T. İŞ BANKASI A.Ş. - Water Security 2023

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Heading towards celebrating its 100th anniversary in 2024, İşbank has been operating as the symbol of trust and stability in all segments of the society with all the values it has created. Established as the 1st national bank of the Republic, İşbank has been one of the prominent economic actors in the country with its support for economic development. İşbank leads the banking sector in Turkey with its products and services offered in the corporate, commercial, retail and private banking segments. İşbank Group is an integrated group with its subsidiaries operating in many sectors. As of the end of 2022, İşbank has direct partnership in 29 companies. The number of companies controlled directly/indirectly by Bank is 136. With its wide shareholder base, the number of İşbank shareholders is nearly 240 thousand. İşbank Member's Supplementary Pension Fund, an institution that has the membership of nearly 49 thousand employees and retirees, holds 37.31% of the Bank's capital. Representing trust and prestige in the eyes of society, İşbank's 23,309 employees serve approximately 22.8 million customers as of 2022 year-end. With its total asset size of TRY 1,408.3 billion along with 1,110 domestic branches & 6,169 ATMs in total, İşbank is the largest private bank in Turkey. With its 21 overseas branches in total, the Bank provides services in 14 branches in the Turkish Republic of Northern Cyprus, two each in the UK, Iraq, Kosovo, and one in Bahrain. Alongside its widespread branch network, İşbank expands its digital service channels day to day. Global trends, social risks imposed by population growth and inequality, environmental factors related to climate change, and increasing transparency expectations from all stakeholders have been redesigning ways of doing business in the banking sector as well as in many others. This transformation process, offering opportunities if well managed in addition to a number of threats it brings along, obliges banks, which are among the key elements of sustainable development, to implement new approaches in business models. We fulfill the commitments of the Principles of the UNGC, and thus contribute to the SDGs with a responsible financing approach, which handles economic, social & environmental effects as a whole. Sustainability priorities were defined in accordance with the AA1000 Stakeholder Engagement Standard in such a way to reflect the opinions of İşbank employees and external stakeholder expectations. Sustainability has been placed among the strategic priorities, and it has been integrated into core business by embedding ESG considerations into risk management processes, product & service development and long-term strategies at İşbank. As a financial institution, we are aware of our responsibility in transitioning to carbon neutral economy. İşbank has determined its emission reduction strategy and targets to become a carbon-neutral bank in terms of environmental impacts arising directly from its operations in 2020. We have further strengthened our commitment to supporting the transition to a net-zero economy by joining the industry-led, UN-convened Net-Zero Banking Alliance (NZBA) in 2022. The Alliance brings together banks worldwide committed to aligning their portfolios with net-zero emissions by 2050 in line with the most ambitious targets set by the Paris Climate Agreement. İşbank provides financial support for renewable energy projects and diversifies the portfolio of environment-friendly products. As of the end of 2022, renewable energy projects accounted for 78% of the total energy generation projects portfolio. While the financing for renewable energy increases, İşbank continues to reduce financing share of energy generation from coal and natural gas fired power plants in the energy portfolio. "Loans for financing greenfield investments of coal- and natural gas-fired thermal power plants to be established for electricity generation" have been added to the Exclusion list in 2020, İşbank has taken another step and decided not to finance "new coal mining investments" and "gold mining conducted by using cyanide" in 2021. Subsequently in 2022, activities prohibited by national legislation and international conventions regarding the protection of biodiversity resources and cultural heritage were also added to the exclusion list. Moreover, the Bank develops collaborations with international financial institutions to finance renewable energy and energy efficiency. The weight of products that support the green economy, such as sustainability-linked syndicated loans, sustainability-linked loans, Solar Loan by İşbank, Energy Efficiency Loan, Green Mortgage, Green Vehicle Loan, in the Bank's product portfolio is increasing day by day.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1 2022	December 31 2022

W0.3

(W0.3) Select the countries/areas in which you operate.

Turkey

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

TRY

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	TRAISCTR91N2 (for Group C shares)

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Important	As a business in banking and financial services sector, İşbank's direct and indirect operations do not use water as an input for processes. Water is mainly used for sanitation, hygiene purposes and human use. İşbank cares about the quality of employee health and hygiene conditions by providing good quality freshwater for human consumption. Water is critical for human life and well-being. That is why we strive for procuring an important amount of freshwater in our facilities for human use. Drinking water for our Main Facilities (the Head Office (Kule), Tuzla Technology and Operation Center (TUTOM), Ankara Technology and Operation Center (ATOM), and Atlas Data Center) and branches is provided by contracted institutions and suppliers that meet certain conditions. Hence, direct use importance rating is considered to be "important". For indirect use category, since the Bank's activities include the operations and outcomes of our loan portfolio, meaning the environmental aspects of our customers and respective projects financed by İşbank, Bank provides an Environmental and Social Risk Assessment procedure during credit underwriting process that includes the assessment of water-related risks and relevant action plans of these projects. In addition to that, we have developed and integrated an exclusive analysis system, which measures our customers' potential impacts on water resources regarding the details of their irrigation applications on relevant agricultural products. Therefore, for the quality of freshwater; İşbank's indirect use importance rating is considered to be "important". Turkey is among the list of water stressed countries and İşbank owns a nation-wide coverage in terms of branch network. Water scarcity may affect the direct and indirect importance rating of water quality and cause future dependency to increase. As İşbank, we plan to deal with such situation by following closely the latest technologies on water efficient performances available in the market.
Sufficient amounts of recycled, brackish and/or produced water available for use	Neutral	Neutral	As a business in banking and financial services sector, İşbank does not depend on recycled, brackish and/or produced water for use in its direct or indirect operations. Since water is mainly used for domestic purposes, WASH services and human use; water sourced must be ready to use without passing through any additional process. Therefore, both direct use importance rating and indirect use importance rating for recycled, brackish and/or produced water are considered to be "neutral". İşbank is striving for efficient use of water. That is why the Bank is working towards collection, purification and reuse of rainwater and aims a decrease in the use of water. To provide water efficiency in our Head Office, TUTOM and Atlas Data Center Buildings, rainwater coming from precipitation is collected and reused after relevant purification processes applied. In addition to rainwater collection, in the Head Office Building, additionally, condensation water from the cooling processes is also collected and transferred to rainwater tanks in 2022. Through these reusing applications, İşbank has recycled/reused 8.82 megaliters/year of water in 2022. The bank will continue to increase the amount of recycled water through a number of infrastructural and operational improvements. Considering the fact that water is getting scarce, the importance for both our direct and indirect operations may increase in the following years.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	100%	Monthly	Indirect monitoring through consolidating the water bills supplied from İSKİ, water meter readings of our rainwater collection systems and invoices of procured drinking water	Water for İşbank operations is procured from relevant municipalities and authorities such as Istanbul Water and Sewerage Administration (İSKİ) and other third party sources. The reason of İşbank acknowledging the method of measurement as "indirect" is that it requires a final consolidation process. Monitoring and measuring occur by adding up the water bills, water meter readings of the rainwater collection systems and the invoices of procured drinking water for our Main Facilities (the Head Office (Kule), Tuzla Technology and Operation Center (TUTOM), Ankara Technology and Operation Center (ATOM), and Atlas Data Center) and our branches. The total water withdrawal are recorded by İşbank's related divisions and reported regularly on a monthly basis.
Water withdrawals – volumes by source	100%	Monthly	Indirect monitoring through consolidating the water bills supplied from İSKİ, water meter readings of our rainwater collection systems and invoices of procured drinking water	Water for İşbank operations is procured from relevant municipalities and authorities such as Istanbul Water and Sewerage Administration (İSKİ) and other third party sources. The reason of İşbank acknowledging the method of measurement as "indirect" is that it requires a final consolidation process. Monitoring and measuring occur by adding up the water bills, water meter readings of the rainwater collection systems and the invoices of procured drinking water for our Main Facilities (the Head Office (Kule), Tuzla Technology and Operation Center (TUTOM), Ankara Technology and Operation Center (ATOM), and Atlas Data Center) and our branches. The total water withdrawal are recorded by İşbank's related divisions and reported regularly on a monthly basis .

