☒ Forests
- ☒ Water
- ☒ Biodiversity

(4.12.1.5) Status of the publication

- ☒ Complete

(4.12.1.6) Content elements

- | | |
|--|--|
| ☒ Strategy | ☒ Public policy engagement |
| ☒ Governance | ☒ Climate-related targets |
| ☒ Risks & Opportunities | ☒ Water accounting figures |
| ☒ Value chain engagement | ☒ Greenhouse gas emissions figures |
| ☒ Dependencies & Impacts | |

(4.12.1.7) Page/section reference

34-184

(4.12.1.8) Attach the relevant publication

2025IntegratedReport.pdf

(4.12.1.9) Comment

The İşbank Integrated Annual Report is compatible with the Integrated Reporting Framework (Framework) of the International Integrated Reporting Council (IIRC) and has been prepared in accordance with the GRI Standards published by the Global Reporting Initiative (GRI). In organizing the content of the report, the Bank also drew on the Sustainability Accounting Standards Board (SASB) standard for commercial banks and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The report includes İşbank's contribution to the United Nations Sustainable Development Goals and the Capital Markets Board's Sustainability Principles Compliance Framework, and selected non-financial information is subject to limited assurance by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. Having signed the UNEP FI Principles for Responsible Banking in 2020, the Bank has published its progress reports on an annual basis since 2022. In addition, İşbank's reporting is aligned with the Sustainability-Related Financial Reporting Standards (TSRS) published by the Public Oversight Authority of Türkiye (<https://www.isbank.com.tr/en/about-us/our-reports>), which are fully harmonized with the IFRS Sustainability Disclosure Standards.

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

☒ Yes

(5.1.2) Frequency of analysis

☒ Annually

Forests

(5.1.1) Use of scenario analysis

☒ Yes

(5.1.2) Frequency of analysis

☒ Annually

Water

(5.1.1) Use of scenario analysis

☒ Yes

(5.1.2) Frequency of analysis☒ Annually**(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.****Climate change****(5.1.1.1) Scenario used**

Climate transition scenarios

☒ NGFS scenarios framework, please specify :NGFS – Net-Zero 2050, NGFS- Delayed Transition, NGFS- Current Policies Scenarios, NGFS Below 2C**(5.1.1.3) Approach to scenario**☒ Qualitative and quantitative**(5.1.1.4) Scenario coverage**☒ Portfolio**(5.1.1.5) Risk types considered in scenario**☒ Policy**(5.1.1.6) Temperature alignment of scenario**☒ 1.5°C or lower**(5.1.1.7) Reference year**

2024

(5.1.1.8) Timeframes covered

- ☒ 2030
- ☒ Other, please specify :2035

(5.1.1.9) Driving forces in scenario

Finance and insurance

- ☒ Other finance and insurance driving forces, please specify :Carbon Price

Regulators, legal and policy regimes

- ☒ Global regulation
- ☒ Other regulators, legal and policy regimes driving forces, please specify :Implementation of a domestic carbon tax mechanism

Direct interaction with climate

- ☒ On asset values, on the corporate

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

In line with national and international climate and environmental sustainability targets, the analysis assumes that the scope and requirements of carbon regulation and pricing mechanisms, namely carbon taxes, emissions trading systems (ETS) and the Carbon Border Adjustment Mechanism (CBAM), whether already in force or expected to enter into force, will continue to increase. Alongside the effects of a national carbon taxation mechanism, the deterioration in the probability of default (PD) of firms within the scope of CBAM, which entered into force in 2026, has been estimated by reference to the Climate Policy Relevant Sectors (CPRS) classification and assumptions used in studies published by the International Monetary Fund (IMF), and the total effect on expected credit loss (ECL) provisions has been measured by stressing the PD parameter. These regulations are assumed to create direct or indirect cost pressure on CBAM-covered sectors (cement, electricity, iron and steel, aluminium, fertiliser and hydrogen) as well as other high-emission-intensity sectors. As compliance requirements tighten, high-emission-intensity customers that cannot make the necessary transition investments in time are assumed to face rising operational costs and weakening cash flows, which may increase PDs and ECL provisions. The risk is assessed at the level of aggregate portfolio exposure to carbon-intensive sectors and is reflected in the Bank's credit risk parameters and provisioning, with NGFS Net Zero 2050 taken as the primary reference and the NGFS Current Policies pathway also considered. By their nature, the financial effects of climate-related risks and opportunities, scenario analyses and greenhouse gas emission calculations involve a degree of uncertainty, which the Bank regards as an important element of management judgement. Uncertainty arises from the lack of clarity on the exact timing of full implementation and the varying scope of regulations on carbon pricing, green finance and sustainable taxonomies in Türkiye and globally, as well as from dynamics such as the pace at which consumers shift toward low-carbon products and the growth in demand for green investments. The methods, calculation inputs and their constraints, together with the significant assumptions applied, are disclosed and are reviewed and updated where necessary in light of developments.

(5.1.1.11) Rationale for choice of scenario

İşbank's scenario analysis framework is grounded in global scenarios representing different temperature and emission pathways, together with their underlying assumptions. It is designed to understand the effects that different climate policy pathways and physical risk conditions may have on the business model, operations, financial position and value chain of the Bank; to estimate how these effects evolve over time; and to assess the degree to which the Bank's corporate strategy is resilient under these conditions. The NGFS Net-Zero 2050 scenario is adopted as the baseline scenario for transition risks; in addition to being the most ambitious scenario for combating climate change, it is aligned with the Bank's strategy of achieving carbon neutrality by 2050. The impact of climate events on operational risk is analysed drawing on the operational risk taxonomy opened for consultation by the European Banking Authority (EBA) and on expert judgment: the Bank has assessed how climate change may affect the relevant operational risk categories through the transmission channels identified, using operational risk climate scenarios that cover two principal climate events and estimate their potential effects on the Bank in a manner consistent with the NGFS and IPCC global scenario assumptions. While NGFS Net-Zero 2050 serves as the base transition scenario in these assessments, the NGFS Current Policies and NGFS Delayed Transition scenarios have also been included in order to capture the uncertainties that the base scenario does not encompass. These lower-ambition pathways allow the Bank to bound the transition-risk range between an orderly net-zero trajectory and higher-warming, higher-transition-cost outcomes.

Forests

(5.1.1.1) Scenario used

Physical climate scenarios

☒ RCP 8.5

(5.1.1.2) SSPs used in conjunction with scenario

☒ SSP5

(5.1.1.3) Approach to scenario

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

☒ Portfolio

(5.1.1.5) Risk types considered in scenario

☒ Acute physical

(5.1.1.6) Temperature alignment of scenario

☒ 4.0°C and above

(5.1.1.7) Reference year

2024

(5.1.1.8) Timeframes covered

☒ 2030

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☒ Changes to the state of nature

☒ Climate change (one of five drivers of nature change)

☒ Other local ecosystem asset interactions, dependencies and impacts driving forces, please specify :Wildfires

Regulators, legal and policy regimes

☒ Level of action (from local to global)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The analysis is based on the IPCC RCP 8.5 scenario, which assumes high emissions, weak or almost no climate policies and continued fossil-fuel-based growth, corresponding to the highest projected increase in global temperature and to very high physical risks. Within this scenario, forest- and land-related physical hazards, principally wildfire and landslide, are assessed at client level using the Climate Impact Factor built from ThinkHazard data, which is fed into the Bank's probability-of-default and loss-given-default parameters to estimate the effect on expected credit loss provisions; the analysis covers firms in at-risk sectors above the Bank's defined credit-balance thresholds. Because a very large proportion of the activities of the Bank is located in Türkiye, Türkiye-specific projections are used wherever available. The principal constraint is that the forest-related risk of greatest relevance to the Bank, its clients' exposure under the EU Deforestation Regulation, is a transition risk driven by regulatory and market change, whereas the scenario applied here is a physical scenario. The physical scenario therefore captures forest-relevant acute hazards such as wildfire and landslide, but does not represent the deforestation, land-use-change and regulatory transition exposure that the EUDR creates; that forest-related transition scenarios are not available. As with the Bank's other scenario analyses, the financial effects of climate-related risks and the associated scenario analyses inherently involve a degree of uncertainty that the Bank treats as an element of management judgment; the methods, inputs, methodological constraints and significant assumptions are disclosed and are reviewed and updated as necessary in the light of developments in reporting standards, potential regulations and climate-scenario projections.

(5.1.1.11) Rationale for choice of scenario

Within its physical risk scenario analyses, the Bank assesses forest- and land-related physical hazards as part of its portfolio risk assessment. The RCP 8.5 scenario is adopted as the reference scenario for this analysis because the Bank's physical-risk assessment, performed with the Climate Impact Factor built from ThinkHazard data, produces a client-level score that incorporates hazards directly relevant to forests and land, in particular wildfire and landslide, alongside the other physical hazards. RCP 8.5 is chosen because it represents the highest-emission pathway with weak or almost no climate policies, and therefore a conservative upper bound for the frequency and severity of these hazards. Because a very large proportion of the activities of the Bank and its companies are located in Türkiye, Türkiye-specific projections are used wherever available. The principal forest-related transition risk the Bank has identified, namely exposure under the EU Deforestation Regulation, is a transition risk and is assessed separately; the scenario applied here captures the physical, rather than the transition, dimension of forest-related risk.

Water

(5.1.1.1) Scenario used

Physical climate scenarios

☒ RCP 8.5

(5.1.1.2) SSPs used in conjunction with scenario

☒ SSP5

(5.1.1.3) Approach to scenario

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

☒ Acute physical

☒ Chronic physical

(5.1.1.6) Temperature alignment of scenario☒ 4.0°C and above**(5.1.1.7) Reference year**

2024

(5.1.1.8) Timeframes covered☒ 2025☒ 2030☒ 2040☒ 2050☒ 2060☒ Other, please specify :**2065****(5.1.1.9) Driving forces in scenario**

Local ecosystem asset interactions, dependencies and impacts

☒ Changes in ecosystem services provision☒ Climate change (one of five drivers of nature change)

Regulators, legal and policy regimes

☒ Level of action (from local to global)

Direct interaction with climate

☒ On asset values, on the corporate

Macro and microeconomy

☒ Domestic growth

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The analysis is based on the IPCC RCP 8.5 scenario (high emissions, weak or no climate policies, continued fossil-fuel-based growth), corresponding to a global temperature increase of approximately 3.3 to 5.7°C by 2100 and very high, largely irreversible physical risks. Within this scenario, water stress and drought are treated as chronic physical risks that, together with rising average temperatures, weigh particularly on customers in the agriculture, energy, food, mining and water-intensive sectors by weakening their operational performance, revenues and repayment ability. Drawing on ThinkHazard data, a client-level geographic risk assessment is performed for each physical risk type, and a Climate Impact Factor (CIF) quantifying each customer's exposure, including to water stress and drought, is calculated to estimate the total effect on expected credit loss (ECL) provisions. Unlike the previous year, in which only the probability of default was stressed, loss given default is now also stressed. The portfolio analysis covers all firms in at-risk sectors with a credit balance above TRY 10 million (TRY 1 million for agriculture) and all firms above TRY 200 million regardless of sector. The direct operations analysis covers the Bank's Head Office, branch network, call centre and ATM network, focusing on an extreme precipitation scenario. Various assumptions have been employed, including the proportion of branches, ATMs, and employees that could be affected by the event; the extent of physical damage; the scale of service disruptions; and the expenditure required to ensure employee safety. The model uses three categories, Employee Health & Safety, Damage to Physical Assets and Business Disruption, weighted at 0.6%, 32.2% and 67.2% respectively, based on current and historical data, global climate scenario projections and expert judgement. The effectiveness of global climate policies, the pace of technological development, economic growth, land-use change and climate system feedbacks may influence projected outcomes, while the limited resolution of climate data at province and district level and the lack of exact client asset locations are the main constraints. The financial effects of these risks involve a degree of uncertainty that the Bank treats as an element of management judgement; the methods, inputs, constraints and assumptions are disclosed and reviewed in light of developments in reporting standards, regulations and climate scenario projections.

(5.1.1.11) Rationale for choice of scenario

Water stress and drought are assessed as chronic physical risks affecting the Bank's portfolio resilience; extreme precipitation as an acute risk to its operations. The RCP 8.5 scenario is taken as the main reference scenario within the Bank's physical risk scenario analyses, as it represents the pathway that yields the highest projected increase in global temperature under assumptions of high emissions and limited climate policies, thereby providing a conservative upper bound for assessing the Bank's exposure to water related physical hazards and enabling the Bank to test the resilience of its strategy under extreme conditions. This approach ensures that İşbank identifies vulnerabilities, enhances resilience, and supports its clients in adapting to climate-related risks. Because a very large proportion of the activities of the Bank is located in Türkiye, Türkiye-specific projections are used in the analyses wherever available. Given Türkiye's vulnerability to physical climate impacts, using these scenarios allows the Bank to better understand the potential long-term implications for its portfolio and its operations. The scope of the physical risk scenarios is determined to cover all of the Bank's activities where the nature of the risk requires it. Alongside the Head Office premises, the units through which customer contact takes place, including the branch network, the call centre and the ATM network, are included in the analysis to the greatest extent possible.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☒ RCP 8.5

(5.1.1.2) SSPs used in conjunction with scenario

☒ SSP5

(5.1.1.3) Approach to scenario

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

☒ Acute physical

☒ Chronic physical

(5.1.1.6) Temperature alignment of scenario

☒ 4.0°C and above

(5.1.1.7) Reference year

2024

(5.1.1.8) Timeframes covered

- | | |
|--|---|
| ☒ 2025 | ☒ Other, please specify : 2065 |
| ☒ 2030 | ☒ 2040 |
| ☒ 2050 | ☒ 2060 |

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- ☒ Changes in ecosystem services provision
- ☒ Climate change (one of five drivers of nature change)

Regulators, legal and policy regimes

- ☒ Level of action (from local to global)

Direct interaction with climate

- ☒ On asset values, on the corporate

Macro and microeconomy

- ☒ Domestic growth

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The analysis is based on the IPCC RCP 8.5 scenario, which assumes high emissions and limited climate policies. The physical risks considered comprise acute events (extreme precipitation, flood, wildfire, landslide and heatwaves) and chronic changes (rising average temperatures, drought, water stress and shifts in climate patterns). Türkiye-specific projections are used wherever available. Under high-temperature scenarios, more frequent and intense short-duration, high-intensity precipitation is projected in Türkiye; in rapidly urbanising coastal megacities such as Istanbul, limited infrastructure capacity, settlement density and simultaneous climatic anomalies are assumed to raise both the frequency and severity of extreme-precipitation-driven floods. The Bank evaluates physical climate risks separately for its loan portfolio and its direct operations. 1) For the credit portfolio, risks are assumed to weigh in particular on the agriculture, energy, food, mining and water-intensive sectors. A client-level geographic risk assessment is performed for each physical risk type using ThinkHazard data, and a Climate Impact Factor (CIF) quantifying each customer's exposure is calculated to estimate the total effect on ECL provisions; unlike the previous year, in which only the probability of default was stressed, loss given default is now also stressed. The portfolio analysis now covers all firms in at-risk sectors with a credit balance above TRY 10 million (TRY 1 million for agriculture) and all firms above TRY 200 million regardless of sector. 2) For direct operations, the analysis covers the Bank's Head Office, branch network, call centre and ATM network, focusing mainly on extreme precipitation and severe heatwave scenarios. Assumptions on the share of branches, ATMs and employees

affected, physical damage, service disruption and employee safety expenditure draw on historical data, climate projections and expert judgement. Constraints arise mainly from the limited resolution of climate data at province and district level, the lack of exact client asset locations and the inherent unpredictability of the timing of physical impacts on financial statements. As physical risks are expected to become more pronounced over the longer term and involve inherent uncertainty, the Bank treats these estimates as a matter of management judgement; the methods, inputs, constraints and significant assumptions are disclosed and reviewed regularly.

