

STATEMENT OF COMPLIANCE WITH SUSTAINABILITY PRINCIPLES

Environmental, Social and Governance (ESG) Policies and guidelines describing the Company's approach to sustainability have been established based on the Board of Directors decision and made available for the information of all stakeholders via the Company website. The Company's ESG issues, risks, opportunities and targets have been set out in respective policies and publicly disclosed.

The Corporate Governance Committee has been designated as the highest body responsible for ESG matters at the Company, and it oversees the implementation of sustainability policies. The Investor Relations and Sustainability Department, on the other hand, is responsible for the internal coordination of sustainability efforts and activities. The Company's 2023 activities within the frame of ESG policies have been presented to the Board of Directors in a report drawn up by the Corporate Governance Committee as stipulated in the Committee's terms of reference. The Company presented intelligible, accurate and adequate information regarding the sustainability performance, goals and actions in its 2023 Annual Report.

From out of optional sustainability principles, the Company achieves partial compliance with the principles numbered B13, B14, B15, B20, C1.9, D1, D2; however, the Company does not comply with the principles no. A2.3, and B4.

"Sustainability Report" describing the Company's compliance status with optional sustainability principles is publicly disclosed via the Public Disclosure Platform – PDP (www.kap.org.tr). The said report provides detailed explanations about the principles that the Company achieves partial and no compliance with in the "Sustainability Principles Compliance Framework".

The "Sustainability Report" and "Sustainability Principles Compliance Framework" for 2023 are made available for the information of shareholders and all stakeholders in the Annual Report and under the "Corporate/Sustainability" tab on the Company website.



KAMUYU AYDINLATMA PLATFORMU

İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. Sustainability Compliance Report 2023 - Annual Notification

Summary

Sustainability Compliance Report

Related Companies

Related Funds

	Company Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	Not Applicable		
Sustainability Compliance Report						
A. GENERAL PRINCIPLES						
A1. Strategy, Policy and Goals						
A1.1. The prioritised environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the Company's Board of Directors.	X				The Company's material ESG issues, risks and opportunities have been set out specifically in the "Sustainability Policies" and Environmental and Social Impact Policy" approved by the Board of Directors and publicly disclosed, and in other guidelines that are made public.	https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/
A1.1. The ESG policies (Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been created and disclosed to the public by the Company's Board of Directors.	X				The Company has in place a Sustainability Policy, Environmental and Social Impact Policy, Human Rights and Human Resources Policy, Anti-Bribery Policy, Gifts and Entertainment Policy, Supplier Management Principles, Gender Equality Policy, Occupational Health and Safety Policy, and Customer Satisfaction Policy, which have been approved by the Board of Directors decision and publicly disclosed.	https://www.isgyo.com.tr/corporate/sustainability/
A1.2. The short and long-term targets set within the scope of ESG policies have been disclosed to the public.	X				The Company's ESG targets have been set out under the related Policies and publicly disclosed.	https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/
A2. Implementation/Monitoring						
A2.1. The responsible committees and/or business units for the implementation of ESG policies and the senior officials related to ESG issues in the Company and their duties have been identified and disclosed to the public.	X				The Corporate Governance Committee has been designated as the highest body responsible for ESG matters at the Company, and it oversees the implementation of sustainability policies. The Investor Relations and Sustainability Department, on the other hand, is responsible for the internal coordination of sustainability efforts and activities. This point has been announced by way of a PDP (Public Disclosure Platform) disclosure.	https://www.kap.org.tr/tr/Bildirim/1074632
A2.1. The activities carried out within the scope of policies by the responsible committee and/or unit have been reported to the Board of Directors at least once a year.	X				The Corporate Governance Committee presented 2023 activities in a report it has drawn up to the Board of Directors.	https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/
	X				The Company developed implementation and	