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Entrained water associated with your metals & mining and/or coal sector activities - total volumes [only metals and mining and coal sectors]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	Monthly	Indirect monitoring through consolidating the water bills supplied from İSKİ, water meter readings of our rainwater collection systems and invoices of procured drinking water	Water for İşbank operations is procured from relevant municipalities and authorities such as Istanbul Water and Sewerage Administration (İSKİ) and other third party sources. The reason of İşbank acknowledging the method of measurement as "indirect" is that it requires a final consolidation process. Monitoring and measuring occur by adding up the water bills, water meter readings of the rainwater collection systems and the invoices of procured drinking water for our Main Facilities (the Head Office (Kule), Tuzla Technology and Operation Center (TUTOM), Ankara Technology and Operation Center (ATOM), and Atlas Data Center) and our branches. The total water withdrawal are recorded by İşbank's related divisions and reported regularly on a monthly basis.
Water discharges – total volumes	100%	Monthly	Direct monitoring through water bills and water meter readings of our rainwater collection systems	Wastewater discharged from İşbank's facilities are sent to relevant municipal and authority treatment plants. Then, they carry out treatment in line with the standards set by municipalities and/or authorities . Total water discharges for İşbank is controlled and monitored on a monthly basis through water bills and water meter readings of our rainwater collection systems. İşbank's water discharges include the water withdrawal for domestic use and water collected from precipitation. Total volume of such use is discharged entirely to the sewage system of the relevant municipality.
Water discharges – volumes by destination	100%	Monthly	Direct monitoring through water bills and water meter readings of our rainwater collection systems	Wastewater discharged from İşbank facilities are sent to relevant municipal and authority treatment plants. Then, they carry out treatment in line with the standards set by municipalities and authorities. 100 % of the Bank's wastewater is sent to treatment plants, which is controlled and monitored regularly by water bills of municipality and water meter readings of our rainwater collection systems on a monthly basis. The entire volume of wastewater ends up at the treatment plant of the local municipality, which counts for third party destinations.
Water discharges – volumes by treatment method	100%	Monthly	Direct monitoring through water bills and water meter readings of our rainwater collection systems	Being a business in banking and financial services sector, we only produce domestic wastewater. İşbank's wastewater is sent to relevant municipal and authority treatment plants. Then, they carry out treatment in line with the standards set by municipalities and authorities. Discharged water goes through the processes, set by those relevant municipalities/authorities regarding the restrictions in the regulations. Despite the fact that İşbank is not required to perform wastewater treatment; a biological treatment system has been installed at our Head Office and TUTOM Buildings. The treatment system is located at the Bank's sewage system's discharge point - where our wastewater meets with the municipal sewage system - and provides a separation of oil from the domestic wastewater with the help of a specific bacteria. Such separation results in reducing the pollutant concentration of the Bank's wastewater and the results are monitored and recorded for both of the locations regularly.
Water discharge quality – by standard effluent parameters	100%	Monthly	Direct monitoring through water bills and water meter readings of our rainwater collection systems	Wastewater discharged from İşbank facilities are sent to relevant municipal and authority treatment plants. Then, they carry out treatment in line with the standards set by municipalities and authorities according to Urban Wastewater Treatment Regulation and Communique on Wastewater Treatment Plants Technical Procedures. Discharged water goes through the processes, methods, standards set by those relevant municipalities/authorities regarding the restrictions in the regulations. İşbank directly discharges its entire wastewater to municipalities and/or authorities. The discharge parameters are monitored and checked through municipalities regularly, which fulfills the requirements.
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	100%	Monthly	Direct monitoring through water bills and water meter readings of our rainwater collection systems	Wastewater discharged from İşbank facilities are sent to relevant municipal and authority treatment plants. Then, they carry out treatment in line with the standards set by municipalities and authorities according to Urban Wastewater Treatment Regulation and Communique on Wastewater Treatment Plants Technical Procedures. Discharged water goes through the processes, methods, standards set by those relevant municipalities/authorities regarding the restrictions in the regulations. İşbank directly discharges its entire wastewater to municipalities and/or authorities. The discharge parameters are monitored and checked through municipalities regularly,which fulfills the requirements.
Water discharge quality – temperature	100%	Monthly	Direct monitoring through water bills and water meter readings of our rainwater collection systems	Wastewater discharged from İşbank facilities are sent to relevant municipal and authority treatment plants. Then, they carry out treatment in line with the standards set by municipalities and authorities according to Urban Wastewater Treatment Regulation and Communique on Wastewater Treatment Plants Technical Procedures. Discharged water goes through the processes, methods, standards set by those relevant municipalities/authorities regarding the restrictions in the regulations. İşbank directly discharges its entire wastewater to municipalities and/or authorities. The discharge parameters are monitored and checked through municipalities regularly, which fulfills the requirements.
Water consumption – total volume	100%	Monthly	Direct monitoring through invoices of procured drinking water	Water consumption of İşbank consists of water consumed through human use such as drinking purposes and water used in sanitation, kitchen services etc. Water consumption is measured by third party sources' bills of purchased potable water on a monthly basis, which include the amount of water consumed in our Main Facilities and our branches. Drinking water is supplied via water tankers and other third party sources that provide bottled water.
Water recycled/reused	100%	Monthly	Direct monitoring through water meter readings of our rainwater collection systems	İşbank's 3 facilities, which are the Head Office (Kule), TUTOM and Atlas Data Center buildings are provided with rainwater collection systems through the pipes inserted among the structures. For İşbank's operations water recycled/reused is counted as the rainwater collected and it is monitored and recorded regularly. Rainwater is collected through these pipes and collected in water tanks. After being filtered, it is used for irrigation purposes, watering the WCs and storing the reservoir. Collected and used rainwater is calculated through the processes set by İşbank. In addition to rainwater collection, in Kule, condensation water from the cooling processes is also collected and transferred to rainwater tanks in 2022. The amount of rainwater collected in the Main Facilities are 4.3 megaliters/year in Kule, 4.1 megaliters/year in TUTOM and 0.42 megaliters/year in Atlas Data Center. These values are reported and monitored on a monthly basis by relevant divisions of our bank.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Monthly	Direct monitoring through invoices of procured drinking water	100% water is mainly used for sanitation, hand washing and waste disposal. WASH services that are available for all employees are essential for İşbank. That is why, in all facilities of İşbank, the provision of fully-functioning, safely managed WASH services to all employees is of high priority. In case of any water shortages, our Head Office, ATOM and TUTOM buildings hold their own water storage tanks, which provide water for domestic use. Municipalities are in charge of controlling the quality of water withdrawn regularly by checking its parameters such as its pH, turbidity, odor, minerals, etc. on a monthly basis. After being controlled, then water becomes available for domestic use (excluding drinking water). In addition, İşbank takes samples and monitors the quality of its tanker water monthly before the allowance for human use.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	300.68	About the same	Other, please specify (Decrease in the number of remote working personnel due to weakened Covid-19 precautions)	About the same	Maximum potential volume reduction already achieved	Total water withdrawal is the sum of water used by all facilities of İşbank, including our Main Facilities (the Head Office (Kule), Tuzla Technology and Operation Center (TUTOM), Ankara Technology and Operation Center (ATOM), and Atlas Data Center) and branches. In our case for total withdrawal value, we include water withdrawn from the municipality, the amount of rainwater collected and water used for human consumption. The amount of total water withdrawn from the municipal water sources counts for 282.92 megaliters/year and İşbank collects its rainwater and reuses it after relevant treatment, which counts for 8.82 megaliters/year. Water used for human consumption has been measured as 8.94 megaliters/year for the reporting year, which has also been added to total water withdrawal volume. The volume of water withdrawn from the municipality is monitored and collected through adding up the water bills, water meter readings of the rainwater collection systems and the invoices of procured drinking water. İşbank considers the amount of total withdrawal volume to be about the same compared to previous reporting year. As an accounting methodology, we consider the change in terms of water withdrawal per employee staying between ± 5% is negligible. In this case, total withdrawal volume/employee (in megaliters/year.employee unit) for 2021 and 2022 have been calculated and it shows a %4.53 increase. Due to weakened COVID-19 precautions, our hybrid working conditions resulted number of remote-workers to decrease, that caused the employee population in the building to increase. Regarding, percent base change between water withdrawal value per employee in 2021 and 2022 is relatively small that is neglected. Newly hired employee also affected the amounts slightly. For forecast, we expect a similar, slightly increasing trend that won't cause significant changes in terms of water withdrawal per employee considering the Bank has already achieved maximum potential volume reduction.
Total discharges	291.74	About the same	Other, please specify (Decrease in the number of remote working personnel due to weakened Covid-19 precautions)	About the same	Maximum potential volume reduction already achieved	100% of İşbank's wastewater is discharged into the municipal sewage system. Water is mainly used for sanitation, hand washing and waste disposal purposes. Total discharged water is the sum of water withdrawn from third party sources, which are the amount of water withdrawn from the municipality (282.92 megaliters/year) that is monitored through water bills and water collected through rainwater collection system (8.82 megaliters/year) inserted in 3 buildings of Main Facilities that are monitored by the water meters. As well as all municipal water withdrawn becomes wastewater, the collected rainwater is treated and reused also becomes wastewater and is sent to discharge point. İşbank considers the amount of total discharge volume to be about the same compared to previous reporting year. As an accounting methodology, we consider the change in terms of total water discharge per employee staying between ± 5% is negligible. In this case, total discharge volume/employee (in megaliters/year.employee unit) for 2021 and 2022 have been calculated and it shows a %3.48 increase for our operations. Due to weakened COVID-19 precautions, our hybrid working conditions resulted number of remote-workers to decrease, that caused the employee population to increase. Regarding, percent base change between water discharge value per employee in 2021 and 2022 is relatively small that is neglected. Newly hired employee also affected the amounts slightly. For the forecast, we expect a similar, slightly increasing trend that won't cause significant changes in terms of water discharge per employee considering the Bank has already achieved maximum potential volume reduction.
Total consumption	8.94	About the same	Other, please specify (Decrease in the number of remote working personnel due to weakened Covid-19 precautions)	About the same	Maximum potential volume reduction already achieved	Water consumption of İşbank consists of water consumed through human use such as drinking purposes and water used in kitchen services and sanitation. Water consumption is measured by third party sources' invoices of procured drinking water on a monthly basis, which include the amount of water consumed in our Main Facilities and our branches. Drinking water is supplied via water tankers and other third party sources that provide bottled water. İşbank considers the amount of total consumption volume to be about the same compared to previous reporting year. Due to weakened COVID-19 precautions, our hybrid working conditions resulted number of remote-workers to decrease, that caused the employee population present in the building to increase. Regarding so, percent base change between water consumption value per employee in 2021 and 2022 is relatively small that is neglected. Newly hired employee also affected the amounts slightly. For the forecast, we expect a similar, slightly increasing trend that won't cause significant changes in terms of water consumption per employee considering the Bank has already achieved maximum potential volume reduction.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	76-99	About the same	Other, please specify (Decrease in the number of remote working personnel due to weakened Covid-19 precautions)	About the same	Maximum potential volume reduction already achieved	WWF Water Risk Filter	As İşbank, for determining the proportion of withdrawals from water stressed areas, we have benefited from WWF Water Risk Filter Tool that enables companies to prioritize action on addressing water risks for enhancing business resilience and contributing to a sustainable future. The Water Risk Filter aggregates three water risk types: physical, regulatory, and reputational - aligned to the UN Global Compact CEO Water Mandate Framework. WWF Risk Filter methodology divides Türkiye into basins as Aegean Sea, Black Sea, Euphrates & Tigris in Asia, Euphrates & Tigris in Europe, Kura & Aras, Mediterranean Sea, Caspian Sea, Orontes, Lake Urmia and Maritsa River. In terms of our evaluations, we consider "physical "risk" type which is divided into 4 sub-categories being water scarcity, flooding, water quality and ecosystem services status. As the risk filter ranges between 1.0 – 5.0; (5 being the highest risk score) the physical risk score of Türkiye is calculated as 3.39 (medium), which ranks 193th place in the list of countries around the world. For the sub-category of Water Scarcity, Türkiye ranks 164th place with a risk score of 3.35. Our Main Facilities (the Head Office (Kule), Tuzla Technology and Operation Center (TUTOM), Ankara Technology and Operation Center (ATOM) and Atlas Data Center) of İşbank are located in Marmara Region and Central Anatolian Region, that fall into Aegean Sea and Black Sea Basins of the country, whereas the rest of the facilities (branches and regional offices) are spread throughout the country. During the Risk Analysis, we have marked both our Main Facilities and the branches in a geographical-region based manner on the country's water stress map and reached an indication on the intensities of our facilities' water withdrawal. The methodology we follow evaluates the regions of the country where the withdrawal is from higher/lower water stress area. According to map readings and implying this methodology, we acquired the areas with high and low water stress, assessed our facilities level of water scarcity and reached an overall water scarcity risk score of 3.6. Evaluating the calculations conducted by İşbank in WWF's Water Risk Filter Tool, the branches located in a small area of Black Sea Basin and Euphrates & Tigris in Europe Basin withdraw water from less water stressed areas that contributes to 4% of the overall sources of water withdrawal distribution of our Bank in the country. Therefore, it is obtained that 96% of İşbank's water withdrawal is from water stressed areas and the rest is considered to withdraw water from relatively lower water stressed areas.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	8.82	About the same	Other, please specify (Seasonal effects - increased amount of precipitation)	In İşbank's Head Office, TUTOM and Atlas Data Center facilities, with the help of proper piping system, rainwater is collected and stored in tanks. After filtering, rainwater is used for filling up the flush tanks and watering the WCs. İşbank has recycled/reused 8.82 megaliters/year of water in 2022 due to increased amount of precipitation in the reporting year. In 2022, collected rainwater amounts are 4.30 megaliters/year for the Head Office, 4.10 megaliters/year for TUTOM and 0.42 megaliters/year for Atlas Data Center. Considering our calculation methodology, the amount of rainwater collected this year is considered to be about the same with previous reporting year even it shows a slight increase due to seasonal effects
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	İşbank's withdrawals do not include brackish surface water/seawater. İşbank uses third party sources being water supplied from municipalities and via tankers. Therefore, withdrawals from brackish surface water or seawater is not relevant for İşbank's water withdrawal.
Groundwater – renewable	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	İşbank does not use groundwater for its domestic purposes. Water for İşbank operations is procured from relevant municipalities and authorities such as Istanbul Water and Sewerage Administration (İSKİ). Renewable groundwater is not counted among the sources from which İşbank withdraws water.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	İşbank does not use non-renewable groundwater for its domestic purposes. Water for İşbank operations is procured from relevant municipalities and authorities such as Istanbul Water and Sewerage Administration (İSKİ). Non-renewable groundwater is not counted among the sources from which İşbank withdraws water.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	İşbank's water supply comes from municipalities and the only close approximation of producing water could be İşbank's rainwater collection and usage. Apart from this, İşbank does not withdraw produced/entrained water.
Third party sources	Relevant	291.86	About the same	Other, please specify (Decrease in the number of remote working personnel due to weakened Covid-19 precautions)	Most of İşbank's water is sourced from municipalities such as Istanbul Water and Sewerage Administration (İSKİ) and total water withdrawal volume is monitored and collected through water bills on a monthly basis. Other than domestic use, drinking water is supplied by water tankers and bottled water. Total water withdrawal from third party sources includes water withdrawn from municipality (282.92 megaliters/year) and amount of drinking water supplied via water tankers and bottled water (8.94 megaliters/year). Due to weakened COVID-19 precautions, our hybrid working conditions resulted number of remote-workers to decrease, that caused the employee population in the buildings to increase. Regarding so, percent base change between water values per employee in 2021 and 2022 is relatively small that is neglected. Newly hired employee also affected the amounts slightly.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	İşbank withdraws its water from municipality and discharges it into sewage system directly. The wastewater discharged from all facilities of the bank does not meet with fresh surface water as a discharge destination.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	İşbank withdraws its water from municipality and discharges it into sewage system directly. The wastewater discharged from all facilities of the bank does not meet with fresh surface water as a discharge destination.
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	İşbank withdraws its water from municipality and discharges it into sewage system directly. The wastewater discharged from all facilities of the bank does not meet with fresh surface water as a discharge destination.
Third-party destinations	Relevant	291.74	About the same	Other, please specify (Decrease in number of remote working personnel due to weakened Covid-19 precautions)	Water withdrawal is taken as the sum of water used for domestic purposes, rainwater collected and water used for drinking purposes. Total water discharged to 3rd party destinations include wastewater discharge to municipal sewage system directly, (sum of collected rainwater used for filling up the flush tanks and watering the WCs and domestic wastewater). All water discharges from the buildings of İşbank are sent to municipal sewage system that is included in the 3rd party destinations. As a major contributor to this increased amount compared to last year; due to weakened precautions of the Pandemic in reporting year; number of remote working employees has been decreased, which resulted more consumption of municipal and drinking water. Relatively lower values in the previous reporting year can be explained through COVID-19 pandemic that has hit Turkey in March 2020, resulted our employees to experience hybrid working model that resulted in less water demand in our Main Facilities.