(5.1.1.11) Rationale for choice of scenario

The RCP 8.5 scenario is taken as the main reference scenario within the Bank's physical risk scenario analyses, as it represents the pathway that yields the highest projected increase in global temperature under assumptions of high emissions and limited climate policies, thereby providing a conservative upper bound for assessing the Bank's exposure to physical climate hazards and enabling the Bank to test the resilience of its strategy under extreme conditions. Türkiye-specific projections are used in the analyses wherever available. This approach ensures that İşbank identifies vulnerabilities, enhances resilience, and supports its clients in adapting to climate-related risks. Given Türkiye's vulnerability to physical climate impacts, using these scenarios allows the Bank to better understand the potential long-term implications for its portfolio and its operations. The scope of the physical risk scenarios is determined to cover all of the Bank's activities where the nature of the risk requires it. Alongside the Head Office premises, the units through which customer contact takes place, including the branch network, the call centre and the ATM network, are included in the analysis to the greatest extent possible.

Water

(5.1.1.1) Scenario used

Physical climate scenarios

☒ RCP 4.5

(5.1.1.2) SSPs used in conjunction with scenario

☒ SSP2

(5.1.1.3) Approach to scenario

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

- ☒ Acute physical
- ☒ Chronic physical

(5.1.1.6) Temperature alignment of scenario

- ☒ 2.0°C - 2.4°C

(5.1.1.7) Reference year

2024

(5.1.1.8) Timeframes covered

- ☒ 2025 ☒ 2030
- ☒ 2040 ☒ 2050
- ☒ 2060

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- ☒ Changes in ecosystem services provision
- ☒ Climate change (one of five drivers of nature change)

Regulators, legal and policy regimes

- ☒ Level of action (from local to global)

Direct interaction with climate

- ☒ On asset values, on the corporate

Macro and microeconomy

- ☒ Domestic growth

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The analysis draws on the IPCC RCP 4.5 scenario as an intermediate, middle-of-the-road pathway, corresponding to a global temperature increase of approximately 2.1 to 3.5°C by 2100 under a gradual increase in climate policy and a limited carbon price. It is included alongside the RCP 8.5 to capture uncertainties the worst scenario does not encompass. Under RCP 4.5, water stress and drought are likewise assessed as chronic physical risks affecting in particular customers in the agriculture, energy, food, mining and water-intensive sectors, with the water dependence of hydroelectric power plants recognised as a concentration factor in the energy portfolio. The methodology mirrors the base case: using ThinkHazard data, a client-level geographic risk assessment is performed for each physical risk type, and a Climate Impact Factor (CIF) quantifying each customer's exposure, including to water stress and drought, is calculated to estimate the total effect on expected credit loss provisions, with both probability of default and loss given default stressed. The portfolio analysis covers all firms in at-risk sectors with a credit balance above TRY 10 million (TRY 1 million for agriculture) and all firms above TRY 200 million regardless of sector. The direct operations analysis covers the Bank's Head Office, branch network, call centre and ATM network, focusing on an extreme precipitation scenario. The scenario analysis includes assumptions on affected branches, ATMs, employees; physical damage extent; service disruption scale; and safety-related costs. The model uses three categories, Employee Health & Safety, Damage to Physical Assets and Business Disruption, weighted at 0.6%, 32.2% and 67.2% respectively, based on current and historical data, global climate scenario projections and expert judgement. The effectiveness of global climate policies, the pace of technological development, economic growth, land-use change and climate system feedbacks may influence projected outcomes, while the limited resolution of climate data at province and district level and the lack of exact client asset locations are the main constraints. The financial effects of these risks involve a degree of uncertainty that the Bank treats as an element of management judgement; the methods, inputs, constraints and assumptions are disclosed and reviewed in light of developments in reporting standards, regulations and climate scenario projections.

(5.1.1.11) Rationale for choice of scenario

RCP 4.5 is included in the Bank's water-related physical risk scenario analyses as a complementary scenario alongside the RCP 8.5 base case. As an intermediate, middle-of-the-road pathway in which current trends continue under a gradual increase in climate policy and a limited carbon price, and under which physical risks nonetheless become pronounced, RCP 4.5 has been incorporated in order to capture the uncertainties that the base scenario does not encompass. Assessing water stress, drought and extreme precipitation under both a very-high-warming pathway (RCP 8.5) and a moderate-warming pathway (RCP 4.5) allows the Bank to bound the range of potential water-related physical impacts on its lending portfolio and direct operations to test the resilience of its portfolio, assets, business continuity and strategy across a spectrum of plausible futures. As with the base case, because the great majority of the activities of the Bank is located in Türkiye, Türkiye-specific projections are used wherever available.

(5.1.2) Provide details of the outcomes of your organization's scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

- ☑ Risk and opportunities identification, assessment and management
- ☑ Strategy and financial planning
- ☑ Resilience of business model and strategy
- ☑ Capacity building
- ☑ Target setting and transition planning

(5.1.2.2) Coverage of analysis

- ☑ Portfolio

(5.1.2.3) Summarize the influence of the scenario analysis on the selected business processes

İşbank's climate scenario analysis informs its risk management, strategy and financial planning, product development and value-chain engagement. Transition risk is assessed primarily under the NGFS Net-Zero 2050 pathway, with the NGFS Current Policies and Delayed Transition pathways used as sensitivities, and physical risk is assessed under IPCC RCP 8.5 as the base case with RCP 4.5 as a moderate-warming sensitivity. Impacts are analysed over the short, medium and long term, with the transition analysis focused on 2030 and 2035 and the physical analysis extended to 2065, in line with the maturity structure of the loan portfolio and the Bank's strategic-planning horizon. The analysis confirmed that the Bank's principal exposure lies in carbon-intensive sectors that would face rising costs under carbon pricing, the Emissions Trading System and the Carbon Border Adjustment Mechanism. The transition impact was quantified by stressing clients' probability of default under a range of carbon-price levels and assumptions derived from the scenarios, and the resulting effect on expected credit loss provisions was assessed as an overall Medium-High financial impact. These results have shaped concrete decisions. In risk management, climate risk indicators are embedded in the Risk Appetite Framework, sector risk-tolerance limits are applied to the high-risk sectors identified through the sectoral climate risk heat map, and the outputs feed the Bank's probability-of-default and expected-credit-loss parameters. In strategy and financial planning, the analysis underpinned the science-based 2030 sectoral decarbonization targets, the Climate Transition Plan published in 2025, the Bank's internal (shadow) carbon price, which is based on NGFS carbon-price projections for Türkiye, and the increase of the sustainable finance commitment to TL 650 billion through 2028. The Bank considers its strategy resilient across the short, medium and long term. It retains the financial flexibility to respond through its sustainable and climate finance capacity; it is able to reallocate its portfolio over time by steering new lending toward low-carbon activities and by managing carbon-intensive exposures within its risk-appetite limits and its commitment to phase out coal financing by 2040; and its current and planned investments, including its own renewable-energy generation for self-consumption, strengthen both mitigation and adaptation capacity. As a financial services group, the Bank's exposure is concentrated in Türkiye and is analysed by line of business, principally its commercial credit portfolio and its project-finance portfolio, where the carbon-intensive sectors covered by the 2030 targets are located.

Forests

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

- ☑ Risk and opportunities identification, assessment and management
- ☑ Strategy and financial planning
- ☑ Resilience of business model and strategy
- ☑ Capacity building

(5.1.2.2) Coverage of analysis

- ☑ Portfolio

(5.1.2.3) Summarize the influence of the scenario analysis on the selected business processes

İşbank's forests-related scenario analysis informs its identification, assessment and management of risks and opportunities, its strategy and financial planning, the resilience of its business model and strategy, and its capacity building. Forest- and land-related physical hazards, principally wildfire and landslide, are assessed within the physical climate scenarios (IPCC RCP 8.5 as the base case and RCP 4.5 as a moderate-warming sensitivity) using the client-level Climate Impact Factor built from ThinkHazard data, over the long-term horizon on which physical risks are expected to become most pronounced. The principal forest-related transition risk the Bank has identified, its clients' exposure under the EU Deforestation Regulation, is a transition risk assessed through the Bank's separate transition-risk analysis rather than through this physical scenario.

Water

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

- ☑ Risk and opportunities identification, assessment and management
- ☑ Strategy and financial planning
- ☑ Resilience of business model and strategy
- ☑ Capacity building
- ☑ Target setting and transition planning

(5.1.2.2) Coverage of analysis

☒ Portfolio

(5.1.2.3) Summarize the influence of the scenario analysis on the selected business processes

İşbank's water-related scenario analysis informs its risk management, strategy, product development and client engagement. Water stress and drought are assessed as chronic physical risks under IPCC RCP 8.5 as the base case and RCP 4.5 as a moderate-warming sensitivity. As these risks are expected to become material over the longer term, the analysis is conducted mainly over the long horizon, while short and medium-term monitoring is maintained. The analysis indicated that water stress and drought weigh most heavily on customers in the agriculture, energy, food, mining and water-intensive sectors, whose operational performance and revenue-generating capacity, and in turn their repayment ability, may weaken as water availability declines; the water dependence of hydroelectric power plants was identified as a specific source of concentration risk in the energy portfolio. Exposure is quantified at client level through a Climate Impact Factor built from ThinkHazard geographic-hazard data, which is fed into the Bank's probability-of-default and loss-given-default parameters to estimate the effect on expected credit loss provisions. These insights have shaped several actions. In risk management, water-stress and drought screening is integrated into the credit process and the portfolio physical-risk stress test, whose scope was widened to all firms in at-risk sectors with a credit balance above TRY 10 million (above TRY 1 million for agriculture) and, in every case, all firms above TRY 200 million regardless of sector. In strategy, the Bank is diversifying its renewable-energy portfolio toward solar and wind in order to reduce the concentration effect of water dependence in hydroelectric exposures. In products and services, the analysis reinforced the Bank's water-related finance, including wastewater treatment and recovery, greywater systems, water-efficiency and pressurized-irrigation financing and smart and organic agriculture solutions, together with the İmeceMobil platform, which provides weather forecasts, satellite imaging, irrigation management and advisory services to help customers adapt to changing water conditions. In value-chain engagement, farmers and water-intensive clients are engaged on the efficient use of water and on resource management. As a financial services group, the Bank's exposure is concentrated in Türkiye, with Türkiye-specific projections used wherever available, and is analysed by line of business, principally its agricultural and commercial lending and its energy project-finance portfolio, where water-stress exposure is greatest. The Bank considers its strategy resilient to water-related physical risk, supported by its ability to reallocate its energy portfolio toward less water-dependent renewable sources and by its financing of customers' water-efficiency and adaptation investments.

(5.2) Does your organization's strategy include a climate transition plan?

(5.2.1) Transition plan

☒ Yes, we have a climate transition plan which aligns with a 1.5°C world

(5.2.3) Publicly available climate transition plan

☒ Yes

(5.2.7) Transition plan includes a managed phaseout plan which finances or enables an accelerated phaseout of high emitting physical assets

☒ Yes

(5.2.8) Key milestones and actions of your organization's managed phaseout plan

İşbank's managed phaseout is the gradual phase-out of financing for coal activities by 2040, excluding receivables transferred to non-performing loan accounts. The scope is set out in the Bank's Coal Phase-Out Policy and the Exclusion List within its Environmental and Social Impact Policy, and covers coal-fired power generation, coal mining and trade, coal transportation and storage, coal-related infrastructure and manufacturing activities, and the construction of thermal power plants. The plan has been built through a sequence of milestones. After 2015, the Bank has allocated all financing of new electricity-generation projects to renewable energy. In 2020, it announced that it would not finance greenfield coal- and natural-gas-fired thermal power plants for electricity generation, and it has since expanded its Exclusion List to cover new coal mining investments, the capacity increase of existing coal mines and coal-fired power plants, new coal mines using mountain-top-removal mining, and gold mining using cyanide. In 2022, the Bank joined the Net-Zero Banking Alliance; in 2023 it committed to phase out the financing of coal and coal-related activities by 2040 and shared its interim (2030) reduction targets; and in 2025 it published its Coal Phase-Out Policy and its Climate Transition Plan. As an interim milestone, the transition plan is expected to reduce the emission intensity of the Power Generation portfolio by approximately 61 percent by 2030 against a 2021 base year, in line with the IEA NZE 2050 pathway. Implementing the plan through a gradual and planned approach, the Bank supports the transition of its clients, shifts its portfolio toward green activities and avoids additional exposure to carbon-intensive assets. New coal- and natural-gas-fired thermal power plants, new coal mines and the capacity expansion of existing coal assets are already excluded from financing.

(5.2.10) Mechanism by which feedback is collected from shareholders on your climate transition plan

☒ Our climate transition plan is voted on at Annual General Meetings (AGMs)

(5.2.13) Description of key assumptions and dependencies on which the transition plan relies

The transition plan relies on several key assumptions and dependencies: Alignment with Türkiye's Nationally Determined Contributions (NDCs). Availability and scalability of green technologies, and the level of green investment assumed across the transition pathway scenarios. Strengthening of the regulatory framework and policy incentives, including the Climate Law No. 7552 and the EU Carbon Border Adjustment Mechanism. The pace of transformation among the Bank's customer base, particularly in carbon-intensive sectors, whose transition the Bank supports through close collaboration. Continued improvements in energy efficiency, renewable energy deployment, and GHG measurement capacity. Expansion of sustainable finance opportunities and access to international green funding. The financial feasibility for the Bank of the selected transition pathway, with targets set at the most realistic and financially feasible level of ambition. The plan uses global climate pathways (IEA NZE 2050, SBTi 1.5°C, TPI, NGFS) as reference scenarios to ensure consistency with international best practice, while adapting to local dynamics. İşbank recalculates emissions for its most carbon-intensive sectors annually, maintaining the established baseline values and reviews. Where necessary, İşbank revises its sectoral transition plans as its portfolios, the Turkish economy and available technologies evolve.

(5.2.14) Description of progress against transition plan disclosed in current or previous reporting period

İşbank has made steady progress in developing and implementing its transition plan since committing to the Net-Zero Banking Alliance in 2022. Working sector by sector, the Bank baselined its sector-specific financed emissions, set 2030 emission-intensity reduction targets and defined action plans while fostering customer engagement. It disclosed its first round of 2030 targets at the end of 2023, covering the Power Generation, Cement and Iron and Steel portfolios against a 2021 baseline and addressing the Coal sector through its 2040 phase-out commitment, and in 2024 it extended target-setting to a second phase of sectors, comprising Oil and Gas, Real Estate, Aluminium, Road Transport and Agriculture, supported by the sector-specific decarbonisation roadmaps it created that year. In 2025, drawing on these roadmaps, the Bank published its Climate Transition Plan covering all carbon-intensive sectors, becoming the first bank in Türkiye to announce emission-reduction roadmaps across all of these sectors, and it published its Coal Phase-Out Policy in the same year. The Bank has also built the capabilities that underpin the plan. It re-baselines its most carbon-intensive sectors annually to track progress and has put in place mechanisms to review and, where necessary, revise its sectoral transition plans as its portfolios, the Turkish economy and available technologies evolve. Implementation is delivered through a defined set of levers, including supporting the transition of clients, shifting the portfolio toward green assets and avoiding brown assets. Progress is also visible in the resourcing of the plan. By the first quarter of 2025, İşbank had fulfilled its sustainable financing target of TL 300 billion set for the 2023 to 2026 period, as well as its TL 100 billion financing commitment for women entrepreneurs, both ahead of schedule, and it has accordingly raised these commitments through the end of 2028 to TL 650 billion and TL 250 billion respectively. In parallel, the Bank has advanced concrete client-transition initiatives, such as the "Twin Transformation Journey of 100 SMEs" project, through which it has supported the digital and green transformation of small and medium-sized enterprises operating across twelve sectors in twenty-four provinces by providing customised roadmaps and financing solutions.