A2.2. In line with the ESG targets, the implementation and action plans have been formed and disclosed to the public.				action plans in line with ESG targets and publicly disclosed the same.	https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/
A2.3. The Key ESG Performance Indicators (KPI) and the level of reaching these indicators have been disclosed to the public on yearly basis.			X	Determination of ESG key performance indicators will be considered in the future.	
A2.4. The activities for improving the sustainability performance of the business processes or products and services have been disclosed to the public.	X			The Company publicly disclosed its efforts for improving its sustainability performance associated with its business processes or products and services.	https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/
A3. Reporting					
A3.1. The information about the sustainability performance, targets and actions have been given in annual reports of the Company an understandable, accurate and sufficient manner.	X			The Company provided intelligible, accurate and adequate information regarding its sustainability performance, goals and actions in its 2023 Annual Report.	https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/
A3.2. The information about activities which are related to the United Nations (UN) 2030 Sustainable Development Goals have been disclosed to the public.	X			With the activities it undertakes, the Company supports the following UN 2030 Sustainable Development Goals: Good Health and Well-Being; Gender Equality; Clean Water and Sanitation; Affordable and Clean Energy; Decent Work and Economic Growth, Sustainable Cities and Communities, Responsible Production and Consumption; Climate Action; Peace, Justice and Strong Institutions.	https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/
A3.3. The lawsuits filed and/or concluded against the Company about ESG issues which are material in terms of ESG policies and/or will significantly affect the Company's activities, have been disclosed to the public.			X	There are no lawsuits in relation to ESG matters which are filed or concluded against the Company, or are material with respect to ESG policies or may have a material impact on operations.	https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/
A4. Verification					
A4.1. The Company's Key ESG Performance metrics have been verified by an independent third party and publicly disclosed.			X	Verification service is not applicable since the Company's ESG Key Performance criteria have not been determined yet.	
B. ENVIRONMENTAL PRINCIPLES					
B1. The policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs have been disclosed.	X			Adhering to the principles set out in the "Environmental and Social Impacts Policy" and acting in an environmentally-sensitive manner in the conduct of its activities, the Company aims to achieve improvement in energy and water efficiency, GHG emissions, waste generation and recycling under the said Policy, and disclosed its existing and planned implementations in this respect.	https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/
B2. The environmental reports prepared to provide information on environmental management have been disclosed to the public which is including the scope, reporting period, reporting date and limitations about the reporting conditions.	X			These matters have been disclosed in the "GHG Report" for the period 1 January – 31 December 2023, and posted on the Company website.	https://www.isgyo.com.tr/corporate/sustainability/
B4. The environmental targets within the scope of performance incentive systems which included in the rewarding criteria have been disclosed to the public on the basis of stakeholders (such as members of the Board of Directors, managers and employees).			X	Environmental targets are not included in rewarding criteria under the performance incentive systems.	

<p>B5. How the prioritised environmental issues have been integrated into business objectives and strategies has been disclosed.</p>	<p>X</p>		<p>The Company reviews its business targets within the frame of the “Environmental and Social Impacts Policy” principles and environmental issues prioritized accordingly, and takes into account these matters when devising its investment strategies.</p>	<p>https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/</p>
<p>B7. The way of how environmental issues has been managed and integrated into business objectives and strategies throughout the Company's value chain, including the operational process, suppliers and customers has been disclosed.</p>	<p>X</p>		<p>Targeting to develop environment-friendly, sustainable projects that focus on customer satisfaction within the frame of its publicly disclosed strategic goals, the Company has developed the “Customer Satisfaction Policy” and “Supplier Management Principles” in relation to its customers and suppliers that make two of the most important stakeholders of its value chain based on the Board of Directors decision when developing its ESG policies, and made them available for the information of all stakeholders on its Company website. If/ when deemed necessary, the Company will carry out initiatives to raise further awareness of environmental and social issues of its customers and suppliers, and thus make sure its customers and suppliers are involved in the Company's Environmental and Social Impacts Policy.</p>	<p>https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/</p>
<p>B8. Whether the Company have been involved to environmental related organizations and non-governmental organizations' policy making processes and collaborations with these organizations has been disclosed.</p>	<p>X</p>		<p>In the reporting period, the Company was not involved in environment-related policy making processes of concerned organizations and NGOs engaged in environmental issues.</p>	<p>https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/</p>
<p>B9. In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts)), information on environmental impacts is periodically disclosed to the public in a comparable manner.</p>	<p>X</p>		<p>The Company is aware of the impacts of climate change on our daily lives, takes responsibility in this respect, and reports its GHG inventory. 2023 GHG Report commissioned in this scope has been publicly disclosed, and presents GHG emissions in comparison with previous periods.</p>	<p>https://www.isgyo.com.tr/corporate/sustainability/</p>
<p>B10. Details of the standard, protocol, methodology, and baseline year used to collect and calculate data has been disclosed.</p>	<p>X</p>		<p>2023 GHG Report incorporates such information as the standard, protocol, methodology and so on employed for collecting and calculating data. The report has been publicly disclosed.</p>	<p>https://www.isgyo.com.tr/corporate/sustainability/</p>
<p>B11. The increase or decrease in Company's environmental indicators as of the reporting year has been comparatively disclosed with previous years.</p>	<p>X</p>		<p>Environmental indicators have been disclosed comparatively for the years 2022 and 2023.</p>	<p>https://www.isgyo.com.tr/corporate/sustainability/</p>
<p>B12. The short and long-term targets for reducing the environmental impacts have been determined and the progress compared to previous years' targets has been disclosed.</p>	<p>X</p>		<p>The Company has set its short- and long-term goals under the main targets defined in its policies to mitigate its environmental impact.</p>	<p>https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/</p>