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	Primary reason for comparison with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	Tertiary treatment is not applied at both of our main facilities and branches. Wastewater is discharged directly to the municipal sewage system for all locations of the bank.
Secondary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	Secondary treatment is not fully applied at both of our main facilities and branches. Wastewater is discharged directly to the municipal sewage system for all locations of the bank. However, despite the fact that İşbank is not required to perform wastewater treatment applications in our facilities; a biological treatment system has been installed at our Head Office and TUTOM Buildings. The treatment system acts as an oil separator that is located at the Bank's sewage system's discharge point - where our wastewater meets with the municipal sewage system - and provides a separation of oil from the domestic wastewater with the help of a specific bacteria. Such separation results in reducing the pollutant concentration of the Bank's wastewater and the results are monitored and recorded for both of the locations regularly.
Primary treatment only	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	Primary treatment is not applied at both of our main facilities and branches. Wastewater is discharged directly to the municipal sewage system for all locations of the bank.
Discharge to the natural environment without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	Wastewater discharged from İşbank's all facilities (main facilities and branches) are sent to relevant municipal and authority treatment plants where it meets with tertiary treatment before discharge to a water body. They carry out treatment in line with the standards set by municipalities and authorities according to Urban Wastewater Treatment Regulation and Communique on Wastewater Treatment Plants.Discharge to a natural environment parameters are set and controlled by Turkish Water Pollution Control Regulation. By this way, the bank does not carry out the discharges directly to the natural environment.
Discharge to a third party without treatment	Relevant	291.74	About the same	Other, please specify (Decrease in the number of remote working personnel due to weakened Covid-19 precautions)	100%	Wastewater discharged from İşbank facilities are sent to relevant municipal and authority treatment plants where it meets with tertiary treatment before discharge to a water body. They carry out treatment in line with the standards set by municipalities and authorities according to Urban Wastewater Treatment Regulation and Communique on Wastewater Treatment Plants Technical Procedures. Discharged water goes through the processes, methods, standards set by those relevant municipalities/authorities regarding the restrictions in the regulations. Despite the fact that İşbank is not required to perform wastewater treatment applications in our facilities; a biological treatment system has been installed at our Head Office and TUTOM Buildings. The treatment system acts as an oil separator that is located at the Bank's sewage system's discharge point - where our wastewater meets with the municipal sewage system - and provides a separation of oil from the domestic wastewater with the help of a specific bacteria. Such separation results in reducing the pollutant concentration of the Bank's wastewater and the results are monitored and recorded for both of the locations regularly.
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	

W1.2k

(W1.2k) Provide details of your organization's emissions of nitrates, phosphates, pesticides, and other priority substances to water in the reporting year.

	Emissions to water in the reporting year (metric tonnes)	Category(ies) of substances included	List the specific substances included	Please explain
Row 1	0	Nitrates Phosphates Pesticides Priority substances listed under the EU Water Framework Directive	BOD COD Total Nitrogen (TKN) Total Phosphorus	Being a business in banking and financial services sector, we only produce domestic wastewater. We do not produce industrial wastewater that would result from our operational activities. Wastewater discharged from İşbank facilities are sent to relevant municipal and authority treatment plants. Then, they carry out treatment in line with the standards set by municipalities and authorities according to Water Pollution Control Regulation, Urban Wastewater Treatment Regulation and Communique on Wastewater Treatment Plants Technical Procedures. Discharged water goes through the processes, methods, standards set by those relevant municipalities/authorities regarding the restrictions in the Turkish Water Pollution Control Regulation. İşbank directly discharges its entire wastewater to municipalities. The discharge parameters are monitored and checked through municipalities regularly, which fulfills the requirements.

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	123782770000	300.68	411676100.8381	Our revenue has shown a significant increase when compared to previous reporting year due to the Bank having the largest market share in demand deposits that have resulted in lowering our funding cost further. For the following year; in spite of the expectation for the amount of our total water withdrawal staying the same, we expect our total income to increase driven by core banking income and income from subsidiaries. That will result an increase in the total water withdrawal efficiency.

W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
Row 1	No	According to its activities, İşbank's products do not contain substances classified as hazardous by a regulatory authority. As a financial institution, our products are limited with credit cards and moneyboxes which do not contain persistent, bio-accumulative and toxic (PBT), very persistent and very bio-accumulative (vPvB), carcinogenic, mutagenic and toxic for reproduction (CMR), or endocrine disruptors (ED) substances.

W1.5

(W1.5) Do you engage with your value chain on water-related issues?

	Engagement	Primary reason for no engagement	Please explain
Suppliers	Yes	<Not Applicable>	<Not Applicable>
Other value chain partners (e.g., customers)	Yes	<Not Applicable>	<Not Applicable>

W1.5a

(W1.5a) Do you assess your suppliers according to their impact on water security?

Row 1

Assessment of supplier impact

Yes, we assess the impact of our suppliers

Considered in assessment

Basin status (e.g., water stress or access to WASH services)
Supplier dependence on water
Supplier impacts on water availability
Supplier impacts on water quality

Number of suppliers identified as having a substantive impact

54

% of total suppliers identified as having a substantive impact

Less than 1%

Please explain

Requirements for procurement activities is set out in the Procurement Policy including Supplier Code of Conduct. We expect our suppliers to comply with Sustainability Policy and Supplier Code of Conduct. Suppliers covering 71% of purchases for 2022 are the ones defined to have substantive impact. Whether the supplier company has an active environmental management system in place, including measures on supplier dependency on water; and relative impacts of suppliers on water availability & water quality are assessed through Supplier Sustainability Performance Measurement Survey. Suppliers are analyzed on a yearly basis and evaluated according to their sufficiency in “Water Management Practices." These practices include water conservation measures; reuse/recycling initiatives, and engagement in sustainable water stewardship.

W1.5b

(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization’s purchasing process?

	Suppliers have to meet specific water-related requirements	Comment
Row 1	No, but we plan to introduce water-related requirements within the next two years	We expect each of our suppliers to comply with İşbank’s Sustainability Policy and Supplier Code of Conduct, both of which are approved by the Board of Directors. With these compliances, we conduct a supplier sustainability due diligence process to evaluate our suppliers. The environmental management system of supplier company that includes the measures on supplier dependency on water; relative impacts of suppliers on water availability and water quality are assessed in the due diligence. Our suppliers are analyzed on a yearly basis and the ones defined having substantive impact are identified according to their “Water Management Practices. The assessment, includes water conservation measures, reuse/recycling initiatives, and engagement in sustainable water stewardship. Evaluations are based on answers of water-related issues, which are collected through a questionnaire prepared to raise awareness of our suppliers on such issues and to monitor/improve our suppliers' activities.

W1.5d

(W1.5d) Provide details of any other water-related supplier engagement activity.

Type of engagement
Information collection

Details of engagement
Collect water management information at least annually from suppliers
Collect information on water-related risks at least annually from suppliers
Collect water quantity information at least annually from suppliers (e.g., withdrawal and discharge volumes)

% of suppliers by number
Less than 1%

% of suppliers with a substantive impact
51-75

Rationale for your engagement
İşbank has adopted the principle of continuous improvement its suppliers, ensuring organizational excellence, and consistently business processes to consistent improvement. In this context, we aim to collect as much information as possible about our suppliers and their sustainability related applications. In order to collect such data, we conduct a Sustainability Study with our selected suppliers every year through directing a Supplier Sustainability Performance Measurement Survey which includes various questions about water. With this method, the following issues of about our suppliers are considered
- total amount of water used to product products
-existence of a goal to reduce water consumption
-existence of a policy or internal regulation to manage water use and water related issues
-reporting and following within the scope of water use
-actions taken to reduce the amount of water use or to use water more efficiently
Answers to these questions are collected in addition to main topics of environment, labor and human rights, ethics, and sustainable purchasing. The survey is conducted to understand at what stage suppliers are in terms of sustainability and it also aims to raise their awareness on the topic.

Impact of the engagement and measures of success
For the year 2022, a total of 54 suppliers that counts for 0.9% of suppliers by number, constituting 57% of purchasing amount, participated in the survey. The survey was sent to suppliers covering 71% of the Bank's overall purchases. In this context, we define % of suppliers with a substantive impact as 71% because 54 suppliers account for 71% of the entire procurement.
İşbank monitors the environmental impacts of its supply chain. This study is not within the scope of any obligation and the supplier's declaration is essential in the answers. By conducting such study our beneficial object is to raise awareness of our suppliers on water-related issues as total amount of water used in production, targets set to reduce water consumption, whether reporting is done for water use, and actions taken to reduce water use.
In purchases with high environmental impact, suppliers are evaluated according to their competencies and suppliers that submit the required documentation in the survey are preferred for such special purchase activities, regardless of the price over suppliers who cannot submit the necessary documents.

Comment

W1.5e

(W1.5e) Provide details of any water-related engagement activity with customers or other value chain partners.

Type of stakeholder
Customers

Type of engagement
Innovation & collaboration

Details of engagement
Collaborate with stakeholders on innovations to reduce water impacts in products and services

Rationale for your engagement
Within İşbank's scope of sustainability criteria, “İmece Workshops” were organized in order to present common methods that are protective for both nature and producers, identify common solution proposals for each stakeholder, and strengthen the agricultural ecosystem in the country and the Bank’s position within this ecosystem. In this context, The Water Workshop, held in İzmir on October 20, 2022, brought together more than 60 stakeholders, including representatives of relevant public and non-governmental organizations, agricultural cooperatives and unions, producers, academics, agricultural entrepreneurs and leading farmers. In the workshop, methods and solutions to prevent the wrong use of water in agriculture; as well as common solution proposals, which are protective for both nature and the producers, were discussed.

Impact of the engagement and measures of success
The workshop consisted of two main parts. Initially the topics below have been discussed and following the suggestions of possible solutions:
- How water management can be done with new technologies in the fight against drought,
- How to prevent waste of water in agriculture for sustainable agriculture,
- How the fresh water resources in our country can be used more efficiently in agricultural areas,
- Agricultural irrigation methods aimed at securing the future of water resources and using water more accurately,
During the discussion, subjects like deterioration of biodiversity, drought, infrastructural insufficiency, sociological structure and cultural habits, lack of regulation and control/audit, financial aspects and other systematic problems have been evaluated and some common solution suggestions have been proposed as outputs of the workshop which are presented below:
- Increasing awareness
- Raising awareness of farmers about irrigation
- Increasing the technical knowledge of the farmers
- Dissemination of technology for sustainable agriculture
- All stakeholders take the necessary responsibility in cooperation in the agricultural ecosystem

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

Yes

W2.1a

(W2.1a) Describe the water-related detrimental impacts experienced by your organization, your response, and the total financial impact.

Country/Area & River basin

Turkey	Other, please specify (Eastern Anatolia Basin, Black Sea Basin, Marmara Basin and Central Anatolia Basin)

Type of impact driver & Primary impact driver

Acute physical	Heavy precipitation (rain, hail, snow/ice)

Primary impact

Increased operating costs

Description of impact

In 2022 some of the branch buildings have been damaged and/or the continuity of the Banking services got disrupted due to flood or heavy precipitation. İşbank's affected branches:
9 branches in Eastern Anatolia Region (total outage time: 56 hrs. No physical loss.)
6 branches in Black Sea Basin (total outage time: 46 hrs. No physical loss.)
36 branches in Marmara Region, (total outage time: 214 hrs. Total physical loss: TRY 93,295.21.
5 branches in Central Anatolia Basin, total branch outage time is 12 hours. The total physical loss for these branches was accounted as TRY 3,782.
Total financial impact figure TRY 9,321,935 for 2022 includes:
1) Nominal value of the direct losses occurred due to heavy precipitation, and subsequent flood events (TRY 97,077.21)
2) Repair/renovation costs for buildings (TRY 7,871)
3) Estimated income loss due to extreme precipitation related business disruptions (TRY 2,199,910). (Average net income per branch TRY 14.6 million is calculated by aggregate annual net income of all branches is divided by the total number of branches. Within the scope of this analysis, number of working days in a year is taken as 250 and daily working time is assumed to be 8 hours. Net income/hour per branch, which is TRY 6,707 is multiplied by the total outage time due to heavy precipitation in 2022 (328 hours) gives us the estimated income loss due to business disruptions.)
4) Premiums paid for insuring Bank buildings and equipment for year 2022 (TRY 7,017,077).

Primary response

Use risk transfer instruments

Total financial impact

9321935

Description of response

Considering that the flood may affect our assets especially in the "High" and "Extremely High" flood risk areas, we are aware of that it's required to take necessary precautions to prevent the immediate losses and future negative effects. To do so, the initial response is to transfer the risk via insurance contracts. All of the Bank-owned buildings are annually insured for flood damage. In addition, renovating and strengthening the infrastructure of the buildings to make them more resilient to flooding events is also another response. As in the scope of our Business Continuity Management Plan (BCMP) and Information Systems Continuity Plan (ISCP), we make provisions for potential floods that may cause operational interruptions and customer dissatisfactions. Crisis and emergency management processes are implemented for extreme flood events, in order to prevent any continuity interruption in our systems. Lastly, Bank personnel is subject to periodic Business Continuity training programs in order to improve their risk awareness and crisis management competencies.