(5.2.15) Attach any relevant documents which detail your climate transition plan (optional)

2025IntegratedReport.pdf, isbank-ctp.pdf

(5.2.16) Other environmental issues that your climate transition plan considers

☒ No other environmental issue considered

(5.2.18) Adaptation-specific objectives included within your climate transition plan

☒ Yes

(5.2.19) Describe the adaptation objectives included in your climate transition plan or standalone adaptation plan

İşbank's climate resilience and adaptation objectives are developed as part of its climate strategy and are structured to be consistent with the Bank's Climate Transition Plan and its short, medium and long-term time horizons. The overarching objective is to strengthen the resilience of the Bank, its customers and its portfolio against the physical impacts of climate change, and adaptation is an explicit eligible category within the Bank's Sustainable Finance Framework. The principal adaptation objectives are as follows. First, the Bank aims to increase the resilience of its customers to physical climate risks by financing their adaptation, efficiency and resource-management investments, including energy, water and raw-material efficiency, waste management, renewable energy, the protection of water resources and sustainable agriculture, thereby reducing clients' climate-related operational vulnerabilities. Second, in response to water stress and drought, the Bank prioritises the financing of investments in the efficient use and recovery of water, such as wastewater treatment and recovery, greywater systems and water efficiency, and in agriculture it supports smart, good and organic agriculture, pressurised irrigation and digital agriculture, together with the İmeceMobil platform, which provides weather forecasts, satellite imaging, irrigation management and advisory services to help producers adapt to changing climate conditions. Third, to reduce the concentration of water-dependency risk in its energy portfolio, the Bank is diversifying its renewable-energy portfolio toward solar and wind. Fourth, to limit the effects of physical climate risks on its own operations, the Bank strengthens business continuity, operational resilience and disaster management across its branches, ATM network, operation centres and data centres. These objectives help manage physical risk by lowering the exposure of the loan portfolio to climate-driven deterioration in customers' repayment capacity and asset values, and they support the Bank's overall business strategy by protecting portfolio quality, sustaining the long-term resilience of clients in vulnerable sectors such as agriculture and energy, and creating sustainable finance opportunities. The Bank's approach is pursued in the context of Türkiye's climate framework, including the Climate Law No. 7552.

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?**(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning**

☒ Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

- ☒ Products and services
- ☒ Upstream/downstream value chain
- ☒ Investment in R&D
- ☒ Operations

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.**Products and services****(5.3.1.1) Effect type**

- ☒ Physical risks
- ☒ Transition risks
- ☒ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

- ☒ Climate change
- ☒ Forests
- ☒ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Environmental risks and opportunities have reshaped İşbank's product and service offering. Transition risk, arising from carbon pricing, the Emissions Trading System and the Carbon Border Adjustment Mechanism, together with the opportunity presented by the shift to a low-carbon economy, has led the Bank to expand its sustainable finance offering and to raise its sustainable finance commitment to TL 650 billion through 2028, including renewable-energy and energy-efficiency financing, green and blue bonds, sustainable Eurobonds and ESG funds. Physical risk, particularly water stress and drought affecting agricultural and water-intensive customers, has driven the development of water- and adaptation-related products, including the Water Security Loan, financing for wastewater treatment and recovery, greywater and water efficiency, pressurised irrigation and digital and sustainable agriculture solutions, alongside the İmeceMobil platform that helps producers adapt to changing climate conditions. In relation to forests and land use, the Bank has developed offerings that support the more sustainable use of land and the conservation of natural habitats, including its Good and Organic Agriculture Loans, its support for regenerative agriculture and its blue bond issuance, part of whose proceeds are directed under the Sustainable Finance Framework to the conservation of terrestrial and aquatic biodiversity; it also factors land-use and deforestation risk, including exposure under the EU Deforestation Regulation, into the design of its commodity-related financing. Collectively, these developments position sustainable and transition finance as a strategic growth area for the Bank.

Upstream/downstream value chain

(5.3.1.1) Effect type

- ☒ Physical risks
- ☒ Transition risks
- ☒ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

- ☒ Climate change
- ☒ Forests
- ☒ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

The most significant strategic effect has been on İşbank's downstream value chain, namely its lending portfolio and client relationships. Transition risk in carbon-intensive sectors led the Bank to set 2030 science-based emission-intensity reduction targets for all such sectors, to publish its Climate Transition Plan and Coal Phase-Out Policy, and to manage carbon-intensive exposures within its risk-appetite limits while steering new lending toward low-carbon activities. Physical risk, notably water stress and drought in the agriculture and hydroelectric portfolios, is assessed client by client and has led the Bank to engage its clients on resilience and to diversify its energy portfolio toward solar and wind. In relation to forests, deforestation and land-use risk in the portfolio, including exposure under the EU Deforestation Regulation, is screened through the Bank's Exclusion List and its ÇESMOD environmental and social assessment. Across all three issues, the opportunity to finance clients' transition has become central to the Bank's strategy, supported by client engagement, sector-specific roadmaps and expanded sustainable finance. Upstream, the Bank's supplier relationships are addressed through its environmental and social screening and its green procurement practices.

Investment in R&D

(5.3.1.1) Effect type

- ☒ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

- ☒ Climate change
- ☒ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Climate-, water- and land-related opportunities have shaped İşbank's investment in developing new solutions and capabilities. To help agricultural customers manage climate and water risk and to promote more sustainable use of land, the Bank invested in developing the İmeceMobil digital agriculture platform, which provides agricultural notifications, production-season tracking, satellite imaging, irrigation management, fertilisation planning, soil-health and sustainable soil-management guidance and agricultural advisory, and it has advanced complementary initiatives such as its Digital Agriculture Solution and its support for regenerative agriculture. By improving yields and the efficient use of water, inputs and land, these solutions help reduce the pressure to convert natural land, which is a principal driver of deforestation. The Bank has also invested in building the analytical capabilities that underpin its climate strategy, including its sectoral climate risk heat map, its Climate Impact Factor scenario-analysis methodology and its financed-emissions measurement, and it supports technology and green ventures through its venture-capital activities. These investments create opportunities to develop innovative products and services oriented toward climate, water and sustainable land use for the Bank's customers.

Operations

(5.3.1.1) Effect type

- ☒ Physical risks
- ☒ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

- ☒ Climate change
- ☒ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Environmental risks and opportunities have influenced İşbank's own operations. Physical risk, in the form of extreme weather events such as heatwaves, extreme precipitation and flooding affecting the Bank's branches, ATM network, operation centres and data centres, has led the Bank to strengthen its business continuity, operational resilience and disaster-management arrangements. On the opportunity side, the Bank has invested in the energy efficiency and decarbonisation of its own operations, including self-consumption solar generation, sourcing 100 percent of its electricity from renewable sources certified by I-REC, and energy-efficiency measures, in support of its objective to make its operations carbon-neutral by 2026. In relation to water, the Bank monitors and manages its own operational water consumption through efficiency and recovery measures. These actions reduce operating costs and enhance the resilience of the Bank's operations.

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.**Row 1****(5.3.2.1) Financial planning elements that have been affected**

☒ Revenues

(5.3.2.2) Effect type

☒ Physical risks

☒ Transition risks

☒ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

☒ Climate change

☒ Forests

☒ Water

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Environmental risks and opportunities across climate change, forests and water are incorporated into the Bank's financial planning, and within the framework of its Climate Transition Plan the Bank reviews and updates its credit policies, sustainable finance strategy and investment priorities over the short, medium and long term. Their most significant effect on the revenues element arises on the opportunity side: the transition to a low-carbon economy and rising demand for sustainable, green and transition finance are expected to support the Bank's revenue growth, and the Bank has fulfilled its 2023 to 2026 sustainable finance target of TL 300 billion ahead of schedule and raised its sustainable finance commitment to TL 650 billion through 2028. This opportunity is pursued across a broad offering: green loans and sustainable investments, green and blue bonds and sustainable investment funds for climate; the financing of water efficiency and recovery, wastewater treatment, greywater and pressurised irrigation and the İmeceMobil platform for water; and Good and Organic Agriculture Loans, regenerative agriculture and the allocation of blue bond proceeds to the conservation of terrestrial and aquatic biodiversity for forests and land use. Transition risk also shapes revenue planning. As carbon pricing, the Emissions Trading System and the Carbon Border Adjustment Mechanism increase costs for carbon-intensive clients, and as the EU Deforestation Regulation raises the exposure of commodity and agriculture clients, the Bank plans for a managed reduction of its carbon-intensive lending, phasing out coal financing by 2040 and steering the portfolio toward low-carbon activities within its risk-appetite limits, so that revenue is progressively redirected toward green and transition finance. Physical risk affects revenue as well. Water stress, drought and extreme weather can weaken the operational performance and revenue-generating capacity of clients in sectors such as agriculture and energy, affecting their repayment capacity and the associated revenue, while extreme weather events affecting the Bank's own branches, ATMs, operation centres and data centres are managed through its business continuity and operational resilience arrangements to protect service continuity and revenue. These considerations are integrated into the Bank's annual financial planning across the short, medium and long term.

(5.10) Does your organization use an internal price on environmental externalities?

	Use of internal pricing for this environmental externality	Primary reason for not pricing this environmental externality	Explain why your organization does not price this environmental externality
Carbon	☒ Yes		
Water	☒ No, and we do not plan to in the next two years	☒ No standardized procedure	Currently, there is no standardized procedure available for Banks.
Other	☒ No, and we do not plan to in the next two years		

(5.10.1) Provide details of your organization's internal price on carbon.**Row 1****(5.10.1.1) Type of pricing scheme**☒ Shadow price**(5.10.1.2) Objectives for implementing internal price**☒ Incentivize consideration of climate-related issues in risk assessment

(5.10.1.3) Factors considered when determining the price

- ☑ Scenario analysis
- ☑ Alignment to scientific guidance
- ☑ Alignment to international standards
- ☑ Alignment with the price of a carbon tax
- ☑ Alignment with the price of carbon border adjustment mechanism
- ☑ Alignment with the price of allowances under an Emissions Trading Scheme

(5.10.1.4) Calculation methodology and assumptions made in determining the price

İşbank applies a shadow internal carbon price, to carbon-intensive investments assessed in project finance exposed to the Carbon Border Adjustment Mechanism, based on the carbon-price projections of the NGFS scenarios for Türkiye. Under the Shadow Price Model, the price is determined by taking into account prevailing market conditions and the assumptions of the NGFS Net-Zero scenario, and the weights applied to the underlying scenarios reflect their current-situation probabilities based on expert opinion, which may vary in the future as developments unfold over time. The price assigns a monetary value to the emissions arising from customers' activities, so that the financial impacts of carbon-intensive investments can be evaluated more effectively; the price set for each tonne of carbon dioxide emitted is considered in climate risk exposure assessments and financial-analysis processes, although no actual payment obligation arises. The price feeds the Bank's carbon-tax scenario analysis, which follows an eight-step methodology: identifying the sector to be analysed; selecting the sample; defining the scenario design and assumptions; calculating the effect on supply and demand; calculating the financial effect at company level; calculating the resulting change in default rate and expected credit loss at company level; aggregating and extrapolating the sample results to the portfolio; and evaluating the results.

(5.10.1.5) Scopes covered

- ☑ Scope 3, Category 15 – Investments

(5.10.1.6) Pricing approach used – spatial variance

- ☑ Uniform

(5.10.1.8) Pricing approach used – temporal variance

- ☑ Evolutionary

(5.10.1.9) Indicate how you expect the price to change over time

İşbank's internal (shadow) carbon price is evolutionary and is expected to rise over time, tracking the NGFS-based carbon-price projections for Türkiye through to 2050. The shadow price is projected to increase from USD 64.9 per tonne in 2025 to USD 85.5 in 2027, USD 116.6 in 2030, USD 252.3 in 2040, USD 320.7 in 2045 and USD 356.4 in 2050. This represents an increase of approximately 80 percent between 2025 and 2030 and of approximately 206 percent between 2030 and 2050, so that the price is expected to rise around 5.5 times, or by roughly 449 percent, over the full period from 2025 to 2050. The trajectory reflects the probability-weighted combination of the NGFS scenarios on which the shadow price is based; because the weights reflect the current-situation probabilities assigned to those scenarios on the basis of expert opinion, the expected trajectory is reviewed and may shift as those probabilities change with actual developments over time.

(5.10.1.10) Minimum actual price used (currency per metric ton CO2e)

2766

(5.10.1.11) Maximum actual price used (currency per metric ton CO2e)

15190

(5.10.1.12) Business decision-making processes the internal price is applied to

- ☒ Risk management
- ☒ Opportunity management

(5.10.1.13) Internal price is mandatory within business decision-making processes

- ☒ Yes, for some decision-making processes, please specify :NZBA Alignment & Decarbonization Strategy& Scenario Analysis

(5.10.1.14) % total emissions in the reporting year in selected scopes this internal price covers

100

(5.10.1.15) Pricing approach is monitored and evaluated to achieve objectives

- ☒ Yes

(5.10.1.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives

The internal carbon price is embedded in the Bank's decision-making, being applied within the climate risk exposure assessment and financial-analysis processes for the carbon-intensive investments assessed in project finance exposed to the Carbon Border Adjustment Mechanism, where it reflects a carbon cost for each tonne of carbon dioxide emitted by the client's activities. Through this application it supports the objective of systematically evaluating climate-related transition risk in the Bank's decision-making and of assessing the financial impacts of carbon-intensive investments more effectively, complementing the Bank's broader management of transition risk under its climate strategy. The price is monitored and evaluated against evolving conditions rather than held static. Within the Shadow Price Model it is determined by reference to prevailing market conditions and to the assumptions of the NGFS Net-Zero scenario, and the weights applied to the underlying NGFS scenarios reflect their current-situation probabilities based on expert opinion; because those probabilities may change as developments unfold over time, the price and its scenario weightings are reviewed and updated accordingly. The price also feeds the carbon-tax scenario analysis, whose final step is an evaluation of the results, so that the outputs, expressed as changes in clients' default rates and expected credit loss at portfolio level, are assessed and used to inform the management of transition risk. In terms of context, the mechanism is applied to carbon-intensive, CBAM-relevant project-finance exposures in Türkiye, drawing on NGFS carbon-price projections specific to the country.

(5.11) Do you engage with your value chain on environmental issues?**Clients****(5.11.1) Engaging with this stakeholder on environmental issues**

☒ Yes

Suppliers**(5.11.1) Engaging with this stakeholder on environmental issues**

☒ No, but we plan to within the next two years

(5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

☒ Not an immediate strategic priority

(5.11.4) Explain why you do not engage with this stakeholder on environmental issues

As an important component of the finance sector, we engage with our stakeholders, which are primarily in our sphere of influence, namely our customers and suppliers, on environmental issues. In the coming years, it is on our agenda to establish different collaborations with our other stakeholders on environmental issues.

Smallholders**(5.11.1) Engaging with this stakeholder on environmental issues**

☒ No, but we plan to within the next two years

(5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

☒ Not an immediate strategic priority

(5.11.4) Explain why you do not engage with this stakeholder on environmental issues

As an important component of the finance sector, we engage with our stakeholders, which are primarily in our sphere of influence, namely our customers and suppliers, on environmental issues. In the coming years, it is on our agenda to establish different collaborations with our other stakeholders on environmental issues.

Investors and shareholders**(5.11.1) Engaging with this stakeholder on environmental issues**

☒ No, but we plan to within the next two years

(5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

☒ Not an immediate strategic priority

(5.11.4) Explain why you do not engage with this stakeholder on environmental issues

As an important component of the finance sector, we engage with our stakeholders, which are primarily in our sphere of influence, namely our customers and suppliers, on environmental issues. In the coming years, it is on our agenda to establish different collaborations with our other stakeholders on environmental issues.

Other value chain stakeholders

(5.11.1) Engaging with this stakeholder on environmental issues

☒ No, but we plan to within the next two years

(5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

☒ Not an immediate strategic priority

(5.11.4) Explain why you do not engage with this stakeholder on environmental issues

As an important component of the finance sector, we engage with our stakeholders, which are primarily in our sphere of influence, namely our customers and suppliers, on environmental issues. In the coming years, it is on our agenda to establish different collaborations with our other stakeholders on environmental issues.