B13. A strategy to combat the climate crisis has been created and the planned actions have been publicly disclosed.	X			Work is being carried out to include the risk of climate crisis in the Company Risk Policy adopted by the Board of Directors and to define it in the Company Risk Catalog.	https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/
B14. The programs/procedures to prevent or minimize the potential negative impact of products and/or services on the environment have been established and disclosed.	X			The Company has publicly disclosed the fundamental practices put in place or planned to avoid or minimize the potential negative effects of its property portfolio on the environment.	https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/
B14. The actions to reduce greenhouse gas emissions of third parties (suppliers, subcontractors, dealers, etc.) have been carried out and disclosed.	X			The Company contributes to reduction of GHG emissions of its suppliers and customers that it services by way of its properties and its implementations for carbon footprint reduction and securing energy and water efficiency on the back of green building certification processes for its existing properties and those under development .	https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/
B15. The environmental benefits/gains and cost savings of initiatives/projects that aims reducing environmental impacts have been disclosed.	X			The Company publicly disclosed environmental benefits/gains and cost savings secured by the equipment used within the scope of IT employed for environmental impact mitigation purposes.	https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/
B16. The data related to energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) has been disclosed as Scope-1 and Scope-2.	X			Energy consumption data have been disclosed within the GHG Report.	https://www.isgyo.com.tr/corporate/sustainability/
B17. The information related to production of electricity, heat, steam and cooling as of the reporting year has been disclosed.			X	There was no such generation during the reporting period.	
B18. The studies related to increase the use of renewable energy and transition to zero/low carbon electricity have been conducted and disclosed.	X			The company has been receiving I-REC certification since 2021 within the scope of increasing the use of renewable energy and contributing to the transition to zero or low-carbon electricity, and has received I-REC certification in 2023 for the electricity consumption of the Company Headquarters.	https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/
B19. The renewable energy production and usage data has been publicly disclosed.	X			The Company's I-REC-certified green electricity consumption figures at the Head Office is 3,765.51 in 2023.	https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/
B20. The Company conducted projects about energy efficiency and the amount of reduction on energy consumption and emission achieved through these projects have been disclosed.	X			The Company takes care to use environment-friendly energy consuming systems for increased energy efficiency, and plans buildings with maximum energy efficiency by utilizing heat insulation systems that classify energy needs and consumption of buildings , and reduce GHG emission levels.	https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/
B21. The water consumption, the amount, procedures and sources of recycled and discharged water from underground or above ground (if any), have been disclosed.	X			The Company's total water consumption in 2023 was 33,846.42 cubic meters and it was disclosed in the GHG Report. The Company uses the mains water supplied by local administrations for its	https://www.isgyo.com.tr/corporate/sustainability/