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Fines, enforcement orders, and/or other penalties	Comment
Row 1	No	<Not Applicable>	

W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified	Please explain
Row 1	Yes, we identify and classify our potential water pollutants	Being a business in banking and financial services sector, we only produce domestic wastewater. It is not relevant for our activities to contain water pollutants, since we only use water for domestic purposes and human consumption. Industrial wastewater that may contain high amounts of water pollutants is not produced during our operations. İşbank's wastewater is sent to relevant municipal and authority treatment plants. Then, they carry out treatment in line with the standards set by municipalities and authorities. The identification and classification are conducted according to Water Pollution Control Regulation, Urban Wastewater Treatment Regulation and Communique on Wastewater Treatment Plants Technical Procedures.	<Not Applicable>

W3.1a

(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Water pollutant category
Oil

Description of water pollutant and potential impacts
Oil from our domestic wastewater is separated to reduce the polluter effect. Oil pollution can damage ecosystems, including plants and animals, and contaminate water for drinking and other purposes. It spreads over the surface in a thin layer that stops oxygen transfer.

Value chain stage
Direct operations

Actions and procedures to minimize adverse impacts
Reduction or phase out of hazardous substances
Upgrading of process equipment/methods

Please explain
Despite the fact that İşbank is not required to perform pollution detection or reduction, a biological treatment system has been installed at our Head Office and TUTOM Buildings. The treatment system is located at the Bank's sewage system's discharge point - where our wastewater meets with the municipal sewage system - and provides a separation of oil from the domestic wastewater with the help of a specific bacteria. Such separation results in reducing the pollutant concentration of the Bank's wastewater and the results are monitored and recorded for both of the locations regularly.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?
Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage
Direct operations
Supply chain

Coverage
Full

Risk assessment procedure
Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment
Annually

How far into the future are risks considered?
3 to 6 years

Type of tools and methods used
Tools on the market
Enterprise risk management
International methodologies and standards
Databases
Other

Tools and methods used
WRI Aqueduct
WWF Water Risk Filter
Enterprise Risk Management
Regional government databases
Internal company methods
Other, please specify (Top-Down Risk Assessment (TDRA), Risk Control Self-Assessment (RCSA))

Contextual issues considered
Water availability at a basin/catchment level
Water quality at a basin/catchment level
Implications of water on your key commodities/raw materials
Water regulatory frameworks
Status of ecosystems and habitats
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered
Customers
Employees
Investors
Local communities
Regulators
Suppliers

Comment
Main risk assessment procedure of İşbank is ERM, which also includes water risks. On the other hand, bank uses other types of internal and external tools and methods as well. ERM framework constitutes of 5 pillars which are 1. Strategy, 2. Organization and governance, 3. Risk Management Processes, 4. Culture, communication and training, 5. Infrastructure. Moreover, “Risk Management Processes” include 1. Risk identification, 2. Assessing and prioritizing risks, 3. Risk measurement, 4. Control activities and 5. Risk monitoring and reporting. Water risks in terms our own operations are considered as a part of “Physical Damage/Risk” category of İşbank’s operational and climate change risk taxonomies and they are included in risks assessments on both top-down (TDRA) and bottom-up (RCSA) levels. Water-risks are also considered in assessing environmental and employee health & safety risks. Vulnerability to water-related risks such as water stress, drought and flooding are assessed by WWF Water Risk Filter and WRI Aqueduct Tool, with regard to geographical distribution of Bank’s assets and operations. Same tool is also applied to assess the water risks of customers engaging in high water risk sectors, such as hydroelectric power plants. In addition, Bank annually conducts an “Environmental Risk Assessment” for its direct and supply chain operations, including water-related risks such as, water waste management, compliance with regulatory requirements, employee health and safety and supplier related risks, etc. Water-related and meteorological data used in risk assessments are collected from various Turkiye specific databases such as Ministry of Environment, Urbanization and Climate Change, General Directorate of Meteorology (MGM), Disaster and Emergency Management Presidency (AFAD) and EPIAS.

W3.3b

(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	ERM is a better approach in terms of providing a comprehensive, systematic and integrated view of risks across the entire organization and all stages of the value chain. ERM allows to assess water risks not only in isolation but also in conjunction with other risks, such as credit, market, and operational risks. This holistic view enables a better understanding of how water risks interact with other risk factors, impact the overall performance and business strategy of the bank, and to align operations with sustainable practices and stakeholder expectations. Key risk assessment methodologies embed in our ERM framework are Top-Down Risk Assessment (TDRA) and Risk-Control Self-Assessment (RCSA). TDRA is a comprehensive approach used to evaluate and prioritize risks on enterprise level with a forward-looking and top-down perspective, taking into account the scope, volume and complexity of the Bank's activities and risk appetite. Bank also utilizes RCSA to assess risks in a specific business unit or a process. In both TDRA and RCSA risks with a mid-high and high categories are prioritized for mitigation actions. Türkiye specific databases, WRI Aqueduct and WWF Water Risk Filter tools are being used to quantify and assess risks on geographical levels. Also, İşBank annually conducts an internal "Environmental Risk Assessment" for its direct operations, including water-related risks such as, water waste management, compliance with regulatory requirements, supplier related risks, etc.	Water availability and quality issues are important in risk assessments since water scarcity, droughts and pollution may affect both Bank operations and other stakeholders in the value chain. Water is essential in the production of key commodities in many sectors. If there is a significant concentration in bank portfolio on water-intensive agricultural production and HEPPs, droughts or water restrictions could impact their profitability and creditworthiness. Water regulatory frameworks play an important role in managing water scarcity, environmental protection and possible impacts on human health. In terms of its own operations, incompliance may result in regulatory fines and/or reputation loss. Other stakeholders in the value chain such as customers may also be subject to water-related regulatory risks, which may negatively affect their activities, reputation and creditworthiness. Activities that affect ecosystems and habitats are another major concern in assessing water risks. Degraded ecosystems and loss of habitats can intensify water risks, affecting the Bank's and its customers' investments and operations. Access to fully-functioning, safely managed WASH services is essential for employee well-being and productivity. Inadequate WASH services can lead to a spectrum of risks such as health issues, reduced employee productivity, and increased absenteeism.	It is is crucial to understand how water risks might impact bank's clients. For example, customers operating in water-intensive industries (such as agriculture) or in regions prone to droughts of water scarcity are more vulnerable to water risks. Understanding customer risk exposure helps the Bank to design tailor-made financial products or solutions that address their specific needs. Water risks can influence Bank's operational stability and employee welfare. For instance, water-related disruptions in a bank's physical locations can impact employee safety and productivity. In addition, inadequate WASH services in offices can lead to health issues, reduced employee productivity, and increased absenteeism. Public concerns on Bank's water related practices may impact its financial performance and reputation thus lead to lower shareholder value. İşBank is operating within numerous communities, and water risks can have direct implications for these local populations. For instance, funding projects that exacerbate water scarcity or pollution can lead to negative social impacts and affect reputation. Regulatory bodies are increasingly focus on environmental and sustainability issues, including water-related risks. Lastly, water risks affecting suppliers can lead to disruptions in the supply chain and affect Bank's operations. Identify potential water related vulnerabilities in supplier level and develop contingency plans is crucial to maintain business continuity.	In İşBank's ERM framework, if the water risk assessment indicates a substantial risk, appropriate response (mitigation, avoidance, transfer or acceptance) must be determined. Initial response for a risk is by default "mitigation". Planned mitigation activities should be put forward concretely and followed up as an "Action Plan". Rules and procedures for risk acceptance are stated in İşBank's Risk Acceptance Policy. If a substantial risk is considered to be accepted, it should not be related to a regulation and/or employee health & safety. A comprehensive evaluation must be put forward, showing that there is no room for mitigation, transfer, avoidance options or they are more costly than the potential risk itself. For physical risks related to water, risk transfer via insurance is generally used. For lending decisions, Environmental and Social Risk Evaluation Model ÇESMOD is used in order to assess investment level water risks. If the results of model indicates a substantial risk for the investment; extra covenants, collateral or mitigation activities might be demanded from the customer. As an example of risk mitigation on portfolio level, İşBank invested in digital solutions that increase risk monitoring activities of its clients operating in agricultural production. Within the scope of the "Digital Agriculture Solution", farmers can use agricultural meteorology and data stations in production areas to receive early warnings for many natural risks in agricultural production.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, both in direct operations and the rest of our value chain

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

İşbank's definition of substantive financial impact (or strategic impact) relies on its four-point-scale risk assessment methodology, which is based on the comparison of the magnitude of the expected loss (or a decrease in profits) from a risk factor (or types of risks with the same underlying root cause) with Bank's average yearly expected operational income, and its likelihood. Impact categories are identified as "low", "mid-low", "mid-high" and "high" and their impact components are determined as a specific proportion (%0,01, %0,1 and %1) of yearly average of last two fiscal year's realized and following year's expected (calculated in ICAAP) Net Operating Income (NOI = Gross Operating Income – Expected Credit Loss – Other Provision Expenses – Personnel Expense – Other Operating Expenses). For instance, average of 2021, 2022 realized and 2023 expected NOI is calculated as approximately TRY 37 billion. Correspondingly, financial impact magnitude up to TRY 3.7 million was defined as "low", between TRY 3.7 million and 37 million TRY as "medium-low", between TRY 37 million and TRY 370 million as "medium-high", above TRY 370 million as "high". Any risks with an expected loss amount above TRY 37 million (high and mid-high categories) are by definition considered to have a substantive financial impact on our business. Combining the potential impact of a risk with its likelihood (low, mid-low, mid-high and high) gives us the Expected Gross Loss Matrix. By adding control efficiency to the picture, we reach to the Net Risk Matrix. For any risks that might have financial and strategic impact on our business, such as climate and water risks, definition of substantive impact and its thresholds does not differ from the methodology explained above.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	4	26-50	As stated in the Disaster Risk Reduction Plan published by Disaster and Emergency Management Presidency (AFAD) in 2022, flood is the second type of disaster that causes loss of life and property in Turkey. As illustrated in the Meteorological Disasters Evaluation Report of General Directorate of Meteorology, flood accounts for 30% of disasters between 2010 and 2021 in Turkey. According to the WRI (World Resources Institute) Aqueduct Tool, 20% of Turkey's provinces are at "High" riverine flood risk area (By definition of WRI, "Riverine flood risk" measures the percentage of population expected to be affected by riverine flood in an average year, and "High Risk" indicates that 6 in 1,000 to 1 in 100), where 22% of our branches and 3.503 employees are located in these "High" flood risk areas. Important buildings in terms of coverage, value and business continuity such as the Head Office, Tuzla Technology & Operations Center (TUTOM) and Atlas Data Center are located in the Marmara Basin and our branch buildings are spread across the whole country. In order to conduct the risk analysis efficiently we must first define the facilities exposed to water risks with the potential to have a substantive financial or strategic impact on our business. Regarding so, our Main Facilities are considered to be among these since such facilities hold the Bank's core operations and data which will be affected from a water-related disaster significantly. To give an example, flood risk that may occur in those locations may cause physical damage to Bank's data centers that hold any customer or IT related data. Especially Atlas Data Center & TUTOM are considered as critically important and they are more prone to flood risk since they are located in "High" flood risk area Pendik. In case of heavy precipitation, if the nearby sewerage infrastructure is insufficient, there might be leakage into the interior floor of the buildings and flooding may occur in the basement floors. In the event of clogged manholes and backfires, company assets may be damaged, electronic systems may be affected, and operations may be disrupted in branches and other Bank buildings.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

Turkey	Other, please specify (Marmara)

Number of facilities exposed to water risk
3

% company-wide facilities this represents
26-50

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
Unknown

Comment
Important buildings in terms of value and business continuity such as the Head Office, Tuzla Technology & Operations Center (TUTOM) and Atlas Data Center are located in the Marmara Basin, are said to be among the facilities that are exposed to water risk. Such facilities are located in the water stressed areas, and they are the facilities that pose significant financial and/or strategic risk of impact to our organization. Especially Atlas Data Center & TUTOM are considered as critically important and they are more prone to flood risk since they are located in "High" flood risk area Pendik. In case of heavy precipitation, if the nearby sewerage infrastructure is insufficient, there might be leakage into the interior floor of the buildings and flooding may occur in the basement floors. In the event of clogged manholes and backfires, company assets may be damaged, electronic systems may be affected, and operations may be disrupted in branches and other Bank buildings.