(5.11.3) Provide details of your environmental engagement strategy with your clients.

Row 1

(5.11.3.1) Type of clients

☒ Clients of Banks

(5.11.3.2) Environmental issues covered by the engagement strategy

- ☒ Climate change
- ☒ Forests
- ☒ Water

(5.11.3.3) Type and details of engagement

Financial incentives

☒ Provide financial incentives for environmental performance**(5.11.3.4) % of client-associated scope 3 emissions as reported in question 12.1.1**☒ 100%**(5.11.3.5) % of portfolio covered in relation to total portfolio value**☒ 100%**(5.11.3.6) Explain the rationale for the coverage of your engagement**

İşbank engages with its clients on environmental issues primarily through the environmental and social risk assessment embedded in its credit evaluation processes. Applications relating to activities on the İşbank Exclusion List are not eligible for financing. Having completed its transition from the Environmental Risk Evaluation Tool (ERET) in 2022, the Bank subjects new investment projects with an investment value of over USD 10 million to the Environmental and Social Risk Assessment Model (ÇESMOD), which determines the environmental and social risk score of investments through question sets prepared according to the type of investment and then to the sector to which the investment belongs, such as Renewable Energy, Manufacturing, Energy, Chemistry, Mining and Infrastructure. Based on the answers to these question sets, the risk category of the project is classified as high (A), medium-high (B+), medium-low (B-) or low (C). Within the scope of ÇESMOD, İşbank evaluates potential risks to both underground and surface water resources and forests on a project-by-project basis when determining risk categories. For commercial-loan customers, the Sustainability Analysis System (SÜRAS) operates as tool in the credit allocation and monitoring processes, with question sets covering environmental and social risks, climate change risks, and water and resource efficiency risks. This single framework is the reason the strategy addresses climate change, water and forests together. The approach is reinforced by the Bank's commitment to phase out the financing of coal-related activities by 2040, and by its Sustainable Financing Framework, under which the sustainable financing commitment was revised from 300 billion TL to 650 billion TL until the end of 2028 and reached a completion rate of 69 percent, with 446 billion TL disbursed, by the end of 2025.

(5.11.3.7) Describe how you communicate your engagement strategy to your clients and/or to the public

Under ÇESMOD, question sets tailored first to the type of investment and then to the sector cover matters defined by legislation, including environmental impact assessment decisions, critical habitat and ecosystem evaluations within investment impact areas, natural resource use, waste management, and air, soil and water quality. For each project a Project Environmental and Social Evaluation Document, prepared on the basis of national and international good practice such as the IFC Performance Standards, EBRD Performance Requirements and the Equator Principles, is included in the loan application file. For high and medium-high risk projects an independent environmental consultant conducts site visits and prepares an Environmental and Social Due Diligence document and an Environmental and Social Action Plan that sets out the measures to mitigate and manage the impacts, and carries out periodic monitoring of these items throughout the loan term; where an independent consultant is not appointed, this work is carried out by the Bank's internal environmental engineers. Particularly for linear projects, including thermal power plants and some renewable energy power plants, companies requesting financing are asked to commit to planting at least the same number of trees as those cut down, and these commitments are included in the contracts and monitored annually. Through the SÜRAS application, action recommendations based on the identified risk areas are generated and presented to the client.

(5.11.3.8) Attach your engagement strategy

environment-and-social-impact-policy.pdf

(5.11.3.9) Staff in your organization carrying out the engagement

☒ Specialized in-house engagement teams

(5.11.3.10) Roles of individuals at the portfolio organizations you seek to engage with

☒ Corporate secretary

☒ Investor relations managers

(5.11.3.11) Effect of engagement, including measures of success

For high and medium-high risk projects, the completion of the Environmental and Social Action Plans, verified through periodic monitoring by independent consultants or by the Bank's internal environmental engineers, together with the annual monitoring of the tree-planting commitments embedded in financing contracts, is used as the principal measure of success. Impact of engagement. In 2025 the Bank subjected 52 investments to Environmental and Social Risk Assessment, of which 20 were awarded funding and none were rejected, and supported these assessments with 32 field visits. By the end of 2025 the sustainable financing commitment, revised to 650 billion TL until the end of 2028, had reached a completion rate of 69 percent with 446 billion TL disbursed, and the share of renewable energy loans within the Bank's electricity generation loan risk stood at 78 percent.

(5.11.3.12) Escalation process for engagement when dialogue is failing

☒ Yes, we have an escalation process

(5.11.3.13) Describe your escalation process

Where an assessment identifies environmental or social risks, the Bank agrees an Environmental and Social Action Plan with the client that sets out the measures required to mitigate and manage those impacts, and the implementation of the plan is monitored by an independent consultant or by the Bank's internal environmental engineers throughout the loan term. Where a client does not meet these requirements, the Bank works with the client to close the gaps through revised action-plan items and additional mitigation measures, and where compliance cannot be achieved the financing is declined or discontinued. Applications relating to activities on the İşbank Exclusion List are not eligible for financing under any circumstances.

C6. Environmental performance - Consolidation approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Climate change

(6.1.1) Consolidation approach used

☒ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

The consolidation of İşbank's environmental impact accounting has been done through the operational control approach as the reporting scope covers banking activities.

Forests

(6.1.1) Consolidation approach used

☒ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

The consolidation of İşbank's environmental impact accounting has been done through the operational control approach as the reporting scope covers banking activities.

Water

(6.1.1) Consolidation approach used

☒ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

The consolidation of İşbank's environmental impact accounting has been done through the operational control approach as the reporting scope covers banking activities.

Plastics**(6.1.1) Consolidation approach used**

☒ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

The consolidation of İşbank's environmental impact accounting has been done through the operational control approach as the reporting scope covers banking activities.

Biodiversity**(6.1.1) Consolidation approach used**

☒ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

The consolidation of İşbank's environmental impact accounting has been done through the operational control approach as the reporting scope covers banking activities.

C7. Environmental performance - Climate change

(7.1) Is this your first year of reporting emissions data to CDP?

☒ No

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

	Has there been a structural change?
	☒ No

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
	☒ No

(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

- ☒ Global GHG Accounting and Reporting Standard for the Financial Industry (PCAF)
- ☒ 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories
- ☒ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- ☒ The Greenhouse Gas Protocol: Scope 2 Guidance
- ☒ The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard

(7.3) Describe your organization's approach to reporting Scope 2 emissions.

	Scope 2, location-based	Scope 2, market-based	Comment
	☒ We are reporting a Scope 2, location-based figure	☒ We are reporting a Scope 2, market-based figure	<i>No additional comments.</i>

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are excluded from your disclosure of climate-related data?

☒ No

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

12/31/2018

(7.5.2) Base year emissions (metric tons CO2e)

22647.2

(7.5.3) Methodological details

While calculating Scope 1 emissions, the following sources causing carbon emissions were considered: - Natural gas, diesel, LPG, fuel oil and coal consumption for heating purposes, - Fuels used in generators (Diesel), - Company vehicles fuel Consumption (Diesel and Gasoline) - Refrigerants (Leaks reported during installation and maintenance phases are taken into account) Also our Scope 1 emissions cover emissions from our head office, technology and operations centres as well as data centre, ATMs and all branches in Turkey.

Scope 2 (location-based)**(7.5.1) Base year end**

12/31/2018

(7.5.2) Base year emissions (metric tons CO2e)

64840.5

(7.5.3) Methodological details

While calculating Scope 2 emissions, electricity consumption was taken into account. İşbank purchases electricity from the main grid. Turkish Electricity Grid's RECs certification, - direct contracts (low-carbon, renewable, etc.) - residual mix totals attributes were not available and that's why our market-based Scope 2 emissions were same as our location-based Scope 2 emissions in 2018. Our Scope 2 emissions cover emissions from our head office, technology and operations centres as well as data centre, ATMs and all branches in Turkey.

Scope 2 (market-based)**(7.5.1) Base year end**

12/31/2018

(7.5.2) Base year emissions (metric tons CO2e)

64840.5

(7.5.3) Methodological details

While calculating Scope 2 emissions, electricity consumption was taken into account. İşbank purchases electricity from the main grid. Turkish Electricity Grid's RECs certification, - direct contracts (low-carbon, renewable, etc.) - residual mix totals attributes were not available and that's why our market-based Scope 2 emissions were same as our location-based Scope 2 emissions in 2018. Our Scope 2 emissions cover emissions from our head office, technology and operations centres as well as data centre, ATMs and all branches in Turkey.

Scope 3 category 1: Purchased goods and services**(7.5.1) Base year end**

12/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

11231.0

(7.5.3) Methodological details

Scope 3 emissions resulting from "purchased goods & services" including emissions resulting from paper usage within the organization were given.

Scope 3 category 2: Capital goods**(7.5.1) Base year end**

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

25173

(7.5.3) Methodological details

We had identified supplier companies that represent 11.22% of our capital goods purchases (based on \$ Spent). Emissions calculated for this share has been extrapolated to 100%. The emissions were estimated based on Scope 3 evaluator provided by Quantis, using total \$spent data on purchased capital goods.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)**(7.5.1) Base year end**

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

12210.0

(7.5.3) Methodological details

Emissions from distribution/transmission of fuel and energy consumption not included in Scope 1 and 2 are calculated using DEFRA loss & leakage values.

Scope 3 category 4: Upstream transportation and distribution**(7.5.1) Base year end**

12/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

567.5

(7.5.3) Methodological details

Emission calculations were made using the emission factors specified according to the transportation mode in the DEFRA 2022 Freightage Goods section based on the 2022 shipment weight and km data. In cases where weight and distance data are not available, calculations are made using the monetary value paid within the scope of cargo activities and the emission factors (kgCO2e/USD) in the EPA-sourced USEEIO v1.1 database.

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

21.9

(7.5.3) Methodological details

Our Scope 3 emissions resulted from the waste generated in our head office, technology and operations centres as well as data centre building.

Scope 3 category 6: Business travel

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

548.7

(7.5.3) Methodological details

Domestic, European, Continental business flights and fuel consumption of private car used for business purposes were taken into account when calculating business travel emissions.

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

1458

(7.5.3) Methodological details*Emissions from personnel shuttles, buses and taxi travels of employees were taken into account.***Scope 3 category 13: Downstream leased assets****(7.5.1) Base year end**

12/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

1400

(7.5.3) Methodological details*Emission calculations were made by multiplying the rental value of the leased assets by the EPA's USEEIO v1.1 emission factor (kg CO2e/\$).*

(7.6) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**Reporting year****(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)**

18522

(7.6.3) Methodological details

Scope 1 emissions include emissions from our head offices, technology and operations centres as well as data centre buildings, ATMs and branches in Turkey.

Scope 1 emission include: - Natural gas, diesel, LPG, fuel oil and coal consumption for heating purposes, - Fuels used in generators (Diesel), - Company vehicles fuel consumption (Diesel and Gasoline) - Refrigerants (Leaks reported during installation and maintenance phases are taken into account)

Past year 1**(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)**

20040

(7.6.2) End date

12/31/2024

(7.6.3) Methodological details

Scope 1 emissions include emissions from our head offices, technology and operations centres as well as data centre buildings, ATMs and branches in Turkey.

Scope 1 emission include: - Natural gas, diesel, LPG, fuel oil and coal consumption for heating purposes, - Fuels used in generators (Diesel), - Company vehicles fuel consumption (Diesel and Gasoline) - Refrigerants (Leaks reported during installation and maintenance phases are taken into account)

(7.7) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**Reporting year****(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)**

41596

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e)

0

(7.7.4) Methodological details

The location-based scope 2 emission calculation is based on the assumption that the Bank's electricity consumption is from the grid which is sourced from nonrenewable sources. On the other hand market-based scope 2 emission calculation is calculated by deducting the energy obtained from renewable resources purchased by the Bank in 2025.

Past year 1**(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)**

51020

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e)

0

(7.7.3) End date

12/31/2024

(7.7.4) Methodological details

The location-based scope 2 emission calculation is based on the assumption that the Bank's electricity consumption is from the grid which is sourced from nonrenewable sources. On the other hand market-based scope 2 emission calculation is calculated by deducting the energy obtained from renewable resources purchased by the Bank in 2024.

(7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**Purchased goods and services****(7.8.1) Evaluation status**

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO₂e)

24242

(7.8.3) Emissions calculation methodology

☒ Spend-based method

☒ Supplier-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

50

(7.8.6) Please explain

For the Purchased Goods and Services emissions calculation, İşbank applied both the spend-based and supplier-specific methods. In the supplier-specific calculations, Scope 1 and Scope 2 emissions data were obtained from four main suppliers, and emissions were allocated in proportion to İşbank's share in the suppliers' total revenue. For the remaining purchases, the spend-based method was used, where Tier 1 suppliers were listed according to purchasing records and spending commodities, and life cycle (tCO₂e) emissions were calculated using USEEIO v1.1 emission factors (tCO₂e/\$ spent).

Capital goods

(7.8.1) Evaluation status

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO₂e)

3387

(7.8.3) Emissions calculation methodology

☒ Average spend-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

50

(7.8.6) Please explain

In the Capital Goods emissions calculations, İşbank applied the average spend-based method. Tier 1 suppliers were listed according to purchasing records and capital goods expenditures, and life cycle (tCO₂e) emissions were calculated using USEEIO v1.1 emission factors (tCO₂e/\$ spent).

Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.8.1) Evaluation status

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO₂e)

9938

(7.8.3) Emissions calculation methodology

☒ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.6) Please explain

Emissions from distribution/transmission-related losses of fuel and energy consumption were calculated using DEFRA 2025 emission factors.

Upstream transportation and distribution**(7.8.1) Evaluation status**

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO₂e)

311

(7.8.3) Emissions calculation methodology

☒ Distance-based method

☒ Spend-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.6) Please explain

DEFRA 2025 Freightling Goods emission factors were used (Road: HGV all diesel, All rigids, Average Laden; Air: domestic, short haul, long haul). Emissions were calculated by multiplying the DEFRA Freightling Goods emission factor with the weight and distance data.

Waste generated in operations

(7.8.1) Evaluation status

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO₂e)

57

(7.8.3) Emissions calculation methodology

☒ Waste-type-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.6) Please explain

DEFRA 2025 emission factors were used. Emissions were calculated by multiplying the amount of waste with the appropriate emission factor.

Business travel

(7.8.1) Evaluation status

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO₂e)

782

(7.8.3) Emissions calculation methodology

☒ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.6) Please explain

Emissions related to flights and other modes of travel were calculated using DEFRA 2025 factors.

Employee commuting**(7.8.1) Evaluation status**

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1985

(7.8.3) Emissions calculation methodology

☒ Distance-based method

☒ Fuel-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.6) Please explain

Emissions related to commuting were calculated using DEFRA 2025 factors.

Upstream leased assets

(7.8.1) Evaluation status

☒ Not relevant, explanation provided

(7.8.5) Reason for this category not being relevant

☒ Emissions covered under scope 1 or 2

(7.8.6) Please explain

Emissions from the operation of assets leased by İşbank are already included in our scope 1 and scope 2 inventories. To prevent double accounting, we do not include these emissions in scope 3. As a result, the evaluation status of this category in scope 3 is given as "not relevant."

Downstream transportation and distribution

(7.8.1) Evaluation status

☒ Not relevant, explanation provided

(7.8.5) Reason for this category not being relevant

☒ Not applicable to our organization's activities

(7.8.6) Please explain

As İşbank operates in the financial sector, the main services it offers are intangible, particularly loan allocation. Additionally, İşbank assumes responsibility for transportation and distribution costs, when applicable. Accordingly, the downstream transportation and distribution category is deemed irrelevant in this context.

Processing of sold products

(7.8.1) Evaluation status

☒ Not relevant, explanation provided

(7.8.5) Reason for this category not being relevant

☒ Not applicable to our organization's activities

(7.8.6) Please explain

Our business is the provision of financial services to our customers. We do not engage in the sale of intermediate products that require processing into final products. Accordingly, the processing of sold products is not included in our GHG inventory.