				water consumption. Water waste is discharged into treatment facilities and similar infrastructures as defined by local administrations.	
B22. The information related to whether Company's operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).			X	The Company is not included in any carbon pricing system by reason of its operations or activities.	
B23. The information related to accumulated or purchased carbon credits within the reporting period has been disclosed.			X	No carbon credits were saved or purchased in the reporting period.	
B24. If carbon pricing is applied within the Company, the details have been disclosed.			X	The Company does not implement carbon pricing.	
B25. The platforms where the Company discloses its environmental information have been disclosed.	X			The Company discloses its environmental data in the Annual Reports and under the "Corporate/ Sustainability" tab on its Company website. Additionally, in the case of EIA report or similar applications for the projects developed, the related reports are publicly disclosed by the relevant regulatory authorities.	https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/
C. SOCIAL PRINCIPLES					
C1. Human Rights and Employee Rights					
C1.1. The Institutional Human Rights and Employee Rights Policy has been established in the ligh of the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other relevant legislation. The policy and the officals that responsible for the implementation of it have been determined and disclosed.	X			The Company has devised its "Human Rights and Human Resources Policy" that incorporates the Universal Declaration of Human Rights, the International Labor Organization (ILO) covenants that Türkiye ratified, and other applicable legislation, which was approved by the Board of Directors, and the Assistant General Manager to whom the HR function reports is responsible for the implementation of the said Policy. The Human Rights and Human Resources Policy and the people in charge of them are made available for the information of all stakeholders on the Company website.	https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/
C1.2. Considering the effects of supply and value chain, fair workforce, improvement of labor standards, women's employment and inclusion issues (gender, race , religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc., such as non-discrimination) are included in its policy on employee rights.	X			The Human Rights and Human Resources Policy covers various principles including non-discrimination between employees on any basis including race, religion, language, sect or any faith, gender, age, cultural or social class; respecting human rights, ensuring equal opportunities in all kinds of HR management processes, protecting employees from internal physical, mental and/or emotional abuse, implementation of a fair and competitive remuneration policy, establishment of necessary mechanisms for employee feedbacks and complaints; and the importance attached to training, development	https://www.isgyo.com.tr/corporate/sustainability/

			and talent management, as well as occupational health and safety.	
C1.3. The measures taken for the minority rights/equality of opportunity or the ones who are sensitive about certain economic, environmental, social factors (low income groups, women, etc.) along the supply chain have been disclosed.	X		Looking out for certain economically, environmentally and socially-vulnerable segments, the Company aims to include all segments of the society in business life with the aim of a fair, egalitarian and modern working environment; and adheres to the principle of “equal pay for equal work” without discriminating on the basis of race, religion, language, gender, disability, etc. The Company offers equal opportunities for increasing employment of economically, environmentally and socially-vulnerable segments through various implementations such as supporting the engagement of employees with disabilities, provision of equal promotion opportunities to women employees, etc	https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/
C1.4. The developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced and child labor have been disclosed.	X		Adhering to the principle of respecting human rights and employee rights in its operations, the Company takes necessary measures against any indecent violation of rights. Forced labor, child labor, hazardous labor, etc. are out of the question at İş REIC. The Company employs people above the age of 18 and the said age limit is also incorporated in the Company’s internal guidelines as a criterion for hiring. Suppliers are also expected to act accordingly pursuant to the Company’s Human Rights and Human Resources Policy.	https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/
C1.5. Investments in employees (education, development policies), compensation, fringe benefits, right to unionize, work/life balance solutions and talent management are included in the employee rights policy.	X		Fringe benefits and/or rights the Company provides to employees are determined in internal regulations; employees are familiar with salary and fringe benefits management. The Company’s Compensation Policy is publicly disclosed and can be accessed on the Company website, under the “Investor Relations/ Corporate Governance/ Policies” tab.	https://www.isgyo.com.tr/corporate/sustainability/
C1.5. The mechanism for employee complaints and resolution of disputes have been established and related solution processes have been determined.	X		The Company employs open, transparent and cordial communication channels for employees to convey their opinions, suggestions, complaints and feedbacks, and mechanisms for resolution of conflicts. Conflict resolution processes are addressed in the Company’s implementations and	https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/