Country/Area & River basin

Turkey	Sakarya

Number of facilities exposed to water risk
1

% company-wide facilities this represents
1-25

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
Unknown

Comment
Due to extreme weather events and unstable climate conditions experienced in the reporting year, of the four main facilities, Ankara Technology and Operation Center - ATOM located in Central Anatolian Region (Sakarya Basin, Kızılırmak Basin - unlike the Bank's other Main Facilities located in Marmara Basin); is said to be among the facilities that are exposed to water risk. ATOM is located in the city with flood risk and on account of insufficient infrastructure for heavy precipitation cases the city has experienced detrimental impacts of floods that disrupted the transportation, flash floods of buildings. ATOM is considered as the facility that poses significant financial and/or strategic risk of impact to our organization regarding the operations conducted in the building and number of employees present in the building. Flooding risks and events have increased in the city Ankara which may have been resulted in negative impacts of flood related disasters for the building, but fortunately no harm was occurred in 2022.

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

Turkey	Other, please specify (Eastern Anatolia Basin, Black Sea Basin, Marmara Basin and Central Anatolia Basin)

Type of risk & Primary risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)

Primary potential impact
Impact on company assets

Company-specific description
As stated in the Disaster Risk Reduction Plan published by Disaster and Emergency Management Presidency (AFAD) in 2022, flood is the second type of disaster that causes loss of life and property in Turkey. As illustrated in the Meteorological Disasters Evaluation Report of General Directorate of Meteorology, flood accounts for 30% of disasters between 2010 and 2021 in Turkey. According to the WRI (World Resources Institute) Aqueduct Tool, 20% of Turkey's provinces are at "High" riverine flood risk area (By definition of WRI, "Riverine flood risk" measures the percentage of population expected to be affected by riverine flood in an average year, and "High Risk" indicates that 6 in 1,000 to 1 in 100), where 22% of our branches and 3.503 employees are located in these "High" flood risk areas. Important buildings in terms of value and business continuity such as the Head Office, Tuzla Technology & Operations Center (TUTOM) and Atlas Data Center are located in the Marmara Basin and our branch buildings are spread across the whole country. Especially Atlas Data Center & TUTOM are considered as critically important and they are more prone to flood risk since they are located in "High" flood risk area Pendik. In case of heavy precipitation, if the nearby sewerage infrastructure is insufficient, there might be leakage into the interior floor of the buildings and flooding may occur in the basement floors. In the event of clogged manholes and backfires, company assets may be damaged, electronic systems may be affected, and operations may be disrupted in branches and other Bank buildings. Although the estimated financial impact of business disruptions is higher than the cost related to direct physical damage, primary potential impact is selected as “Impact on company assets”, since the cause of the disruptions mainly depends on the direct physical effects.

Timeframe
Current up to one year

Magnitude of potential impact
High

Likelihood
Very likely

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
2296987

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
Potential financial impact figure is the nominal value of the estimated losses occurred due to flood events in the reporting year 2022. Distribution of our branches affected by flood in 2022 and calculation details and are as follows:
a) 3 Provinces (Hakkari, Gaziantep, Şanlıurfa) in Eastern Anatolia Basin with 84 employees in 9 branches, where total branch outage time is 56 hours. No physical loss.
b) 4 Provinces (Kastamonu, Zonguldak, Bartın, Bolu) in Black Sea Basin with 32 employees in 6 branches, where total branch outage time is 46 hours. No physical loss.
c) 2 Provinces (Istanbul, Kocaeli) in Marmara Basin with 413 employees in 36 branches, where total branch outage time is 214 hours. The total physical loss for these branches was accounted as TRY 93,295.
d) 2 Provinces (Ankara, Kırıkkale) Central Anatolia Basin with 111 employees in 5 branches, where total branch outage time is 12 hours. The total physical loss for these branches was accounted as TRY 3,782.

Annual net income of all branches is divided by the total number of branches in order to calculate net income per branch in a year, which is approximately TRY 14.6 million. Within the scope of this analysis, number of working days in a year is taken as 250 and daily working time is assumed to be 8 hours. Using these assumptions, net income/hour per branch is calculated as TRY 6,707. Multiplying this figure with the total outage time due to heavy precipitation in 2022 (328 hours) gives us the financial impact figure of business disruptions in a year, which is TRY 2,199,910. Potential yearly financial impact TRY 2,296,987 is calculated as the summation of total value of losses stemming from flood related damages (TRY 97,077), and the estimated income loss due to extreme precipitation related business disruptions (TRY 2,199,910) in 2022. Although, the estimated yearly potential impact is smaller than TRY 3.7 million and according to our risk materiality scale this figure indicates a low risk, realized potential impacts may be substantially higher if the severity and the frequency of the weather events increases. Thus, the magnitude of the potential impact is evaluated as “medium-high” for this risk.

Primary response to risk
Use risk transfer instruments

Description of response
Considering that the flood may affect our assets especially in the "High" and "Extremely High" flood risk areas, we are aware of that it's required to take necessary precautions to prevent the immediate losses and future negative effects of flood on our assets. To do so, the initial response is to transfer the risk via insurance contracts. All of the Bank-owned buildings are yearly insured for flood damage. In addition, renovating and strengthening the infrastructure of the buildings to make them more resilient to flooding events is also another response. As in the scope of our Business Continuity Management Plan (BCMP) and Information Systems Continuity Plan (ISCP), we make provisions for potential floods that may cause operational interruptions and customer dissatisfactions. Crisis and emergency management processes are targeted to be implemented for extreme flood events, in order to prevent any continuity interruption in our systems. Lastly, Bank personnel is subject to periodic Business Continuity training programs in order to improve their risk awareness and crisis management competencies.

Cost of response
7024948

Explanation of cost of response
Cost of response figure is the total of premium cost (TRY 7,017,077) for insuring Bank-owned buildings/equipment and repair/renovation costs (TRY 7,871) for strengthening buildings in 2022. Unfortunately, calculation of the amount of premium paid solely for the flood risk was not possible since insurance contracts by default cover a bundle of physical risks (earthquake, fire, wind damage, collision, vandalism etc.) and pricing details does not provide a clear breakdown. Activities and trainings regarding BCMP and ISCP did not incur any additional costs since these activities are conducted in the scope of business as usual practices.

W4.2a

(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

Turkey	Other, please specify (Country-wide)

Stage of value chain
Other, please specify (Credit Portfolio)

Type of risk & Primary risk driver

Acute physical	Heavy precipitation (rain, hail, snow/ice)

Primary potential impact
Reduced revenues from lower sales/output

Company-specific description
According to the "Türkiye Meteorological Disasters Assessment (2010-2021)" report prepared by the Ministry of Environment, Urbanization and Climate Change, General Directorate of Meteorology (MGM), 8,274 meteorological disasters have been recorded in the last 12 years. During this period, hail disasters occurred in 78 out of 81 provinces. The year in which the most meteorological disasters occurred was 2021. "Storm", "heavy rain and flood" and "hail" were recorded as the three most common disasters. Agriculture sector is severely vulnerable to extreme weather events such as hail, storms and heavy precipitation (rain, snow), which can damage cultivated crops and halt production and yield. Since the payment capacity of farming customers primarily depends on annual production, an extreme weather event increases their default risk substantially which in turn worsens the quality of Bank's agricultural credits portfolio. In case of a region-wide or country-wide extreme weather event, this risk might create a contagion effect and spread to the economical activities that are dependent on aggregate agricultural production, such as cultivation, fertilizing, trade and transportation of crops, etc. as well. By the end of 2022, the total amount of cash loans issued by İşbank to agricultural production reached to TRY 8 billion as its share in the total loan portfolio increased over years parallel to İşbank's strategy of supporting farming and becoming industry leader in agricultural finance amongst Turkish Banks. Increasing frequency and severity of extreme weather events in Türkiye poses a substantial risk for quality of İşbank's agricultural loans portfolio and the corresponding revenues.

Timeframe
1-3 years

Magnitude of potential impact
Medium

Likelihood
About as likely as not

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
240000000

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
By the end of 2022, the total amount of cash loans issued by İşbank to agricultural production reached to TRY 8 billion. In order to estimate the potential financial impact of the risk, we assume a widespread multiple extreme weather events that affects %30 of İşbank's customers in agricultural production. Using an expectation of %10 default rate amongst the affected customers, %3 of the total cash loans are expected to go default. By multiplying the total outstanding cash loans advanced to agricultural production (TRY 8 billion) with %3 we calculate the nominal value of increase in non-performing loans amount as TRY 240 million. This figures corresponds to a 104 bps increase in total non-performing loans and a 3 bps increase in the overall NPL ratio of İşbank.

Primary response to risk

Direct operations	Develop new products and/or markets

Description of response
İşbank's primary response to these risks is promoting digital solutions that provide early warning, facilitate information access and improve monitoring capabilities of its farming customers, which is aligned with its digital transformation strategy. In line with the Sustainable Development Goals, İşbank carries out activities that bring together agriculture and technology with an innovative perspective and support its customers with most appropriate methods, contributing to increased productivity in agriculture. İşbank implemented "Digital Agriculture Project" with Vodafone Business partnership which includes the installation of 30 digital agricultural monitoring and forecast tools. Within the scope of the "Digital Agriculture Solution", farmers can use agricultural meteorology and data stations in production areas to receive early warnings for many natural risks in agricultural production, and manage their farming activities in line with the recommendations created with the data collected directly from the production areas. Thanks to the mobile application provided by Vodafone within the scope of the Project, farmers can receive these warnings and suggestions without going to the production area. The project, which has been carried out by İşbank and Vodafone Business since 2019, won an award in the Corporate Collaboration category at the Sustainable Business Awards 2022. In addition, ImeceMobil", which is a free of charge smart mobile application that has 190 thousand users, provides financial literacy and income-expense tracking support to farmers. It also enable farmers to monitor the condition of their lands and the health of their crops, allowing them to control costs and achieve better crop yields. 4,500 farmers benefited from services specific to sustainable agriculture such as irrigation, fertilization, and satellite services. In 2023, ImeceMobil We believe that these digital solutions improve the awareness of farmer customers on water-related risks and their ability to mitigate these risks.

Cost of response
2500000

Explanation of cost of response
In 2022, approximately TRY 2.5 million was spent for maintenance and special servicing for İmeceMobil. The implementation costs of the "Digital Agriculture Project" with Vodafone Business partnership is TRY 998.766, which includes the installation of digital agricultural stations and technical consultancy. On the other hand, this amount was not included in the cost calculation since it was paid in the previous years. Capital investment on İmeceMobil in 2023 was not included in cost calculation as well.

Country/Area & River basin

Turkey	Other, please specify (Country-wide)

Stage of value chain
Other, please specify (Credit Portfolio)

Type of risk & Primary risk driver

Acute physical	Drought

Primary potential impact
Reduced revenues from lower sales/output

Company-specific description
The majority of Türkiye is under the influence of semi-arid climate conditions. The amount of arid and semi-arid areas in Turkey is 51 million hectares. In other words, semi-arid climate conditions prevail in 37.3% of Turkey. Therefore, both water resources and rain-dependent sectors, such as agriculture and hydropower facilities can be significantly affected by changes in the amount and distribution of rainfall. In case of a severe drought, utilization rate of production capacity may drop significantly, which in turn leads to a decrease in revenue.

Drought risk implies a substantial impact on İşbank' asset quality, throughout the loans advanced to Hydro Electric Power Plants (HEPPs). As of 2022YE, total amount of cash loans advanced by İşbank to HEPP projects is TRY 17.7 billion, which constitutes a significant proportion (38%) of İşbank's renewable energy portfolio. According to WRI Aqueduct Tool, HEPPs that are located in basins with medium-high level of drought risk constitutes %39 of the total production capacity of the portfolio, while %61 of the production capacity located in medium risk basins. A decrease in river flow rates due to drought can severely affect HEPP capacity utilization and lead to a decrease in the likelihood of loan repayments especially in basins with higher level of drought risk.

Timeframe
1-3 years

Magnitude of potential impact
Medium-high

Likelihood
Very likely

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
96905275

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
In 2021, a severe drought affected south of Tigris - Euphrates basin. In that year, total precipitation in the basin was 29% lower than annual expected mean and the basin received the lowest rainfall of the past 22 years. Total electricity production of HEPPs in İşbank's portfolio that are affected from this specific drought dropped approximately by %24 in 2021 (2020: 3,299,087 MWh, 2021: 2,505,643 MWh, 2022: 3,136,839 MWh), even reaching %50 for some of the individual HEPPs. İşbank's total outstanding cash loans allocated to these customer is TRY 3,230,175,862 as of 2022YE. Although there were no defaults as a direct result of the drought thanks to the sponsor firms' strong financials and the ability to diversify in terms of geography and production type, their revenues from hydropower generation affected negatively. Potential financial impact figure is calculated as the theoretical impact of the drought in case of a %3 increase of non-performing loans allocated to HEPP companies located on south Tigris - Euphrates Basin. Total credit risk exposure of İşbank on these firms as of 2022YE: TRY 3,230,175,862. Multiplying this amount with %3 gives us the theoretical potential impact figure: TRY 96,905,275.