Use of sold products

(7.8.1) Evaluation status

☒ Not relevant, explanation provided

(7.8.5) Reason for this category not being relevant

☒ Not applicable to our organization's activities

(7.8.6) Please explain

As İşbank operates in the financial sector, the main services it offers are intangible, particularly loan allocation. Given the nature of İşbank's business, the use of the sold products category is not deemed relevant.

End of life treatment of sold products

(7.8.1) Evaluation status

☒ Not relevant, explanation provided

(7.8.5) Reason for this category not being relevant

☒ Not applicable to our organization's activities

(7.8.6) Please explain

As a financial sector institution, İşbank's products and services are not subject to end-of-life treatment. Given the nature of İşbank's business, end-of-life treatment of sold products is not a relevant consideration

Downstream leased assets

(7.8.1) Evaluation status

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

17

(7.8.3) Emissions calculation methodology

☒ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.6) Please explain

Emissions for leased assets were calculated by multiplying the rental payments with the USEEIO v1.1 emission factor (kg CO₂e/\$ spent). Since the emission factor is expressed in USD, the 2025 emission factor was calculated based on the global inflation value.

Franchises**(7.8.1) Evaluation status**

☒ Not relevant, explanation provided

(7.8.5) Reason for this category not being relevant

☒ Not applicable to our organization's activities

(7.8.6) Please explain

As İşbank does not operate through franchises, this category is not applicable to our business.

Other (upstream)**(7.8.1) Evaluation status**

☒ Not relevant, explanation provided

(7.8.5) Reason for this category not being relevant

☒ Not applicable to our organization's activities

(7.8.6) Please explain

No other emissions are available, N/A.

Other (downstream)**(7.8.1) Evaluation status**

☒ Not relevant, explanation provided

(7.8.5) Reason for this category not being relevant

☒ Not applicable to our organization's activities

(7.8.6) Please explain

No other emissions are available, N/A.

(7.8.1) Disclose or restate your Scope 3 emissions data for previous years.**Past year 1****(7.8.1.1) End date**

12/30/2024

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

21063.1

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

15330.89

(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

10362.6

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

121.9

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

12.11

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

806.17

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

1573.02

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

0

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

0

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

0

(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)

0

(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)

0

(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

17.92

(7.8.1.15) Scope 3: Franchises (metric tons CO2e)

0

(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

(7.8.1.19) Comment*No additional comment.*

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	☒ Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	☒ Third-party verification or assurance process in place
Scope 3	☒ Third-party verification or assurance process in place

(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.**Row 1****(7.9.1.1) Verification or assurance cycle in place**☒ Annual process**(7.9.1.2) Status in the current reporting year**☒ Complete**(7.9.1.3) Type of verification or assurance**☒ Limited assurance**(7.9.1.4) Attach the statement***2025IntegratedReport_Assurance.pdf*

(7.9.1.5) Page/section reference*Pages 594–598 (PDF pages 298–300)***(7.9.1.6) Relevant standard**

- ☒ ISAE3000
- ☒ ISAE 3410

(7.9.1.7) Proportion of reported emissions verified (%)*100*

(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Row 1**(7.9.2.1) Scope 2 approach**

- ☒ Scope 2 market-based

(7.9.2.2) Verification or assurance cycle in place

- ☒ Annual process

(7.9.2.3) Status in the current reporting year

- ☒ Complete

(7.9.2.4) Type of verification or assurance

- ☒ Limited assurance

(7.9.2.5) Attach the statement*2025IntegratedReport_Assurance.pdf***(7.9.2.6) Page/ section reference***Pages 594–598 (PDF pages 298–300)***(7.9.2.7) Relevant standard**☒ ISAE3000☒ ISAE 3410**(7.9.2.8) Proportion of reported emissions verified (%)**

100

Row 2**(7.9.2.1) Scope 2 approach**☒ Scope 2 location-based**(7.9.2.2) Verification or assurance cycle in place**☒ Annual process**(7.9.2.3) Status in the current reporting year**☒ Complete**(7.9.2.4) Type of verification or assurance**☒ Limited assurance

(7.9.2.5) Attach the statement

2025IntegratedReport_Assurance.pdf

(7.9.2.6) Page/ section reference

Pages 594–598 (PDF pages 298–300)

(7.9.2.7) Relevant standard

- ☒ ISAE3000
- ☒ ISAE 3410

(7.9.2.8) Proportion of reported emissions verified (%)

100

(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Row 1

(7.9.3.1) Scope 3 category

- | | |
|---|---|
| ☒ Scope 3: Investments | ☒ Scope 3: Purchased goods and services |
| ☒ Scope 3: Capital goods | ☒ Scope 3: Waste generated in operations |
| ☒ Scope 3: Business travel | ☒ Scope 3: Upstream transportation and distribution |
| ☒ Scope 3: Employee commuting | ☒ Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) |
| ☒ Scope 3: Downstream leased assets | |

(7.9.3.2) Verification or assurance cycle in place☒ Annual process**(7.9.3.3) Status in the current reporting year**☒ Complete**(7.9.3.4) Type of verification or assurance**☒ Limited assurance**(7.9.3.5) Attach the statement***2025IntegratedReport_Assurance.pdf***(7.9.3.6) Page/section reference***For Scope 3 Categories, see pages 594–598 (PDF pages 298–300). For Scope 3: Investments (Category 15), see PDF pages 307–314.***(7.9.3.7) Relevant standard**☒ ISAE3000☒ ISAE 3410**(7.9.3.8) Proportion of selected emissions categories verified (%)***100***(7.9.3.9) Proportion of total reported scope 3 emissions verified (%)***100*

(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

☒ Decreased

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

The change in renewable-energy consumption is recorded as no change, because 100% of the Bank's purchased electricity was certified renewable through I-REC certificates in both 2024 and 2025, so the market-based Scope 2 figure remained 0 tCO2e and no incremental reduction arose from renewables in the reporting year.

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

1518

(7.10.1.2) Direction of change in emissions☒ Decreased**(7.10.1.3) Emissions value (percentage)**

8

(7.10.1.4) Please explain calculation

In line with its target to reduce combined gross Scope 1 and Scope 2 emissions against a base year and to achieve carbon-neutral operations, İşbank implements a range of direct emission reduction activities across its own operations. Recognising that a significant portion of Scope 1 emissions arises from energy consumption in service buildings, the Bank has prioritised energy and resource efficiency transformation plans, with the installation of heat pumps and high-efficiency heating, ventilation and air-conditioning systems in branches being among the most widespread improvements. To reduce Scope 2 emissions, the Bank has invested in on-site renewable generation through self-consumption solar power plants that supply a substantial share of the electricity used at its Head Office and operation centres, thereby meeting a large part of the consumption of connected facilities from renewable sources. Branch lighting has been converted to LED technology, delivering considerable savings in lighting-related energy use, and the Bank continues to roll out remote monitoring and energy management systems to manage branch electricity consumption more effectively. Energy-saving practices are embedded into employee performance systems so that efficiency objectives are reflected in performance evaluation processes, and the Bank directs capital expenditure towards renewable energy, climate-friendly technologies and energy efficiency within its operations. İşbank also extends these operational approaches, spanning energy efficiency, renewable energy use, waste management and sustainable building practices, across its Group subsidiaries as a reference model, and complements them with waste reduction and zero-waste measures at its data centre and operational facilities.

Divestment**(7.10.1.1) Change in emissions (metric tons CO2e)**

0

(7.10.1.2) Direction of change in emissions☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation*There are no other changes.***Acquisitions****(7.10.1.1) Change in emissions (metric tons CO2e)**

0

(7.10.1.2) Direction of change in emissions☒ No change**(7.10.1.3) Emissions value (percentage)**

0

(7.10.1.4) Please explain calculation*There are no other changes.***Mergers****(7.10.1.1) Change in emissions (metric tons CO2e)**

0

(7.10.1.2) Direction of change in emissions☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation*There are no other changes.***Change in output****(7.10.1.1) Change in emissions (metric tons CO2e)**

0

(7.10.1.2) Direction of change in emissions☒ No change**(7.10.1.3) Emissions value (percentage)**

0

(7.10.1.4) Please explain calculation*There are no other changes.***Change in methodology****(7.10.1.1) Change in emissions (metric tons CO2e)**

0

(7.10.1.2) Direction of change in emissions☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation*There are no other changes.***Change in boundary****(7.10.1.1) Change in emissions (metric tons CO2e)**

0

(7.10.1.2) Direction of change in emissions☒ No change**(7.10.1.3) Emissions value (percentage)**

0

(7.10.1.4) Please explain calculation*There are no other changes.***Change in physical operating conditions****(7.10.1.1) Change in emissions (metric tons CO2e)**

0

(7.10.1.2) Direction of change in emissions☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation*There are no other changes.***Unidentified****(7.10.1.1) Change in emissions (metric tons CO2e)**

0

(7.10.1.2) Direction of change in emissions☒ No change**(7.10.1.3) Emissions value (percentage)**

0

(7.10.1.4) Please explain calculation*There are no other changes.***Other****(7.10.1.1) Change in emissions (metric tons CO2e)**

0

(7.10.1.2) Direction of change in emissions☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There are no other changes.

(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

☒ Market-based

(7.12) Does your organization have significant land sector activities in its operations or value chain?

	Agriculture, forestry or other land sector activities
	☒ Not evaluated

(7.13) Does your organization choose to account for and report technological CO2 removals or captured CO2 with geologic storage, or have you done so in previous years?

	Technological CO2 removals or captured CO2 with geologic storage in the reporting year	Technological CO2 removals or captured CO2 with geologic storage were accounted for and reported in previous years
	☒ Not evaluated	☒ No

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

☒ No

(7.29) What percentage of your total operational spend in the reporting year was on energy?

☒ More than 0% but less than or equal to 5%

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	☒ Yes

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of purchased or acquired electricity	☒ Yes
Consumption of purchased or acquired heat	☒ No
Consumption of purchased or acquired steam	☒ No
Consumption of purchased or acquired cooling	☒ No
Generation of electricity, heat, steam, or cooling	☒ No

(7.30.1) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

☒ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

66981

(7.30.1.5) Total (renewable + non-renewable) MWh

66981.00

Consumption of purchased or acquired electricity

(7.30.1.2) MWh from renewable sources

130087

(7.30.1.3) MWh from non-renewable sources

0

(7.30.1.4) MWh from non-renewable zero or near-zero emission sources

0

(7.30.1.5) Total (renewable + non-renewable) MWh

130087.00

Total energy consumption

(7.30.1.2) MWh from renewable sources

130087

(7.30.1.3) MWh from non-renewable sources

66981

(7.30.1.4) MWh from non-renewable zero or near-zero emission sources

0

(7.30.1.5) Total (renewable + non-renewable) MWh

197068.00

(7.30.14) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.**Türkiye****(7.30.14.1) Consumption of purchased electricity (MWh)**

130087

(7.30.14.2) Consumption of self-generated electricity (MWh)

0

(7.30.14.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.14.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.14.6) Total electricity/heat/steam/cooling energy consumption (MWh)

130087.00

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

6.64e-8

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

18522

(7.45.3) Metric denominator

☒ unit total revenue

(7.45.4) Metric denominator: Unit total

278754673000

(7.45.5) Scope 2 figure used

☒ Market-based

(7.45.6) % change from previous year

41

(7.45.7) Direction of change

☒ Decreased

(7.45.8) Reasons for change

- ☒ Change in renewable energy consumption
- ☒ Other emissions reduction activities
- ☒ Change in revenue

(7.45.9) Please explain

While the emission figures in the numerator increased, the revenue figure in the denominator increased more than the numerator.

(7.52) Provide any additional climate-related metrics relevant to your business.

Row 1

(7.52.1) Description

- ☒ Waste

(7.52.2) Metric value

1588

(7.52.3) Metric numerator

tonnes

(7.52.4) Metric denominator (intensity metric only)

N/A

(7.52.5) % change from previous year

16

(7.52.6) Direction of change

☒ Decreased

(7.52.7) Please explain

Total waste occurred reduced by 16% in 2025 compared to 2024.

(7.53) Did you have an emissions target that was active in the reporting year?

☒ Absolute target

☒ Portfolio target

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

☒ Abs 1

(7.53.1.2) Is this a science-based target?

☒ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.53.1.4) Target ambition

☒ 1.5°C aligned

(7.53.1.5) Date target was set

01/01/2019

(7.53.1.6) Target coverage☒ Organization-wide**(7.53.1.7) Greenhouse gases covered by target**☒ Carbon dioxide (CO₂)☒ Methane (CH₄)☒ Nitrous oxide (N₂O)☒ Hydrofluorocarbons (HFCs)**(7.53.1.8) Scopes**☒ Scope 1☒ Scope 2**(7.53.1.9) Scope 2 accounting method**☒ Market-based**(7.53.1.11) End date of base year**

12/30/2018

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO₂e)

22647

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

64840

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

87487.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/30/2026

(7.53.1.55) Targeted reduction from base year (%)

75

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

21871.750

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

18522

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

18522.000

(7.53.1.78) Land-related emissions covered by target☒ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)**(7.53.1.79) % of target achieved relative to base year**

105.11

(7.53.1.80) Target status in reporting year☒ Underway**(7.53.1.82) Explain target coverage and identify any exclusions**

Our Scope 1 + 2 GHG emissions target for 2026 covers 100% of our gross global Scope 1 + 2 emissions considering 2018 as the base year. Commencement of the target began as of the starting of 2020 financial year. Our target setting procedure relies on financial year calculations. Strategic pillars & sources for achieving our 2026 target are: • Energy efficiency targets & their applications (Energy efficiency in our head office, technology and operations centres as well as data centre and branches (LED Lighting transformation, HVAC transformation, Implementation of Building Energy Management System)). • Renewable energy installments for our self-consumption of electricity. • Procurement of renewable electricity. • Digital banking & digitalization of our banking services and its implications on the decrease of our branch quantity and cumulative energy demand. In 2025, we procured 100% renewable energy for electricity consumption arising from our Bank's own operations and simultaneously implemented energy efficiency measures. By the end of 2025, we reduced our emissions by 79% compared to the base year of 2018, while shifting our target from 2035 to 2026. We consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets Initiative (SBTi).

(7.53.1.83) Target objective

As a financial institution, although reducing our financed emissions is the area where we will create value and make a difference, it is also important to monitor and reduce our Scope 1 and 2 emissions from our operations. As part of our decarbonization efforts, which also contribute to our Bank's sustainability strategy, we are actively working to neutralize our Scope 1 and 2 emissions by 2026.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

The targeted reduction in gross Scope 1 and Scope 2 emissions is being delivered as the cumulative result of the Bank's energy-efficiency initiatives, renewable-energy installations, digitalization of banking services, procurement of renewable electricity. By the end of FY2025 the Bank had achieved a 79% reduction against the 2018 base year, with reporting-year Scope 1 of 18,522 tCO₂e and market-based Scope 2 of 0 tCO₂e (via I-REC). The target is considered science-based by the Bank but has not been approved as science-based by the SBTi.