Primary response to risk

Direct operations	Increase capital expenditure

Description of response
In order to mitigate this risk, İşbank took several actions to improve quality of risk assessments for its clients. To be more precise;
1) The ERET model, which İşbank had used since 2013 to calculate the Environmental and Social Risk Score of investments, was replaced in 2021 by ÇESMOD (Environmental and Social Model), which is an Environmental and Social Risk Evaluation Model that is more closely aligned with the global standards of risk measurement and can be tailored according to the type of investment. In 2022, transition process from ERET to ÇESMOD was completed, and the new model was put into use.
2) In order to strengthen credit risk measurement and monitoring of the project portfolio, İşBank's "Project Rating Model", which is used for credit risk assessments of the project portfolio, was replaced with a new and industry best practice model in 2022.

Cost of response
873264

Explanation of cost of response
1) Total implementation cost of ÇESMOD is calculated as TRY 99,120.
2) Total fee paid to the consulting firm for the production and implementation of Project Rating Model in 2022 was TRY 774,144.
Total cost of response to risk is calculated as the sum of the costs of these enhancements: TRY 873,264.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity
Products and services

Primary water-related opportunity
Increased sales of existing products/services

Company-specific description & strategy to realize opportunity
The agriculture industry is one of the vital industries for sustainable development. İşbank supports efforts towards increasing agricultural productivity. Regarding so, the Bank supports actions on food safety and resource efficiency in agriculture. Agriculture is the largest user of water with almost 75 % of the total consumption in Turkey. Our activities in this field are based on financing the transition of producers by combining finance and technology efficiently. Within this framework, we offer innovative products and services, such as Pressurized Irrigation Systems Loan that serve to increase the quality and efficiency of water usage in agriculture through supporting our customers' transformation of existing irrigation systems into a more water efficient pressurized irrigation systems. İşbank has signed a partnership and financing protocol with the Pressurized Irrigation Industrialists Association to ensure widespread use of modern irrigation systems and reduce water consumption.
Therefore, we aim to enlarge the impact by providing finance to increasing number of farmers. As the awareness among the farmers enhance, we expect the demand for Irrigation Systems Loan to increase substantially In terms of engagement, in addition to consulting Frankfurt School,of Business before designing the credit product; we contacted with Pressure Irrigation Industry Association (BASUSAD- a Turkish NGO) in order to benefit from their expertise about irrigation systems. We arranged online meetings and evaluated the criteria of eligibility for the credit product. As well as the meetings, a number of marketing campaigns have been provided for our customers so that they can be informed about the release of such product.
The Loan has provided TRY 31 million in economic benefits and a 35% increase in water efficiency. With the help of irrigation system loans, pressurized irrigation systems were installed on nearly 1,900 decares of dry farming areas, enabling producers to use resources efficiently and achieve 45% higher crop yields, while 3.3 million m^3 of water savings and a 24% yield increase were achieved by financing pressurized irrigation systems installed on 3,175 decares of wild irrigation areas. In addition, pressurized irrigation systems installed on 10,597 decares of land were renewed, ensuring the continuation of resource efficiency and yield increase.

Estimated timeframe for realization
1 to 3 years

Magnitude of potential financial impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
17800000

Potential financial impact figure – maximum (currency)
102671000

Explanation of financial impact
Estimation of financial impact figure is based on the future projections of the loan balance. For the year 2022, the Pressurized Irrigation Systems Loan has been provided for 140 customers with a credit balance of TRY 17.8 million. Considering the short maturity of this specific loan and economic conditions of the country; we do not expect significant increases for this loan in our loan balances in the future years. According to data obtained from Central Bank survey, CPI is expected to reach 43.82% at the year-end 2023 and 19.04% at the year-end 2024. We assume that CPI for the year-end 2025 will be similar to year-end 2024. Based on these assumptions, for the following period, it is expected to raise the number of our loan disbursement from 140 to 500 up to year 2025 which brings up the maximum potential impact figure that we can reach to TRY 102.7 million.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number
Facility 1

Facility name (optional)
Head Office (Kule)

Country/Area & River basin

Turkey	Other, please specify (Marmara Basin)

Latitude
41.0827

Longitude
29.0122

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
37.24

Comparison of total withdrawals with previous reporting year
About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
4.31

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
32.93

Total water discharges at this facility (megaliters/year)
34.92

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
34.92

Total water consumption at this facility (megaliters/year)
2.32

Comparison of total consumption with previous reporting year
About the same

Please explain
Water for our Head Office (Kule) operations is procured from relevant municipality (Istanbul Water and Sewerage Administration (İSKİ)). In 2022, total water withdrawal for our Head Office includes water consumption for drinking purposes, rainwater collected through the building's piping system, water withdrawn for domestic use from the municipality and condensation water from the cooling processes. Water withdrawal from fresh surface water is reported as collected rainwater amount and third party sources are reported in terms of purchased potable water and domestic water. Water discharged from İşbank is released to third party destinations being municipal sewage system that includes the sum of collected rainwater and domestic wastewater. Total water consumption is the amount of water used for human consumption.
İşbank considers the amount of total withdrawal, discharge and consumption volumes to be about the same compared to previous reporting year, since as an accounting methodology for our facility-level accounting, we evaluate the change in terms of "water values per employee". In this case, due to weakened COVID-19 precautions, our hybrid working conditions resulted number of remote-workers to decrease, that caused the employee population in the building to increase. Such increase is reflected in the report. Regarding such, the percent base change between the water values per employee in 2021 and 2022 is neglected.

Facility reference number
Facility 2

Facility name (optional)
Tuzla Technology and Operation Center (TUTOM)

Country/Area & River basin

Turkey	Other, please specify (Marmara Basin)

Latitude
40.8413

Longitude
29.309

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
34.67

Comparison of total withdrawals with previous reporting year
About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
4.09

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
30.58

Total water discharges at this facility (megaliters/year)
34.1

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
34.1

Total water consumption at this facility (megaliters/year)
0.57

Comparison of total consumption with previous reporting year
About the same

Please explain
Water for Tuzla Technology and Operation Center (TUTOM) operations is procured from relevant municipality (Istanbul Water and Sewerage Administration (İSKİ)). Total water withdrawal for TUTOM includes water consumption for drinking purposes, rainwater collected through the building's piping system and water withdrawn for domestic use from the municipality. In this case, water withdrawal from fresh surface water is reported as collected rainwater amount and third party sources are reported in terms of purchased potable water and domestic water. Total water consumption is the amount of water used for human consumption. Water discharged from İşbank is released to third party destinations being municipal sewage system that includes the sum of collected rainwater and domestic wastewater.
İşbank considers the amount of total withdrawal, discharge and consumption volumes to be about the same compared to previous reporting year, since as an accounting methodology for our facility-level accounting, we evaluate the change in terms of "water values per employee". In this case, due to weakened COVID-19 precautions, our hybrid working conditions resulted number of remote-workers to decrease, that caused the employee population in the building to increase. Such increase is reflected in the report. Regarding such, the percent base change between the water values per employee in 2021 and 2022 is neglected.

Facility reference number
Facility 3

Facility name (optional)
Ankara Technology and Operation Center (ATOM)

Country/Area & River basin

Turkey	Other, please specify (Ankara Subbasin)

Latitude
39.9171

Longitude
32.7875

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
4.7

Comparison of total withdrawals with previous reporting year
About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
4.7

Total water discharges at this facility (megaliters/year)
4.53

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
4.53

Total water consumption at this facility (megaliters/year)
0.17

Comparison of total consumption with previous reporting year
About the same

Please explain
Water for Ankara Technology and Operation Center (ATOM) operations is procured from relevant municipality (Ankara Water and Sewerage Administration (ASKİ)). Total water withdrawal for ATOM includes water consumption for drinking purposes and water withdrawn for domestic use. In this case, water withdrawal from third party sources are reported in terms of purchased potable water and domestic water. Total water consumption is the amount of water used for human consumption. Water discharged from İşbank is released to third party destinations being municipal sewage system, which is domestic wastewater only. Withdrawals from rainwater is not performed in ATOM Building.
İşbank considers the amount of total withdrawal, discharge and consumption volumes to be about the same compared to previous reporting year, since as an accounting methodology for our facility-level accounting, we evaluate the change in terms of "water values per employee". In this case, due to weakened COVID-19 precautions, our hybrid working conditions resulted number of remote-workers to decrease, that caused the employee population in the building to increase. Such increase is reflected in the report. Regarding such, the percent base change between the water values per employee in 2021 and 2022 is neglected.

Facility reference number
Facility 4

Facility name (optional)
Atlas Data Center

Country/Area & River basin

Turkey	Other, please specify (Marmara Basin)

Latitude
40.8929

Longitude
29.3749

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
18.62

Comparison of total withdrawals with previous reporting year
About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0.42

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
18.2

Total water discharges at this facility (megaliters/year)
18.6

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
18.6

Total water consumption at this facility (megaliters/year)
0.02

Comparison of total consumption with previous reporting year
About the same

Please explain
Water for Atlas Data Center operations is procured from relevant municipality (Istanbul Water and Sewerage Administration (İSKİ)). Total water withdrawal for our Atlas Data Center includes water consumption for drinking purposes, rainwater collected through the building's piping system and water withdrawn for domestic use from the municipality . In this case, water withdrawal from fresh surface water is reported as collected rainwater amount and third party sources are reported in terms of purchased potable water and domestic water. Total water consumption is the amount of water used for human consumption. Water discharged from İşbank is released to third party destinations being municipal sewage system that includes the sum of collected rainwater and domestic wastewater.
İşbank considers the amount of total withdrawal, discharge and consumption volumes to be about the same compared to previous reporting year, since as an accounting methodology for our facility-level accounting, we evaluate the change in terms of "water values per employee". In this case, due to weakened COVID-19 precautions, our hybrid working conditions resulted number of remote-workers to decrease, that caused the employee population in the building to increase. Such increase is reflected in the report. Regarding such, the percent base change between the water values per employee in 2021 and 2022 is neglected.

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

% verified
76-100

Verification standard used
International Standard on Assurance Engagements ISAE 3000 (Revised)

For our Main Facilities including our Head Office, TUTOM, ATOM and Atlas Data Center 100% of İşbank's water withdrawal by total volumes data has been third party verified by KPMG through providing independent limited assurance in accordance with International Standard on Assurance Engagements ISAE 3000 (Revised). Water data of our Main Facilities and branches are being recorded on a regular basis by Construction & Real Estate Management Division of İşbank regularly monitors and records water data of the Bank in line with ISO14001 Environmental Management System standards.

Please explain
<Not Applicable>

Water withdrawals – volume by source

% verified
76-100

Verification standard used
International Standard on Assurance Engagements ISAE 3000 (Revised)

For our Main Facilities including our Head Office, TUTOM, ATOM and Atlas Data Center 100% of İşbank's water withdrawal volumes – by source data has been third party verified by KPMG through providing independent limited assurance in accordance with International Standard on Assurance Engagements ISAE 3000 (Revised). Water data of our Main Facilities and branches are being recorded on a regular basis by Construction & Real Estate Management Division of İşbank regularly monitors and records water data of the Bank in line with ISO14001 Environmental Management System standards.

Please explain
<Not Applicable>

Water withdrawals – quality by standard water quality parameters

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain

Water discharges – total volumes

% verified
76-100

Verification standard used
International Standard on Assurance Engagements ISAE 3000 (Revised)

For our Main Facilities including our Head Office, TUTOM, ATOM and Atlas Data Center 100% of İşbank's water discharge by total volumes data has been third party verified by KPMG through providing independent limited assurance in accordance with International Standard on Assurance Engagements ISAE 3000 (Revised). Construction & Real Estate Management Division of İşbank regularly monitors and records water data of the Bank in line with ISO14001 Environmental Management System standards.

Please explain
<Not Applicable>

Water discharges – volume by destination

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain

Water discharges – volume by final treatment level

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain

Water discharges – quality by standard water quality parameters

% verified
76-100

Verification standard used
Wastewater discharged from İşbank facilities are sent to relevant municipal and authority treatment plants. Then, they carry out treatment in line with the standards set by municipalities and authorities according to Urban Wastewater Treatment Regulation and Communique on Wastewater Treatment Plants Technical Procedures. Discharged water goes through the processes, methods, standards set by those relevant municipalities/authorities regarding the restrictions in the regulations. İşbank directly discharges its entire wastewater to municipalities and/or authorities . The discharge parameters are monitored and checked through municipalities regularly, which fullfills the requirements. Water discharges-quality by standard water quality parameters is verified within the scope of ISO 14001 certification process.

Please explain
<Not Applicable>

Water consumption – total volume

% verified
76-100

Verification standard used
For our Main Facilities including our Head Office, TUTOM, ATOM and Atlas Data Center 100% of İşbank's water consumption by total volumes data has been third party verified by KPMG through providing independent limited assurance in accordance with International Standard on Assurance Engagements ISAE 3000 (Revised). Construction & Real Estate Management Division of İşbank regularly monitors and records water data of the Bank in line with ISO14001 Environmental Management System standards.

Please explain
<Not Applicable>

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Description of business impact on water Commitment to align with international frameworks, standards, and widely-recognized water initiatives Commitment to reduce water withdrawal and/or consumption volumes in direct operations Commitment to stakeholder education and capacity building on water security Commitment to the conservation of freshwater ecosystems Reference to company water-related targets	İşbank has two publicly available policies in place to manage sustainability and water-related issues: 1-Sustainability Policy 2-Environmental and Social Impact Policy. In these policies, which are both approved by the Board of Directors and available at isbank.com.tr, İşbank commits to reduce its negative environmental footprint. In the Sustainability Policy, the Bank commits to improve its performance on efficient use of water, as well as energy efficiency, reducing GHG emissions, waste generation and recycling while, İşbank Environmental and Social Impact Policy sets forth the principles considered by İşbank concerning its activities that have environmental and social impacts. The Bank takes into account water-related risks arising from both its direct operations and lending activities. The potential environmental and social impacts arising from the investment projects that are financially supported by the Bank are evaluated within the context of national and international law, regulations and good practices, and new investment projects that exceed a certain level of investment amount are subjected to Environmental and Social Risk Assessment. The wetlands defined as threatened ecosystems and protected by the RAMSAR Convention are in the Exclusion List and not financed by İşbank. Exclusion List of İşbank is available as an annex to its Environmental and Social Impact Policy. Both of the mentioned policies are available at: https://www.isbank.com.tr/en/about-us/our-policies

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual or committee	Responsibilities for water-related issues
Board-level committee	The Board of Directors has ultimate oversight of the Bank's work to identify, assess and integrate sustainability-related risks and opportunities throughout the organization. The Board of Directors has tasked a sub-committee, the Sustainability Committee, to focus on sustainability & related issues. One expression of the importance of sustainability & water related matters at İşbank is that the Committee is chaired by the Chairperson of the Board of Directors and has two additional Board members as well as ten Deputy Chief Executives. By the leadership of Board Chair, the Board of Directors considers sustainability issues including water-related ones when guiding our business strategy and major plans of action. The Sustainability Committee provides the opportunity for business units to be represented in an inclusive manner and monitors ESG issues in a holistic way. One of the decisions taken by the committee is the expansion of the ISO 14001 Environmental Management System (EMS) to all locations of the Bank. By the end of 2022, the number of Bank's locations, which are provided with EMS, have been fully covered. (100% of the locations) Locations that have EMS are starting to monitor their water consumption data monthly and starting to report quarterly in order to raise awareness about how much they consumed and achieve higher water efficiency. In this way, an awareness about their consumption is created and they are in a position to take the necessary actions in line with the given targets. The fact that the locations are able to monitor their own data in units of consumption amounts is important in terms of taking precautions aiming at water-efficiency. Moreover, consumption data and trend is also regularly presented to the Sustainability Committee at least once a year in the context of the Annual Management Review in line with the EMS procedures. In this way, senior level oversight –including Board and C-suite members- is ensured.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Monitoring progress towards corporate targets Overseeing major capital expenditures Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Setting performance objectives	The Board of Directors has ultimate oversight of the Bank's work to identify, assess and integrate sustainability-related risks and opportunities throughout the organization. The Board of Directors has tasked a sub-committee, the Sustainability Committee, to focus on sustainability & related issues. The Sustainability Committee provides the opportunity for business units to be represented in an inclusive manner and monitors ESG issues including water-related issues in a holistic way. Deputy Chief Executive in charge of Investor Relations & Sustainability function assumes the role of Chief Sustainability Officer (CSO) who is responsible for steering İşbank's sustainability initiatives and represents the Bank in sustainability communication including stakeholder engagement. Apart from board-level Sustainability Committee and the CSO, there is Sustainability Coordinator and Sustainability Working Group (WG). Head of Investor Relations & Sustainability serves as the Sustainability Coordinator to ensure sustainability issues are effectively embedded in the Bank's executive bodies. To this end, the Sustainability WG is convened regularly, which contains representatives from all key areas of the Bank, such as credit underwriting, risk management, project finance, product development and marketing, procurement, construction & real estate management, talent management. The objective of the Sustainability WG is to ensure sustainability issues including water-related ones are embedded in business decisions andthere is appropriate flow of information across all divisions. Our Sustainability Coordinator who is responsible for ensuring effectiveness of work among the executive organs, is able to raise any related issue, progress & development anytime as important matters arise, on the agenda of the Board of Directors through the Sustainability Committee.

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	No, but we plan to address this within the next two years	<Not Applicable>	Important but not an immediate priority	At İşbank Board-level Sustainability Committee focuses on sustainability & related issues including water-related ones. Although water-related risks and opportunities are crucial for direct and indirect operations, the climate-related issues were given priority at the board level. We plan to address this within the next two years.

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)
Chief Sustainability Officer (CSO)

Water-related responsibilities of this position
Assessing water-related risks and opportunities
Managing water-related risks and opportunities
Monitoring progress against water-related corporate targets

Frequency of reporting to the board on water-related issues
Annually

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.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	All C-Suite Executives have cost optimization targets including the water and energy consumption costs of İşbank.

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Contribution of incentives to the achievement of your organization's water commitments	Please explain
Monetary reward	Board/Executive board Chief Sustainability Officer (CSO)	Improvements in water efficiency – direct operations Improvements in wastewater quality – direct operations Improvements in wastewater quality – product use Reduction of water pollution incidents	Having a strong and sustainable financial performance and an ethical and responsible banking principle; İşbank addresses its strategical business plan that is compassionate towards people, society and environment and supports all the value it has created with its targets and determines its performance criteria within this framework. İşbank has determined the highest level of responsibility for resource efficiency and resource management; including water being one of the most important resource. Improving water efficiency applications and proper management of water is required to reach optimization targets set for our C-suite executives. With the environmental management system it has established in accordance with international standards, İşbank has internalized impact management approach and targets. Embracing its responsible banking ambition, İşbank aims at a more ESG-oriented loan portfolio. In this regard, İşbank announced its smart targets for sustainable financing in the mid-term. To this end, The Marine Conservation loan, is a special product not only to contribute the Bank's SF targets but also to mitigate water-related risks. Because the Marine Conservation loan is designed to provide financial support to customers that want to invest in or improve their wastewater treatment/recovery, or ballast water treatment systems to prevent pollution incidents.	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 Marine Conservation 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 water 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.
Non-monetary reward	No one is entitled to these incentives	<Not Applicable>	<Not Applicable>	Studies on non-monetary rewards have been included in the planning.

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?
Yes, other

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

Compliance is the foremost duty and responsibility of all managers and employees of the Bank at any level. For this reason, consistent compliance is ensured in every place and region where the Bank operates. Necessary actions are carried out in the entire Bank within the framework of the strategy determined by the senior level management. In this framework, engagement activities are provided within the framework of the implementation instructions and policies determined by the Head Office.

With this awareness, all studies, including water-related issues, carried out within the scope of the Sustainability Management System are audited by the Board of Inspectors that operates under the control of the Board of Directors. Part of the audit process carried out is to ensure that the activities carried out take a common approach consistent with the bank's strategy. Audit reports that created as a result of the audit process are submitted to the İşbank Audit Committee, senior management, and related divisions after being classified according to their severity and priority. If inconsistency is discovered the corrective measures taken in order to address audit findings are monitored by the Board of Inspectors. The Board of Directors closely monitor the activities of the Board of Inspectors through periodic activity reports submitted via the Audit Committee.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

https://www.isbank.com.tr/contentmanagement/IsbankSurdurulebilirlikEN/pdf/2022IntegratedReport.pdf Please refer to pp. 80-81 and 109-110

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	11-15	a) Our business plan objective is to incentivize the applications on improving water conservation in our operations and increase the efficiency of water use by providing regular repair and maintenance services. In this context, we prevent water related risks and accidents and increase the amount of capital expenditures for new/smarter technologies. Our efforts to improve water conservation, regards improvements in water-related responses of infrastructure risks at the Bank. Providing good quality remote monitoring of water use that enables to foresee the future risks and accidents are also among the objectives. b) We evaluate potential water related impacts of our loan portfolio. Investment projects that the Bank finances with a Risk Evaluation Tool called ÇESMOD are assessed and we manage water-related risks of these projects. In addition, environmental and social risks including water-related risks across the commercial loan portfolio are assessed with a process called SÜRAS (Sustainability Analysis System). As İşbank, we aim to support our customers in wastewater management and water efficiency fields via offering ever-expanding range of responsible products and services across all segments with the green loans that we introduced in 2021.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	11-15	a) Increasing the efficiency of water use by providing regular repair and maintenance services and good quality remote monitoring of water use: In all locations, a monitoring platform has been established and installed into Bank's data systems, where all data are recorded regularly. b) Detecting the damages that may arise from potential infrastructural (plumbing/collection/sewage systems) accidents and risks related to water in advance: A remote monitoring platform is designed to record the water metrics of all facilities of İşbank including the branches. c) Evaluating the potential water related impacts of the investment projects in the context of Environmental and Social risk assessment: All potential ESG risks of all new investments are evaluated according to ÇESMOD system. Water source, wastewater, and resource consumption risks are examined. Furthermore in 2022, in order to asses environmental and social risks across our commercial loan portfolio, SÜRAS has been designed and put into operation which also measures the water-related risks of our customers. d) WASH services: In all facilities of İşbank, the provision of fully-functioning, safely managed WASH services to all employees is of high priority. To ensure safer water conditions, biological treatment units have been installed at our Head Office and TUTOM Buildings, which results in reducing the pollutant concentration of the Bank's wastewater.
Financial planning	Yes, water-related issues are integrated	11-15	Bank's strategic business plans highlight the efficient use of water by means of conservation, avoiding pollution and good quality monitoring as mentioned. In this context, after the relevant search of market value and best available techniques, regarding the budget allocated for water security related improvements; the purchase agreements are conducted taking the business plan of the year into consideration. Each year the contracts are renewed accordingly with the service provider and monitored by our Construction & Real Estate Management Division. To give an example, for the reporting year; to reduce the pollution concentration, installation of biological treatment unit costs TRY 34 thousand for the Head Office, and TRY 77 thousand for TUTOM with a total investment of TRY 111 thousand. In the aim of supporting our responsible role in sustainable transformation of our customers and increasing the volume of our sustainable loan balance, we provided TRY 49.6 million of Marine Conservation Loan and TRY 17.8 million of Pressurized Irrigation Systems Loan & Digital Agricultural Loan and Energy and Resource Efficiency Agricultural Loan, which are realted with wastewater management and water efficiency fields Included in its sustainability goals, the Bank has set ambitious targets that cover water-related targets and committed to provide TRY 300 billion of sustainable loans by 2026.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)
-43.15

Anticipated forward trend for CAPEX (+/- % change)
43.82

Water-related OPEX (+/- % change)
54

Anticipated forward trend for OPEX (+/- % change)
43.82

Please explain
CAPEX includes partial water-efficient renovations in buildings' plumbing systems and installation of biological treatment units for Kule and TUTOM Building's wastewater discharge points that separate oil from the wastewater and is around TRY 2.56 million with a decrease of 43.82% compared to 2021. The reason why such a change has occurred from previous year is due to higher expends in 2021 for the water-efficient renovations in buildings' plumbing systems
Water-related operational expenditure is around TRY 19.6 million in 2022, with an increase of 54% compared to the previous year as a result of raised costs of water supply in the country for the reporting year. Operational water usage quantity is expected to be similar in 2023. According to data obtained from Central Bank survey, CPI is expected to reach 43.82% at the year-end 2023 in Turkey where İşbank predominantly operates. As CAPEX and OPEX are closely linked to increase in CPI, we expect a parallel rate of increase.

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	Yes	Given the growing importance of risks and opportunities arising from climate change, İşbank is increasingly incorporating climate considerations into business-as-usual processes. In 2020, İşbank has worked with Oliver Wyman to further integrate climate change risk into its risk management framework; and has upgraded its risk taxonomy, positioned climate risk as a strategic risk, and extended its definition to include all types of climate risks (both transition & physical risks) based on TCFD and international regulator recommendations. For the quantification of climate risk, İşbank incorporates NGFS reference scenarios framework and UNEP-FI/Oliver Wyman's "Transition Check" methodology. Currently, scenario analysis includes high risk sectors such as non-renewable energy generation, cement and land transport. İşbank is planning to increase scope of scenario analysis by including physical risks and other high-risk sectors such as metal production, air and marine transport.