(7.53.1.85) Target derived using a sectoral decarbonization approach

☒ No

(7.53.4) Provide details of the climate-related targets for your portfolio.**Row 1****(7.53.4.1) Target reference number**

☒ Por1

(7.53.4.2) Target type

☒ Sector Decarbonization Approach (SDA)

(7.53.4.4) Methodology used when setting the target

☒ NZBA Target Setting Guidelines

(7.53.4.5) Date target was set

11/30/2023

(7.53.4.6) Target is set and progress against it is tracked at☒ Sector level**(7.53.4.7) Sector**☒ Power generation**(7.53.4.8) Portfolios covered by the target**☒ Banking (Bank)**(7.53.4.10) Asset classes covered by the target**☒ Loans☒ Project finance**(7.53.4.12) Target type: Absolute or intensity**☒ Intensity**(7.53.4.14) % of portfolio emissions covered by the target**

30.135

(7.53.4.16) Metric (or target numerator if intensity)☒ Metric tons CO₂e

(7.53.4.17) Target denominator

☒ Other, SDA denominator please specify :MWh

(7.53.4.18) % of portfolio covered in relation to total portfolio value

1.871

(7.53.4.21) Frequency of target reviews

☒ Annually

(7.53.4.22) End date of base year

12/30/2021

(7.53.4.23) Figure in base year

617

(7.53.4.24) We have an interim target

☒ No

(7.53.4.27) End date of target

12/30/2030

(7.53.4.28) Figure in target year

240.6

(7.53.4.29) Figure in reporting year

526

(7.53.4.30) % of target achieved relative to base year

24.176408076514345

(7.53.4.31) Target status in reporting year☒ Underway**(7.53.4.34) Is this a science-based target?**

☒ Yes, we consider this a science-based target, and it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, but we have not committed to seek validation by the Science Based Targets initiative within the next two years

(7.53.4.35) Target ambition☒ 1.5°C aligned**(7.53.4.37) Please explain target coverage and identify any exclusions**

The target covers all clients in the energy production activity including thermal coal activities and electricity generation from renewable energy facilities. The stated emission intensity reduction target is set for 2030 and our target setting procedure relies on financial year calculations. We utilize various assumptions from international and local sources relevant to the power generation industry in order to estimate the sector's financed emissions. Emission values per unit of electricity production, accounting for different production types such as coal, natural gas and renewable sources are derived using data from IPCC guidelines and data released by relevant ministries in Türkiye - especially Ministry of Energy and Natural Resources. Firm based data such as financials are collected from customers' financial statements. Electricity production values can be directly found through EPIAS database for almost each specific facility. Türkiye's energy generation mix and firm-level production mix are derived from the National Energy Plan and EPIAS database. To estimate revenue or assets per unit of production in the sector, we relied on TURKSTAT data. Additionally, sector-specific financial ratios were incorporated into our emission calculations, also using TURKSTAT data. Supporting the green transformation in the economy, in addition to targets in the power generation sector, the Bank also announced it would phase out financing of coal related activities by 2040. In 2020, as a decision that would shape the sector, the Bank announced that it would not finance new thermal power plant investments for generating electricity using coal and natural gas. In 2021, the Bank also disclosed that it would not finance new coal mining investments.

(7.53.4.38) Target objective

In 2022, we significantly strengthened our commitment to advancing the transition to a net-zero economy by becoming a member of the industry-led, UN-convened Net-Zero Banking Alliance (NZBA). As part of this commitment, we have focused on searching decarbonization routes in high carbon-emitting sectors, embedding specific levers to drive meaningful change. Through this strategic approach, we have established intermediate emission intensity reduction targets for 2030 in addition to our long-term 2050 targets. The targets set represent a fundamental element of the Bank's sustainability strategy and reflect its goal of being a leading partner in its customers' green transformation. As a signatory of the Net Zero Banking Alliance, we announced 2030 targets in carbon-intensive sectors as part of our efforts to manage the impacts arising from the Bank's loan portfolio. With the decarbonization efforts, the Bank aims to accurately identify the actions that customers can take on their decarbonization journey and provide guidance to customers in this context, provide the financial support needed for green and sustainable practices that customers need in their decarbonization process and create financial impact models for the differentiated needs on a sectoral basis, and track the development of customers in this area. Regarding so, power generation is among the carbon-intensive sectors and among the top priorities of the Bank's decarbonization strategy.

Row 2**(7.53.4.1) Target reference number**

☒ Por2

(7.53.4.2) Target type

☒ Sector Decarbonization Approach (SDA)

(7.53.4.4) Methodology used when setting the target

☒ NZBA Target Setting Guidelines

(7.53.4.5) Date target was set

11/30/2023

(7.53.4.6) Target is set and progress against it is tracked at

☒ Sector level

(7.53.4.7) Sector☒ Materials**(7.53.4.8) Portfolios covered by the target**☒ Banking (Bank)**(7.53.4.10) Asset classes covered by the target**☒ Loans☒ Project finance**(7.53.4.12) Target type: Absolute or intensity**☒ Intensity**(7.53.4.14) % of portfolio emissions covered by the target**

6.002

(7.53.4.16) Metric (or target numerator if intensity)☒ Metric tons CO2e**(7.53.4.17) Target denominator**☒ Ton iron and steel**(7.53.4.18) % of portfolio covered in relation to total portfolio value**

1.35

(7.53.4.21) Frequency of target reviews☒ Annually**(7.53.4.22) End date of base year**

12/30/2021

(7.53.4.23) Figure in base year

801

(7.53.4.24) We have an interim target☒ No**(7.53.4.27) End date of target**

12/30/2030

(7.53.4.28) Figure in target year

720.9

(7.53.4.29) Figure in reporting year

519

(7.53.4.30) % of target achieved relative to base year

352.05992509363284

(7.53.4.31) Target status in reporting year

☒ Underway

(7.53.4.34) Is this a science-based target?

☒ Yes, we consider this a science-based target, and it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, but we have not committed to seek validation by the Science Based Targets initiative within the next two years

(7.53.4.35) Target ambition

☒ 1.5°C aligned

(7.53.4.37) Please explain target coverage and identify any exclusions

The target covers all clients in the iron and steel production activity. The stated emission intensity reduction target is set for 2030 with 2021 as the base year, and our target setting procedure relies on financial year calculations. In line with the Sector Decarbonization Approach, the target is defined as physical emission intensity (tCO₂e per ton of iron and steel produced) covering Scope 1 and Scope 2 emissions of clients, and the reduction pathway is benchmarked against the Science Based Targets initiative (SBTi) 1.5°C-aligned steel pathway. We utilize various assumptions from international and local sources relevant to the iron and steel industry in order to estimate the sector's financed emissions. Emission values per unit of production, accounting for different production routes such as blast furnace-basic oxygen furnace (BF-BOF) and electric arc furnace (EAF), are derived using data from IPCC guidelines and data released by relevant ministries in Türkiye. Firm-based data such as financials are collected from customers' financial statements, and firm-level production data are obtained from customers and sector associations. To estimate revenue or assets per unit of production in the sector, we relied on TURKSTAT data. Additionally, sector-specific financial ratios were incorporated into our emission calculations, also using TURKSTAT data.

(7.53.4.38) Target objective

In 2022, we significantly strengthened our commitment to advancing the transition to a net-zero economy by becoming a member of the industry-led, UN-convened Net-Zero Banking Alliance (NZBA). As part of this commitment, we have focused on searching decarbonization routes in high carbon-emitting sectors, embedding specific levers to drive meaningful change. Through this strategic approach, we have established intermediate emission intensity reduction targets for 2030 in addition to our long-term 2050 targets. The targets set represent a fundamental element of the Bank's sustainability strategy and reflect its goal of being a leading partner in its customers' green transformation. As a signatory of the Net Zero Banking Alliance, we announced 2030 targets in carbon-intensive sectors as part of our efforts to manage the impacts arising from the Bank's loan portfolio. With the decarbonization efforts, the Bank aims to accurately identify the actions that customers can take on their decarbonization journey and provide guidance to customers in this context, provide the financial support needed for green and sustainable practices that customers need in their decarbonization process and create financial impact models for the differentiated needs on a sectoral basis, and track the development of customers in this area. Iron and steel, as a hard-to-abate sector, is among the carbon-intensive sectors and among the top priorities of the Bank's decarbonization strategy.

(7.54) Did you have any other climate-related targets that were active in the reporting year?

☒ Net-zero targets

(7.54.3) Provide details of your net-zero target(s).

Row 1

(7.54.3.1) Target reference number

☒ NZ1

(7.54.3.2) Date target was set

11/30/2023

(7.54.3.3) Target Coverage

☒ Organization-wide

(7.54.3.4) Targets linked to this net zero target

☒ Abs1

(7.54.3.5) End date of target for achieving net zero

12/30/2050

(7.54.3.6) Is this a science-based target?

☒ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.54.3.8) Scopes

- ☑ Scope 1
- ☑ Scope 2
- ☑ Scope 3

(7.54.3.9) Greenhouse gases covered by target

- | | |
|-------------------------------------|---|
| ☑ Methane (CH ₄) | ☑ Sulphur hexafluoride (SF ₆) |
| ☑ Nitrous oxide (N ₂ O) | ☑ Nitrogen trifluoride (NF ₃) |
| ☑ Carbon dioxide (CO ₂) | |
| ☑ Perfluorocarbons (PFCs) | |
| ☑ Hydrofluorocarbons (HFCs) | |

(7.54.3.10) Explain target coverage and identify any exclusions

We are aware of the importance of İşbank's role in transitioning to a net zero economy. The Bank has taken portfolio decisions that align with Paris Agreement in carbon-intensive sectors. For Scope 3 Category 15 emissions, the baselining and transition pathway approach is applicable only to corporate, commercial and SME banking clients, excluding retail segments, which already account for a very small fraction of our emissions. Our approach for determining the net zero targets of the Bank focuses on non-retail lending activities such as corporate/SME cash loans and project financing as part of our efforts to manage the impacts of the Bank's loan portfolio and set reduction targets. We observe that non-retail loans portfolio constitutes 64% of the total loan portfolio as of YE2025 and the vast majority of İşbank's portfolio emissions arises from it. Remaining 36% consists of retail loans, mainly consumer credits and credit cards, which we assume have a negligible impact compared to non-retail lending activities. Our Scope 3 emissions cover İşbank's financed emissions. Therefore reported or calculated emissions of the customers may differ in terms of Scope 1, 2 and 3 coverage. We have included Scope 1 and 2 emissions of our customers by default and reached a final value. In addition we also have taken into account our customers' Scope 3 emissions; conducted the calculations and obtained a more comprehensive data in a new format. In order to keep the methodology easy to follow and keep the results comparable with the past years; we have focused more on Scope 1 and 2 emissions of our customers.

(7.54.3.11) Target objective

We have focused on high carbon-emitting sectors, embedding specific levers to drive meaningful change. Through this strategic approach, we have established intermediate targets for 2030 in addition to our long-term 2050 targets. These targets are designed to ensure we make measurable progress towards our ultimate goal of net-zero emissions, while also addressing the immediate needs and challenges of transitioning our portfolio to a more sustainable trajectory. The targets set represent a fundamental element of the Bank's sustainability strategy and reflect its goal of being a leading partner in its customers' green transformation. With the decarbonization efforts, the Bank aims to accurately identify the actions that customers can take on their decarbonization journey and provide guidance to customers in this context, provide the financial support needed for green and sustainable practices that customers need in their decarbonization process and create financial impact models for the differentiated needs on a sectoral basis, and track the development of customers in this area.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?☒ Yes**(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?**☒ No, but we plan to within the next two years**(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?**☒ Yes, we plan to purchase and cancel carbon credits for beyond value chain mitigation**(7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target**

For emissions that cannot be reduced through other measures, we will collaborate with our clients and the broader financial community to explore offsetting options like establishing our own carbon bank and working with new banking initiatives to develop offset propositions. Approaching to year 2030, İşbank will be calculating that current year's Scope 3 emissions and with the confidence of being sure that all the efforts of decarbonization have been applied, a number of offsetting options will be considered for the remaining emissions.

(7.54.3.17) Target status in reporting year☒ Underway**(7.54.3.19) Process for reviewing target**

In line with the objective of Net Zero, we will publicly share the progress against our disclosed targets on carbon-intensive sectors on an annual basis.

(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

	Emissions reduction initiatives that were active within the reporting year
	☒ Yes

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e
Under investigation	0	
To be implemented	0	0
Implementation commenced	0	0
Implemented	2	528.77
Not to be implemented	0	

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy consumption

☒ Solar PV

(7.55.2.2) Estimated annual CO₂e savings (metric tonnes CO₂e)

520.96

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

☒ Scope 2 (location-based)

☒ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

☒ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

10500000

(7.55.2.6) Investment required (unit currency – as specified in 1.2)

150000000

(7.55.2.7) Payback period

☒ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

☒ 21-30 years

(7.55.2.9) Comment

As part of the joint efforts carried out with İŞ Enerji and İşmer, the 20.87 MW solar power plant established in Bitlis/Ahlat to meet the electricity consumption of İşbank's Head Office buildings was inaugurated. Approximately 70% of the electricity needs of the Head Office, Tuzla Operations Center and Ankara Operations Center buildings are met by this plant. As of July 2025, approximately 90% of the electricity of 26 subscriptions has been met by another 3 MW solar power plant of the Bank located in Bitlis/Ahlat. With the commissioning in 2026 of two solar power plants with a total capacity of 38 MW to be established in the provinces of Mardin and Malatya, approximately 75% of the electricity of the Bank's branches, facilities and the Atlas Data Center Building will be met by these three plants.

Row 2**(7.55.2.1) Initiative category & Initiative type**

Energy efficiency in buildings

☒ Lighting

(7.55.2.2) Estimated annual CO₂e savings (metric tonnes CO₂e)

7.81

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

☒ Scope 2 (location-based)

☒ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

☒ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

150000

(7.55.2.6) Investment required (unit currency – as specified in 1.2)

500000

(7.55.2.7) Payback period☒ 1-3 years**(7.55.2.8) Estimated lifetime of the initiative**☒ 16-20 years**(7.55.2.9) Comment***Lighting fixtures in branches were replaced with LED fixtures that provide more than 50% saving in terms of lighting energy.***(7.55.3) What methods do you use to drive investment in emissions reduction activities?****Row 1****(7.55.3.1) Method**☒ Dedicated budget for energy efficiency**(7.55.3.2) Comment***Investments required by standards such as ISO14001 are supported by the Bank. The budgets of systems such as automation renovation, remote monitoring, pump renovation, energy efficient air conditioner renewals, solar panels and transformation of lighting luminaires (LED conversion), which will contribute to environmental management systems with opportunities such as monitoring consumption and detecting losses, are provided within the framework of this understanding.*

Row 2**(7.55.3.1) Method**

☒ Compliance with regulatory requirements/standards

(7.55.3.2) Comment

Investments required by standards such as ISO14001 are supported by the Bank in order to engage employee environment awareness with classes, certification and audition processes. The budgets of systems such as automation, remote monitoring and LED conversion, which will contribute to environmental management systems with opportunities such as monitoring consumption and detecting losses, are provided within the framework of this understanding.

Row 3**(7.55.3.1) Method**

☒ Internal incentives/recognition programs

(7.55.3.2) Comment

One particular method we use to drive investment in emissions reduction activities is internal incentives/recognition programmes. As stated in detail also in C1.3a, under the leadership of CSO, all division heads have an energy reduction target which shall be sustained below the internally defined threshold. This efficiency threshold & target is assured via these division heads' performance card which drive his/her efforts in terms of designing & applying appropriate emissions reduction activities.

(7.79) Has your organization retired any project-based carbon credits within the reporting year?

☒ No

C12. Environmental performance - Financial services

(12.1) Does your organization measure the impact of your portfolio on the environment?

Banking (Bank)

(12.1.1) We measure the impact of our portfolio on the climate

☒ Yes

(12.1.2) Disclosure metric

☒ Financed emissions

(12.1.5) We measure the impact of our portfolio on forests

☒ Yes

(12.1.8) We measure the impact of our portfolio on water

☒ Yes

(12.1.11) We measure the impact of our portfolio on biodiversity

☒ No, but we plan to do so in the next two years

(12.1.12) Primary reason for not measuring portfolio impact on biodiversity

☒ Lack of tools or methodologies available

(12.1.13) Explain why your organization does not measure its portfolio impact on biodiversity

Measuring the impact on biodiversity is a complex task that requires granular, region-specific data across various sectors. Unlike carbon emissions, where measurement tools and frameworks are well established, biodiversity lacks universally accepted metrics and reporting standards that can be easily applied across a diverse portfolio. This makes consistent measurement and reporting a challenge at this time. For a large and diverse portfolio as İşBank's, collecting the necessary biodiversity data from clients and sector presents significant operational challenges. Many businesses, especially smaller ones, may not have processes in place to track their biodiversity impact, making it difficult for us to aggregate and assess portfolio-wide biodiversity impact. However, we evaluate all new investment projects with a total investment amount of more than USD 10 million by using the Environmental and Social Risk Evaluation Tool (ÇESMOD). While risk categories are identified as part of the E&S Impact Evaluations conducted by İşbank, biodiversity risks are evaluated only on a per-project basis. For projects which are determined as high risk category and present a number of biodiversity risks, consultants are also requested to prepare a Biodiversity Action Plan. In the ÇESMOD question set, the need for a critical habitat assessment and balancing strategy study for all relevant projects is examined. In addition, on a sectoral basis, additional impact questions such as bat habitat, bird migration routes and biodiversity issues are considered.