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Climate-related	Scenario analysis consists of both qualitative and quantitative parts. For the qualitative part, İşbank combines climate risk related literature, external studies and expert input to assess climate risk level on a sectoral heatmap. Assessment is translated into a 5-grade risk scale to evaluate vulnerability of each sector in the portfolio to climate risks. Non-renewable energy generation sector was prioritized for quantitative assessment since by the end of 2022, it accounts for 25% of Bank's total commercial cash-loans portfolio emissions compared to its share %2.7 in total outstanding commercial cash-loans, which makes it by far the most carbon intense sector in the portfolio. For the quantitative part, İşbank incorporates NGFS reference scenarios framework and UNEP-FI/Oliver Wyman's "Transition Check" methodology. In the reporting year 2022, Bank carried out this study for non-renewable energy generation sector to assess the financial effect of a disorderly transition scenario to a 1.5ºC temperature alignment which includes a sudden implementation (0 to 3 years) of a carbon tax. The potential impact of a carbon tax is assessed by stressing financial statements of firms operating in the target sector. In the assessment, key metrics such as revenues, COGS, OPEX, CAPEX are stressed considering supply-demand dynamics of the energy sector, as well as expected changes in macroeconomic outlook of the chosen pathway. Based on the firm based stressed financials, ECL calculation process is re-run to analyze impact for each firm. For the carbon tax, multiple levels (20$, 30$, 50$ and 85$ per tCO2e) are tested. To calculate the effect of the tax on the energy supply and demand, current electricity price and production in the Turkish economy are gathered form EPIAS and TEIAS. For elasticities, academic researches and expert opinions are taken into account. For macroeconomic assumptions (inflation, FX rates, GDP growth, interest rates, etc.), calculations of Bank's Economic Research Department are used in order to be in line with Bank's overall strategy. For emission parameters for each type of energy source, we use Oliver Wyman's recommendations, which are based on IPCC's research. Firm based data such as financials are collected from customers' financial statements and lastly Turkey's energy generation mix and firm-level production mix are derived from EPIAS database.	Different levels of carbon tax levels are tested and the results of the analysis shows that as the tax level increases gradually, change in ECL increases exponentially. Results indicate that after reaching $30/tCO2e cost increase scenario severely affects financials of 3 coal-based power plants, and almost certainly leads to default of these companies. Total cash loans outstanding on these power plants is 7.9 billion TRY at 2022YE which indicates a potential increase of 101 bps in NPL ratio of the Bank. There is no doubt that implying a carbon tax on non-renewable energy generation sector will further increase the share of the renewable energy (including hydropower) in the total electricity production of Turkey. More interestingly, results of the scenario analysis indicates that a carbon tax increases profit margins for some renewable energy generation companies in İşbank's portfolio, including hydropower plants, because the price of electricity produced is expected to shift upwards in the case of a carbon tax as a result of the differences between supply and demand elasticities. This is considered as an opportunity of transition, since all other factors remain constant, increased customer revenues probably will be reflected into İşbank's financials as lower ECL and NPL ratios for renewable energy plants and increase the Bank's appetite for financing renewable energy projects.	This outcome, endorses the İşbank's strategy of supporting the transition to a low-carbon economy and offering finance solutions for renewable energy investments (including hydropower) to help energy transformation. At 2021YE share of renewable energy projects in the total energy generation projects %71, and this figure increased to %75 at 2022YE. İşbank targets to increase this ratio to %77 by the end of 2023, and also commits to the strategy that 100% of the loans for new energy plant investments are extended to renewable energy projects.

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?
No, but we are currently exploring water valuation practices

Please explain
By being aware of potential water-related risks in the future, İşbank plans to take action to improve water efficiency in its operations. Among these actions, an improvement could be achieved on allocating an internal water price in the following years. İşbank currently aims for integrating the issue by following the best practices in the market.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	Yes	By implementing low water impact, İşbank considers reduced amount of water usage, increased water efficiency in agricultural applications, prevention of over consumption of water and eliminating water pollution by performing innovative solutions regarding the newest and most environmental friendly technologies. İşbank evaluates its commercial loan portfolio's exposure to water-related risks and opportunities. While evaluating loan applications, İşbank expects all of its customers to comply with the national regulations applicable to their commercial activities. These include regulations concerning water. Furthermore, İşbank also evaluates potential environmental and social (E&S) impacts of the investment projects financed by the Bank. All projects are evaluated according to national laws and regulations, including the Regulation on Water Pollution Control, Regulation on Urban Waste Water Treatment, Regulation on Surface Water Quality and In all projects financed by İşbank, customers are required to comply with all applicable regulations. The products of İşbank, which are specially designed for low-water impact & water efficiency, are briefly explained below and some necesseary points are highlighted in the next column. (1)Pressurized Irrigation Systems Loan: İşbank has signed a partnership and financing protocol with the Pressurized Irrigation Industrialists Association to ensure widespread use of modern irrigation systems and reduce water consumption. (2)Marine Conservation Loan: The first of its kind in the sector, the Loan is designed to provide financial support to customers that want to invest in, or improve their wastewater treatment/recovery, or ballast water treatment systems to prevent pollution incidents. (3)Digital Agriculture Project&İmeceMobil app: İşbank, initiated the Digital Agriculture Project that uses agricultural forecasting&early warning systems that rely on advanced tech in agri-business. The Bank also introduced İmeceMobile app for use in agricultural production activities.	<Not Applicable>	1. Pressurized Irrigation Systems Loan: Efficient use of resources and 45% more product yield for the producers in an area about 1,900 decares where dry farming is carried out are achieved. With the financing of pressurized irrigation systems established in an area of 3,175 decares where wild irrigation is used, 3.3 million m³ of water savings and 24% increase in efficiency were achieved. In addition, the pressurized irrigation systems installed on an area of 10,597 decares were renewed to support the continuation of resource efficiency and productivity increase. 2. Marine Conservation Loan: Enabling businesses that want to contribute to protection of the seas. In 2022, the Marine Conservation Loan amounted to approximately TRY 49.6 million. 3. Digital Agriculture Project & İmeceMobil app: An area the size of 40,000 football fields from over-fertilization and enough water to fill 8,500 Olympic-sized swimming pools have been saved through the consultancy provided by the app.

W8. Targets

W8.1

(W8.1) Do you have any water-related targets?
Yes

W8.1a

(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	Yes	<Not Applicable>
Water withdrawals	Yes	<Not Applicable>
Water, Sanitation, and Hygiene (WASH) services	Yes	<Not Applicable>
Other	Please select	<Not Applicable>

W8.1b

(W8.1b) Provide details of your water-related targets and the progress made.

Target reference number
Target 1

Category of target
Water withdrawals

Target coverage
Company-wide (direct operations only)

Quantitative metric
Reduction of water withdrawals from municipal supply or other third party sources

Year target was set
2021

Base year
2019

Base year figure
345.4

Target year
2022

Target year figure
291.4

Reporting year figure
291.4

% of target achieved relative to base year
100

Target status in reporting year
Achieved

Please explain
The plan is to reach the reduction target with the use of aerators in the buildings Bank operates. Although different brands of products are used, average aerator provides between 60% and 70% water saving depending on the faucet it is attached to. The aim was to install the aerators to all our branches within the scope of ISO14001 until the end of 2022. Water aerators in all locations have been installed by the end of 2022 and the project is completed.

Target reference number
Target 2

Category of target
Water, Sanitation and Hygiene (WASH) services

Target coverage
Company-wide (direct operations only)

Quantitative metric
Increase in the proportion of employees using safely managed sanitation services, including a hand-washing facility with soap and water

Year target was set
2022

Base year
2021

Base year figure
0

Target year
2026

Target year figure
1114

Reporting year figure
30

% of target achieved relative to base year
2.69299820466786

Target status in reporting year
Underway

Please explain
WASH services that are available for all employees are essential for İşbank. That is why, in all facilities, the provision of fully-functioning, safely managed WASH services to all employees is of high priority. Supporting this strategy, as İşbank we are in the aim of providing a continuous remote monitoring system that will cover all facilities and will follow the relevant water metrics to ensure the increase in the proportion of employees using safely managed sanitation services. To do so, as a new target; Construction and Real Estate Management Division has decided to build up a system that provides instant and remote monitoring system to detect the damages in advance that may arise from potential accidents, water related risks and possible plumbing failures related to water. For the target, the metric is counted through adopting the unit "number of facilities with system installed. per year"
The instant, remote monitoring system has been set up not at all locations yet but will cover in the following years. Our target is to increase in the number of remotely monitored facilities. The system enables to foresee the infrastructural future risks and possible accidents in the plumbing/collection/sewage systems of the buildings and by determining them; it enables to prevent those beforehand. The Platform is designed to record the results of all facilities of İşbank including the branches. Currently 30 of our locations have been installed with the system and by the end of 2023, the full coverage will be achieved with 1114 locations installed.

Target reference number
Target 3

Category of target
Water pollution

Target coverage
Company-wide (direct operations only)

Quantitative metric
Increase in investment related to reducing water pollution

Year target was set
2022

Base year
2021

Base year figure
0

Target year
2023

Target year figure
150000

Reporting year figure
111000

% of target achieved relative to base year
74

Target status in reporting year
Underway

Please explain
Biological treatment systems have been installed at our Head Office and TUTOM Buildings. The treatment system is located at the buildings' sewage systems' discharge point - where our wastewater meets with the municipal sewage system - and provides a separation of oil from the domestic wastewater with the help of a specific bacteria. Such separation results in reducing the pollutant concentration of the Bank's wastewater and the results are monitored and recorded for both of the locations regularly. Regarding the aim of reducing the pollution concentration of our wastewater we have decided to increase the amount of investments in this field. For the year 2022, the treatment units in mentioned buildings costed TRY 111 thousand and we aim to increase this value to TRY 150 thousand by planning to install additional units that will increase the treatment efficiency in 2023.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?
Yes

W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	Water withdrawal and discharge data alongside rainwater usage is verified	ISAE 3000	Independent limited assurance was provided by KPMG in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised). Construction & Real Estate Management Division of İşbank regularly monitors and records water data of the Bank in line with ISO14001 Environmental Management System standards. https://www.isbank.com.tr/contentmanagement/IsbankSurdurulebilirlikEN/pdf/2022IntegratedReport.pdf Please refer to pp. 455-457 of our 2022 Annual Integrated Report
W1 Current state	Total Water Consumption	ISAE 3000	Independent limited assurance was provided by KPMG in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised). Construction & Real Estate Management Division of İşbank regularly monitors and records water data of the Bank in line with ISO14001 Environmental Management System standards. https://www.isbank.com.tr/contentmanagement/IsbankSurdurulebilirlikEN/pdf/2022IntegratedReport.pdf Please refer to pp. 455-457 of our 2022 Annual Integrated Report
W1 Current state	Amount of recycled water	ISAE 3000	Independent limited assurance was provided by KPMG in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised). Construction & Real Estate Management Division of İşbank regularly monitors and records water data of the Bank in line with ISO14001 Environmental Management System standards. https://www.isbank.com.tr/contentmanagement/IsbankSurdurulebilirlikEN/pdf/2022IntegratedReport.pdf Please refer to pp. 455-457 of our 2022 Annual Integrated Report

W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

	Plastics mapping	Value chain stage	Please explain
Row 1	Not mapped – but we plan to within the next two years	<Not Applicable>	

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

	Impact assessment	Value chain stage	Please explain
Row 1	Not assessed – but we plan to within the next two years	<Not Applicable>	

W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

	Risk exposure	Value chain stage	Type of risk	Please explain
Row 1	Not assessed – but we plan to within the next two years	<Not Applicable>	<Not Applicable>	

W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

	Targets in place	Target type	Target metric	Please explain
Row 1	No – but we plan to within the next two years	<Not Applicable>	<Not Applicable>	

W10.5

(W10.5) Indicate whether your organization engages in the following activities.

	Activity applies	Comment
Production of plastic polymers	No	
Production of durable plastic components	No	
Production / commercialization of durable plastic goods (including mixed materials)	No	
Production / commercialization of plastic packaging	No	
Production of goods packaged in plastics	No	
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	No	

W11. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Chief Financial Officer & Chief Sustainability Officer of İşbank, Sustainability Leader	Chief Financial Officer (CFO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Yes, CDP may share our Main User contact details with the Pacific Institute

Please confirm below

I have read and accept the applicable Terms