(12.1.1) Provide details of your organization's financed emissions in the reporting year and in the base year.**Banking (Bank)****(12.1.1.1) Asset classes covered in the calculation**

☒ Loans ☒ Project finance

(12.1.1.2) Financed emissions (metric unit tons CO2e) in the reporting year

9487225

(12.1.1.3) % of portfolio covered in relation to total portfolio value

33.659

(12.1.1.4) Total value of assets included in the financed emissions calculation

1556708609127.58

(12.1.1.5) % of financed emissions calculated using data obtained from clients/investees (optional)

44.929

(12.1.1.6) Emissions calculation methodology

☒ The Global GHG Accounting and Reporting Standard for the Financial Industry (PCAF)

(12.1.1.7) Weighted data quality score (for PCAF-aligned data quality scores only)

3.362

(12.1.1.8) Financed emissions (metric unit tons CO2e) in the base year

15651937

(12.1.1.9) Base year end

12/31/2021

(12.1.1.10) % of undrawn loan commitments included in the financed emissions calculation

0

(12.1.1.11) Please explain the details of and assumptions used in your calculation

Our approach for calculating portfolio emissions focuses on non-retail lending activities such as corporate/SME loans and project finance. We follow the general principles and assumptions of Global GHG Accounting and Reporting Standard for the Financial Industry in the calculation. Financed emissions are calculated by multiplying the reported or estimated emissions of the borrower firms with an attribution factor (AF), which is defined as the share of outstanding amount of loans over the total equity and debt of the company/project. Approximately 44.93% of the total portfolio emissions are calculated by using the data obtained from customers. Relevant data are collected from our clients' Integrated Annual Reports, from their CDP responses, production and energy consumption values stated in all other public reports. etc. Emissions are calculated using company's production amount, fuel mix and IPCC's emission factor assumptions on different fuel types. Remaining portfolio emissions are derived from firms' economic activities, where outstanding amount in the company, its total debt plus equity and revenue as well as emission factors for the sector per unit of revenue are known. As PCAF recommends using official statistical data tCO2e/TRY of revenue earned in a sector is estimated from the sectoral GHG emission and total revenue data available at TURKSTAT's and Central Bank's websites. If the data is not available for the reporting year, past year's data is adjusted by sectoral assumptions and inflation. Borrower level emissions are multiplied by AF for each firm and aggregated to reach the bank's total loan-portfolio emission level.

(12.1.2) Disclose or restate your financed emissions for previous years.**Past year 1 for Banking (Bank)****(12.1.2.1) End Date**

12/31/2024

(12.1.2.2) Financed emissions (metric unit tons CO2e) in the reporting year

11442582.2

(12.1.2.3) % of portfolio covered in relation to total portfolio value

33.86

(12.1.2.4) % calculated using data obtained from clients/investees

50.59

(12.1.2.5) Emissions calculation methodology

☒ The Global GHG Accounting and Reporting Standard for the Financial Industry (PCAF)

(12.1.2.6) Please explain the details of and assumptions used in your calculation

Our approach for calculating portfolio emissions focuses on non-retail lending activities such as corporate/SME loans and project finance. We follow the general principles and assumptions of Global GHG Accounting and Reporting Standard for the Financial Industry in the calculation. Financed emissions are calculated by multiplying the reported or estimated emissions of the borrower firms with an attribution factor (AF), which is defined as the share of outstanding amount of loans over the total equity and debt of the company/project. Approximately %50.59 of the total portfolio emissions are calculated by using the data obtained from customers. Relevant data are collected from our clients' Integrated Annual Reports, from their CDP responses, production and energy consumption values stated in all other public reports. etc. Emissions are calculated using company's production amount, fuel mix and IPCC's emission factor assumptions on different fuel types. Remaining portfolio emissions are derived from firms' economic activities, where outstanding amount in the company, its total debt plus equity and revenue as well as emission factors for the sector per unit of revenue are known. As PCAF recommends using official statistical data tCO2e/TRY of revenue earned in a sector is estimated from the sectoral GHG emission and total revenue data available at TURKSTAT's and Central Bank's websites. If the data is not available for the reporting year, past year's data is adjusted by sectoral assumptions and inflation. Borrower level emissions are multiplied by AF for each firm and aggregated to reach the bank's total loan-portfolio emission level.

(12.1.3) Provide details of the other metrics used to track the impact of your portfolio on the environment.**Forests****(12.1.3.1) Portfolio**☒ Banking (Bank)**(12.1.3.2) Portfolio metric**☒ Other metric for impact on forests, please specify :Annual number of customers participating in the Geleceğe Orman program**(12.1.3.3) Metric value in the reporting year**

782115

(12.1.3.4) % of portfolio covered in relation to total portfolio value

1.058

(12.1.3.5) Total value of assets included in the calculation

48936526760

(12.1.3.6) % of emissions calculated using data obtained from clients/investees

0.1

(12.1.3.7) Please explain the details and key assumptions used in your assessment

İşbank's Geleceğe Orman (Forest for the Future) program embeds forest-positive incentives into the Bank's existing services.. The target is set on the cumulative number of customers participating in Geleceğe Orman, i.e. the number of retail clients using this forest-positive product structure. By the end of 2025, the number of participants had reached 782,115 from 634,974.. For the same customer group, credit card transaction count and transaction volume increased substantially, demonstrating increased engagement with the Bank's retail banking products. The Bank monitors the number of participants, participation in environmental tasks, paperless ATM transactions and sapling donations.

Water

(12.1.3.1) Portfolio

☒ Banking (Bank)

(12.1.3.2) Portfolio metric

☒ Other metric for impact on water, please specify :Amount of agricultural land monitored for sustainable agriculture

(12.1.3.3) Metric value in the reporting year

45000

(12.1.3.4) % of portfolio covered in relation to total portfolio value

0.022

(12.1.3.5) Total value of assets included in the calculation

1008893544

(12.1.3.6) % of emissions calculated using data obtained from clients/investees

0.01

(12.1.3.7) Please explain the details and key assumptions used in your assessment

İşbank aims to create a sustainable, efficient, and value-added agricultural ecosystem by integrating technology, agriculture, and finance. As an indication of İşbank's approach that places the producer at the centre of the production chain, İmeceMobil is a comprehensive technology platform that guides the digital transformation of agriculture, empowers producers, and supports sustainable agriculture. The Agriculture module of the İmeceMobil application offers producers services such as weather forecasts, agricultural notifications, production season tracking, satellite imagery service and engineer consultation, along with providing value-added digital services at accessible prices. Value-added digital services aim to positively contribute to the production process by supporting producers in monitoring plant health, managing irrigation, and planning fertilization from planting to harvest, thereby preventing unnecessary fertilizer use and increasing water and cost efficiency. İmeceMobil also encourages the active participation of producers in the digitalization process through its promotional, training, and awareness-raising activities

carried out in the field. These efforts serve not only to increase production efficiency but also to promote sustainable agricultural practices. In 2024, The Agricultural Technologies Ambassador Service was delivered by 3 agricultural engineers from İmeceMobil to 620 farmer customers of 16 İşbank branches. In 2025, İmeceMobil continued to provide services with 7 agricultural engineers, and 875 farmer customers from 36 İşbank branches were included in its service scope. The agricultural land monitored by İmeceMobil Agricultural Engineers, both through on-site field visits and digitally via satellite imagery, was completed in 2024 with 658 plots totaling 40,625 decares, and by the end of 2025, it had reached a size of 790 plots totaling 45,000 decares. The social impact analysis study of the Agricultural Technologies Ambassador Service was conducted in line with the “Social Return on Investment (SROI)” methodology. Progress is measured by the increase in farmland using the mentioned İmeceMobil products to increase water efficiency and prevent unnecessary fertilizer use by İşbank's farmer customers. Reported metric tracks the total area of monitored agricultural land in decares.

(12.2) Are you able to provide a breakdown of your organization's financed emissions and other portfolio carbon footprinting metrics?

	Portfolio breakdown
Banking (Bank)	Yes ☒ Yes, by asset class ☒ Yes, by industry ☒ Yes, by scope

(12.2.1) Break down your organization’s financed emissions and other portfolio carbon footprinting metrics by asset class, by industry, and/or by scope.

Row 1

(12.2.1.1) Portfolio

☒ Banking (Bank)

(12.2.1.2) Portfolio metric

☒ Absolute portfolio emissions (tCO2e)

(12.2.1.3) Industry☒ Power generation**(12.2.1.4) Asset class**☒ Loans**(12.2.1.5) Clients'/investees' scope**☒ Scope 1**(12.2.1.6) % of asset class emissions calculated in the reporting year based on total value of assets**

0.792

(12.2.1.7) Value of assets covered in the calculation

36629486463

(12.2.1.8) Financed emissions or alternative metric

1289700

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?☒ No

(12.2.1.12) Explain the details, assumptions and exclusions in your calculation

Our approach for calculating portfolio emissions focuses on non-retail lending activities including cash loans. We follow the general principles and assumptions of Global GHG Accounting and Reporting Standard for the Financial Industry in the calculations. Scope 1 and 2 emissions of our clients are covered during financed emissions calculations however; compared to Scope 1, Scope 2 remains relatively small and therefore for the reporting matters it is not stated separately. Financed emissions are calculated by multiplying the reported or estimated emissions of the borrower firms with an attribution factor (AF), which is defined as the share of outstanding amount of loans over the total equity and debt of the company/project. Emissions are calculated using company's electricity production amount, fuel mix and IPCC's emission factor assumptions on different fuel types. As PCAF recommends using official statistical data tCO₂e/TRY of revenue earned in a sector is estimated from the sectoral GHG emission and total revenue data available at TURKSTAT's and Central Bank's websites. If the data is not available for 2025, past year's data is adjusted by sectoral assumptions and inflation. Borrower level emissions are multiplied by AF for each firm and aggregated to reach the bank's total loan-portfolio emission level. After reaching the emission value, emission intensity in tCO₂e/MWh unit can be calculated easily. Emission intensity in the power generation sector is then reached by dividing the total amount of financed emissions with the total amount of electricity produced by our clients. The calculations do not cover Scope 3 emissions due to lack of client data in that specific area. However when considering the environmental impact of our power generation portfolio, we surely take all Scope 1, 2 and 3 emissions by relying on globally accepted ratios in terms of inner percentage distributions of all scopes.

Row 2**(12.2.1.1) Portfolio**

☒ Banking (Bank)

(12.2.1.2) Portfolio metric

☒ Absolute portfolio emissions (tCO₂e)

(12.2.1.3) Industry

☒ Power generation

(12.2.1.4) Asset class

☒ Project finance

(12.2.1.5) Clients'/investees' scope☒ Scope 1**(12.2.1.6) % of asset class emissions calculated in the reporting year based on total value of assets**

1.079

(12.2.1.7) Value of assets covered in the calculation

49917136973

(12.2.1.8) Financed emissions or alternative metric

1569255

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?☒ No**(12.2.1.12) Explain the details, assumptions and exclusions in your calculation**

Our approach for calculating portfolio emissions focuses on non-retail lending activities including project finance loans. We follow the general principles and assumptions of Global GHG Accounting and Reporting Standard for the Financial Industry in the calculations. Scope 1 and 2 emissions of our clients are covered during financed emissions calculations however; compared to Scope 1, Scope 2 remains relatively small and therefore for the reporting matters it is not stated separately. Financed emissions are calculated by multiplying the reported or estimated emissions of the borrower firms with an attribution factor (AF), which is defined as the share of outstanding amount of loans over the total equity and debt of the company/project. Emissions are calculated using company's electricity production amount, fuel mix and IPCC's emission factor assumptions on different fuel types. As PCAF recommends using official statistical data tCO₂e/TRY of revenue earned in a sector is estimated from the sectoral GHG emission and total revenue data available at TURKSTAT's and Central Bank's websites. If the data is not available for 2025, past year's data is adjusted by sectoral assumptions and inflation. Borrower level emissions are multiplied by AF for each firm and aggregated to reach the bank's total loan-portfolio emission level. After reaching the emission value, emission intensity in tCO₂e/MWh unit can be calculated easily. Emission intensity in the power generation sector is then reached by dividing the total amount of financed emissions with the total amount of electricity produced by our clients. The calculations do not cover Scope 3 emissions due to lack of client data in that specific area. However when considering the environmental impact of our power generation portfolio, we surely take all Scope 1, 2 and 3 emissions by relying on globally accepted ratios in terms of inner percentage distributions of all scopes.

(12.3) State the values of your financing and insurance of fossil fuel assets in the reporting year.**Lending to all fossil fuel assets****(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets**☒ Yes**(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)**

102280516818

(12.3.3) New loans advanced in reporting year (unit currency – as specified 1.2)

115121871139

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

2.5

(12.3.6) Details of calculation

For the calculation of the value of fossil fuel assets, NACE and The Climate Policy Relevant Sectors (CPRS) classifications are used. CPRS is a classification of economic activities to assess climate transition risk, first developed in the article by Battiston et al. (2017) published on Nature Climate Change. Definitions used for fossil fuel assets, oil, gas, thermal coal and met coal are inline with the definitions provided by CDP guidance and other widely accepted frameworks. In this regard, all the financing tied to the upstream, mid-stream and downstream activities of fossil fuels are taken into account. Since the sectoral classification of İşbank is based on NACE, we mapped highest detail NACE codes to fossil fuel related CPRS codes. NACE codes are also flagged based on their relationship with coal (thermal & met), oil, gas or both. After the mapping is complete, all the firms in İşBank's portfolio are classified in terms of fossil fuel-related (thermal coal, met coal, oil and gas) and not carbon-related categories. Value of the fossil fuel assets in the portfolio is calculated as the sum of the total outstanding cash loan amount of firms that are operating in fossil fuel-related sectors. New loans advanced to fossil fuel related sectors calculated as the total outstanding loan amount issued to fossil fuel related sectors in 2025. Percentage of portfolio value comprised of fossil fuel assets in reporting year equals to value of the fossil fuel assets / value of total loan portfolio.

Lending to thermal coal

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

☒ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

42414261075

(12.3.3) New loans advanced in reporting year (unit currency – as specified 1.2)

25510062716

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0.6

(12.3.6) Details of calculation

Similar to the fossil fuel assets, NACE and The Climate Policy Relevant Sectors (CPRS) classifications are used for the calculation of the value of thermal coal assets. Thermal coal is defined as “coal used for energy and heating”. All the financing relevant to upstream, mid-stream and downstream thermal coal activities (such as extraction, drilling, processing, storage, power generation and transmission, etc.) are considered in the calculation. For electricity production, firms are manually classified into coal, oil and gas categories. If a firm is engaged in more than one type of production, asset weights are calculated as the percentage of 2025 production (MWh) with the specified fuel type in the total production amount of the firm. For the sales, storage and distribution of electricity, share of coal in Türkiye’s energy generation mix for the 2024 is taken into account. Value of the thermal coal assets in the portfolio is calculated as the sum of the total outstanding cash loan amount of firms that are operating in thermal coal-related sectors. New loans advanced to thermal coal related sectors calculated as the total outstanding loan amount issued to thermal coal related sectors in 2025. Percentage of portfolio value comprised of thermal coal assets in reporting year equals to value of the thermal coal assets / value of total loan portfolio.

Lending to met coal

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

☒ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

73980668

(12.3.3) New loans advanced in reporting year (unit currency – as specified 1.2)

110025774

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0

(12.3.6) Details of calculation

Similar to the fossil fuel assets, NACE and The Climate Policy Relevant Sectors (CPRS) classifications are used for the calculation of the value of met coal assets. Met coal is defined as “metallurgical coal, also known as coking coal, which is used to produce coke, the primary source of carbon used in steelmaking.” It differs from thermal coal by its carbon content and its coking ability. Value of the met coal assets in the portfolio is calculated as the sum of the total outstanding cash loan amount of firms that are operating in met coal-related sectors, mainly manufacturing of coke oven products. New loans advanced to met coal related sectors calculated as the total outstanding loan amount issued to met coal related sectors in 2025. Percentage of portfolio value comprised of met coal assets in reporting year equals to value of the met coal assets / value of total loan portfolio, which is considerably low.

Lending to oil

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

☒ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

37831823065

(12.3.3) New loans advanced in reporting year (unit currency – as specified 1.2)

58304350321

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

1.3

(12.3.6) Details of calculation

The same methodology for calculating thermal coal-related lending figures are applied for the calculation of oil related lending figures.

Lending to gas**(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets**
☒ Yes
(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

21960452010

(12.3.3) New loans advanced in reporting year (unit currency – as specified 1.2)

31197432328

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0.7

(12.3.6) Details of calculation

The same methodology for calculating thermal coal-related lending figures are applied for the calculation of gas related lending figures.

(12.4) Does your organization provide finance and/or insurance to companies in the commodity value chain? If so, for each commodity and portfolio, state the values of your financing and/or insurance in the reporting year.

Lending to companies operating in the timber products value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

☒ Yes

(12.4.2) Commodity value chain stage coverage

☒ Production

☒ Processing

☒ Trading

☒ Manufacturing

☒ Retailing

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

14371674214

(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

18463579308

(12.4.6) % value of the exposure in relation to your total portfolio value

0.3

Lending to companies operating in the palm oil value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

☒ Yes

(12.4.2) Commodity value chain stage coverage

☒ Processing

☒ Trading

☒ Manufacturing

☒ Retailing

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

2518332046

(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

6338516859

(12.4.6) % value of the exposure in relation to your total portfolio value

0.1

Lending to companies operating in the cattle products value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

☒ Yes

(12.4.2) Commodity value chain stage coverage

- ☒ Production
- ☒ Processing
- ☒ Trading
- ☒ Manufacturing
- ☒ Retailing

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

5246535046

(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

7533172898

(12.4.6) % value of the exposure in relation to your total portfolio value

0.1

Lending to companies operating in the soy value chain**(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity**

- ☒ Yes

(12.4.2) Commodity value chain stage coverage

- ☒ Processing
- ☒ Trading
- ☒ Manufacturing

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

4301565757

(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

4650047516

(12.4.6) % value of the exposure in relation to your total portfolio value

0.1

Lending to companies operating in the rubber value chain**(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity**☒ Yes**(12.4.2) Commodity value chain stage coverage**☒ Trading☒ Manufacturing☒ Retailing**(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)**

231713273

(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

4761871937

(12.4.6) % value of the exposure in relation to your total portfolio value

0

Lending to companies operating in the cocoa value chain**(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity**☒ Yes**(12.4.2) Commodity value chain stage coverage**☒ Processing☒ Trading☒ Manufacturing☒ Retailing**(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)**

5338716935

(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

7034915229

(12.4.6) % value of the exposure in relation to your total portfolio value

0.1

Lending to companies operating in the coffee value chain**(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity**☒ Yes**(12.4.2) Commodity value chain stage coverage**

☒ Processing ☒ Manufacturing

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

252811866

(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

335494643

(12.4.6) % value of the exposure in relation to your total portfolio value

0

(12.5) In the reporting year, did your organization finance and/or insure activities or sectors that are aligned with, or eligible under, a sustainable finance taxonomy? If so, are you able to report the values of that financing and/or underwriting?

Banking (Bank)

(12.5.1) Reporting values of the financing and/or insurance of activities or sectors that are eligible under or aligned with a sustainable finance taxonomy

☒ No, but we plan to report in the next two years

(12.5.35) Primary reason for not providing values of the financing and/or insurance

☒ No standardized procedure

(12.5.36) Explain why you are not providing values of the financing and/or insurance

Türkiye's national Green Taxonomy is being developed in alignment with the EU Taxonomy and is not yet finalized. We will align our sustainable finance reporting with the national taxonomy once the final framework is published.

(12.6) Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of environmental issues?

	Existing products and services enable clients to mitigate and/or adapt to the effects of environmental issues
	☒ Yes

(12.6.1) Provide details of your existing products and services that enable clients to mitigate and/or adapt to the effects of environmental issues, including any taxonomy or methodology used to classify the products and services.

Row 1

(12.6.1.1) Environmental issue

☒ Climate change

(12.6.1.2) Product/service enables clients to mitigate and/or adapt to climate change

☒ Mitigation

☒ Adaptation

(12.6.1.3) Portfolio

☒ Banking (Bank)

(12.6.1.4) Asset class

☒ Project finance

(12.6.1.5) Type of product classification

- ☒ Products that promote environmental and/or social characteristics
- ☒ Products that have sustainable investment as their core objective

(12.6.1.6) Taxonomy or methodology used to identify product characteristics

- ☒ Green Bond Principles (ICMA)
- ☒ LMA Green Loan Principles
- ☒ LMA Sustainability Link Loans Principles

(12.6.1.7) Type of solution financed, invested in or insured

- ☒ Renewable energy
- ☒ Other, please specify :Waste management

(12.6.1.8) Description of product/service

In accordance with the Sustainable Finance Framework, our Bank offers Green Loan and Sustainability Linked Loan products to customers. Sustainability-linked loans are any types of loan instruments and/or contingent facilities (such as bonding lines, guarantee lines or letters of credit) which incentivize the borrower's achievement of ambitious, predetermined sustainability performance objectives. Green loans are any type of loan instrument made available exclusively to finance or re-finance, in whole or in part, new and/or existing eligible Green Projects. These eligible Green Projects are identified under the Bank's Sustainable Finance Framework, whose alignment with the ICMA Green Bond Principles 2025 and LMA Green Loan Principles 2025 has been confirmed through a Second Party Opinion. The total cash balance of GL and SLL in İşbank as of 31.12.2025 is USD 149 million.

(12.6.1.9) % of portfolio aligned with a taxonomy or methodology in relation to total portfolio value

0.135

(12.6.1.10) Product considers principal adverse impacts on environmental factors

☒ No**Row 2****(12.6.1.1) Environmental issue**☒ Water**(12.6.1.3) Portfolio**☒ Banking (Bank)**(12.6.1.4) Asset class**☒ Loans**(12.6.1.5) Type of product classification**☒ Products that have sustainable investment as their core objective**(12.6.1.6) Taxonomy or methodology used to identify product characteristics**☒ Green Bond Principles (ICMA)☒ LMA Green Loan Principles☒ LMA Sustainability Link Loans Principles**(12.6.1.7) Type of solution financed, invested in or insured**☒ Ecosystem protection☒ Ecosystem restoration☒ WASH services☒ Wastewater treatment infrastructure

☒ Water resources and ecosystem protection

(12.6.1.8) Description of product/service

Water security loan aims to meet the financing needs of businesses that want to contribute to the protection of the seas by investing in wastewater treatment, wastewater recovery facilities, ship ballast water treatment, or gray water treatment systems, or that want to improve their existing facilities by investing in maintenance, repair, and capacity increases. The wastewater treatment and ship ballast water treatment systems within the loan contribute to biodiversity by enabling the existence of clean water and food in an environment where living creatures can thrive and protecting the existence and survival of life forms. Moreover, İşbank supports farmers regarding pressurized irrigation systems through its cooperation with Pressurized Irrigation Manufacturers Association (BASUSAD). Within this framework, the Bank finances the installation of pressurized irrigation systems İşbank has reached a balance of approximately 47.8 million TL as of the end of 2025 with water security and pressurized irrigation systems loans designed in accordance with the category of Sustainable Water, Wastewater Management and Climate Adaptation within the sustainable finance framework. The Framework's alignment with the ICMA Green Bond Principles 2025 and LMA Green Loan Principles 2025 has been confirmed by ISS-Corporate through a Second Party Opinion.

(12.6.1.9) % of portfolio aligned with a taxonomy or methodology in relation to total portfolio value

0.002

(12.6.1.10) Product considers principal adverse impacts on environmental factors

☒ No

Row 3

(12.6.1.1) Environmental issue

☒ Forests

(12.6.1.3) Portfolio

☒ Banking (Bank)

(12.6.1.4) Asset class

☒ Loans

(12.6.1.5) Type of product classification

☒ Products that promote environmental and/or social characteristics

(12.6.1.6) Taxonomy or methodology used to identify product characteristics

☒ Internally classified

(12.6.1.7) Type of solution financed, invested in or insured

☒ Ecosystem protection

☒ Ecosystem restoration

(12.6.1.8) Description of product/service

İşbank's Geleceğe Orman (Forest for the Future) program embeds forest-positive incentives into the Bank's existing retail card, payment and digital banking services. Customers earn carbon points by selecting digital slips and statements, setting their ATM receipt preference to 'no receipt' and completing ATM transactions without printed receipts; once a customer's points reach 1,000, a sapling is donated through the TEMA Foundation. In this way, every transaction carried out by participating customers avoids the use of timber-derived paper and contributes to reforestation, enabling the Bank's retail clients to mitigate deforestation through their everyday banking activity. The target is set on the annual number of credit card transactions carried out by the customer group participating in Geleceğe Orman, i.e. the volume of banking activity channelled through this forest-positive product structure.

(12.6.1.9) % of portfolio aligned with a taxonomy or methodology in relation to total portfolio value

1.058

(12.6.1.10) Product considers principal adverse impacts on environmental factors

☒ No

(12.7) Has your organization set targets for deforestation and conversion-free and/or water-secure lending, investing and/or insuring?

	Target set
Forests	☒ Yes, we have set deforestation and conversion-free lending, investing and/or insuring targets
Water	☒ Yes, we have set water-secure lending, investing and/or insuring targets

(12.7.1) Provide details of your targets for deforestation and conversion-free and/or water-secure lending, investing and/or insuring.

Forests

(12.7.1.1) Portfolio

☒ Banking (Bank)

(12.7.1.2) Targets set

☒ Targets for providing products and services that enable clients to mitigate deforestation

(12.7.1.3) Date target was set

12/30/2025

(12.7.1.4) Sectors covered by the target☒ Retail**(12.7.1.5) Asset classes covered by the target**☒ Other, please specify :Card, payment and digital banking services**(12.7.1.6) The target has been set with reference to**☒ Sustainable Development Goals**(12.7.1.7) % of portfolio covered by the target in relation to total portfolio value**

1.058

(12.7.1.8) Target metric☒ Other non-percentage metric, please specify :Cumulative number of customers participating in the Geleceğe Orman program**(12.7.1.9) Target value**

900000

(12.7.1.10) End date of target

12/30/2026

(12.7.1.11) End date of base year

12/30/2024

(12.7.1.12) Figure in base year

634974

(12.7.1.13) Figure in reporting year

782312

(12.7.1.14) % of target achieved

55.59

(12.7.1.15) Provide details of the target

İşbank's Geleceğe Orman (Forest for the Future) program embeds forest-positive incentives into the Bank's existing retail card, payment and digital banking services. The target is set on the cumulative number of customers participating in Geleceğe Orman, i.e. the number of retail clients using this forest-positive product structure. At the end of the 2024 base year, the program had 634974 participating customers. Against this base, the Bank targets 900000 participating customers by the end of 2026, corresponding to an increase 41.7%, over the base year. The target is aligned with the Sustainable Development Goals, in particular SDG 13 (Climate Action) and SDG 15 (Life on Land). The Bank aims to reach the 2026 target by expanding adoption of Geleceğe Orman across its retail customer base, further increasing the number of participating customers, paperless transactions and sapling donations.

Water**(12.7.1.1) Portfolio**☒ Banking (Bank)**(12.7.1.2) Targets set**☒ Targets for providing products and services that enable clients to mitigate water insecurity**(12.7.1.3) Date target was set**

12/30/2025

(12.7.1.4) Sectors covered by the target☒ Food, beverage & agriculture

(12.7.1.5) Asset classes covered by the target☒ Loans**(12.7.1.6) The target has been set with reference to**☒ Sustainable Development Goals**(12.7.1.7) % of portfolio covered by the target in relation to total portfolio value**

0.022

(12.7.1.8) Target metric

☒ Other non-percentage metric, please specify :Decares of land covered by İmeceMobil satellite imaging program, monitoring plant health, managing irrigation, and planning fertilization thereby preventing unnecessary fertilizer use and increasing water and cost efficiency.

(12.7.1.9) Target value

49000

(12.7.1.10) End date of target

12/30/2026

(12.7.1.11) End date of base year

12/30/2024

(12.7.1.12) Figure in base year

40625

(12.7.1.13) Figure in reporting year

45000

(12.7.1.14) % of target achieved

52.24

(12.7.1.15) Provide details of the target

İşbank aims to create a sustainable, efficient, and value-added agricultural ecosystem by integrating technology, agriculture, and finance. As an indication of İşbank's approach that places the producer at the centre of the production chain, İmeceMobil is a comprehensive technology platform that guides the digital transformation of agriculture, empowers producers, and supports sustainable agriculture. The Agriculture module of the İmeceMobil application offers producers services such as weather forecasts, agricultural notifications, production season tracking, satellite imagery service and engineer consultation, along with providing value-added digital services at accessible prices. Value-added digital services aim to positively contribute to the production process by supporting producers in monitoring plant health, managing irrigation, and planning fertilization from planting to harvest, thereby preventing unnecessary fertilizer use and increasing water and cost efficiency. İmeceMobil also encourages the active participation of producers in the digitalization process through its promotional, training, and awareness-raising activities carried out in the field. These efforts serve not only to increase production efficiency but also to promote sustainable agricultural practices. In 2024, The Agricultural Technologies Ambassador Service was delivered by 3 agricultural engineers from İmeceMobil to 620 farmer customers of 16 İşbank branches. In 2025, İmeceMobil continued to provide services with 7 agricultural engineers, and 875 farmer customers from 36 İşbank branches were included in its service scope. The agricultural land monitored by İmeceMobil Agricultural Engineers, both through on-site field visits and digitally via satellite imagery, was completed in 2024 with 658 plots totaling 40,625 decares, and by the end of 2025, it had reached a size of 790 plots totaling 45,000 decares. The social impact analysis study of the Agricultural Technologies Ambassador Service was conducted in line with the "Social Return on Investment (SROI)" methodology. Progress is measured by the increase in farmland using the mentioned İmeceMobil products to increase water efficiency and prevent unnecessary fertilizer use by İşbank's farmer customers.

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	☒ Yes

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

☒ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

- Environmental performance – Climate change
- ☒ Electricity/Steam/Heat/Cooling consumption
 - ☒ Energy attribute certificates (EACs)
 - ☒ Fuel consumption
 - ☒ Waste data

(13.1.1.3) Verification/assurance standard

General standards

☒ ISAE 3000**(13.1.1.4) Further details of the third-party verification/assurance process**

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali An independent third-party assurance provider provided limited assurance on the selected non-financial information marked with the assurance symbol in İşbank's 2025 Integrated Annual Report, prepared in accordance with the Bank's Reporting Principles (set out on pages 580 to 593 of that report). The engagement covered the Bank's Scope 1, Scope 2 and Scope 3 greenhouse-gas emissions, total energy consumption and the related emission intensities, among other selected indicators. The engagement was conducted under ISAE 3000 (Revised) and ISAE 3410.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

2025IntegratedReport_Assurance.pdf

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

Chief Sustainability Officer of İşbank

(13.3.2) Corresponding job category

☒ Chief Sustainability Officer (CSO)

(13.4) Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub to facilitate collective action in priority basins.

☒ No