				employees have been informed on the same.	
C1.5. The activities carried out within the reporting period which related to ensure employee satisfaction have been disclosed.	X			The Company aims to maintain long- lived cooperation with employees and strives to ensure employee satisfaction. The Company organizes annual motivational events intended for the participation of all employees, prior to which employees' opinions are sought. During the 2023 reporting period, the Company organized events for employees such as breakfast organization, New Year's dinner, service commemoration ceremony, birthday celebrations and waffle day. Pursuing employees' work-life balance, the Company makes its employees feel that it stands by them at all times with the employee support service offered to all employees, and fringe benefits and supports provided for special occasions such as childbirth, marriage and special days. In addition, employees completing certain tenures with the Company receive a memento of service. Supporting a proactive and innovative perspective in the management of human resources and considering employee satisfaction, the Company implemented the "Hybrid Working Model", including the remote working model, during the year. A survey was conducted to measure employee loyalty within the 2023 reporting period in order for employees to evaluate the Company in terms of corporate culture and values, management practices, communication environment and similar areas, as well as to identify strong areas of Company policies and practices that are open to improvement.	https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/
C1.6. The occupational health and safety policies have been established and disclosed.	X			The Company established its "Occupational Health and Safety Policy" which has been made available for the information of all stakeholders.	https://www.isgyo.com.tr/corporate/sustainability/
C1.6. The measures taken for protecting health, preventing occupational accidents and related statistics have been disclosed.	X			The Company discloses the mentioned data in the Annual Reports and Sustainability Principles Compliance Framework.	https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/
C1.7. The personal data protection and data security policies have been established and disclosed.	X			The Company established its Personal Data Protection and Privacy Policy.	https://www.isgyo.com.tr/corporate/protection-of-personal-data/
C1.8. The ethics policy have been established and disclosed.	X			The Company established and disclosed its Code of Ethics.	https://www.isgyo.com.tr/investor-relations/corporate-governance/code-of-ethics/

C1.9. The studies related to social investment, social responsibility, financial inclusivity and access to finance have been explained.	X		The Company monitors the supply of products/ services from women entrepreneurs, and the contents of the gifts given to Company employees on special days throughout the year were created by giving priority to the products produced and/or supplied by women entrepreneurs.	https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/
C1.10. The informative meetings and training programs related to ESG policies and practices have been organized for employees.	X		Briefing meetings and training programs for employees are organized for raising increased awareness of sustainability and its significance. In this context, Sustainability Training, Gender Equality Training and Anti-Bribery and Anti-Corruption Training were provided to employees during the year in order to increase their awareness of sustainability.	https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/
C2. Stakeholders, International Standards and Initiatives				
C2.1. The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed.	X		The Company established its "Customer Satisfaction Policy" for customer complaints handling and resolution, and made it available for the information of all stakeholders on the Company website.	https://www.isgyo.com.tr/corporate/sustainability/
C2.2. The information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed.	X		The Company takes care to effectively maintain its communication with all stakeholders that are directly or indirectly affected by its activities in keeping with accountability and transparency concepts. The Company's main stakeholders that it is in contact with include employees, customers, suppliers and shareholders; the manner in which communication with these stakeholders is maintained has been publicly disclosed.	https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/
C2.3. The international reporting standards that adopted in reporting have been explained.		X	There is not an international reporting standard that the Company espoused in relation to sustainability.	
C2.4. The principles adopted regarding sustainability, the signatory or member international organizations, committees and principles have been disclosed.	X		The company has become a signatory of the United Nations Women's Empowerment Principles (WEPEs) in order to contribute to increasing studies and awareness on gender equality as of the reporting period.	https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/
C2.5. The improvements have been made and studies have been carried out in order to be included in the Borsa Istanbul sustainability indices and/or international index providers.	X		Aiming to improve its performance in ESG issues and sustainability, the Company started the necessary work within the year in line with its goal of being included in the Sustainability Index of Borsa Istanbul, and it is aimed to be included in the said index in 2024.	https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/
D. CORPORATE GOVERNANCE PRINCIPLES				
			The structure of the "Sustainability Working Group" set up for effective and inclusive	

<p>D1. The opinions of stakeholders have been sought in the determination of measures and strategies related to sustainability field.</p>		X	<p>execution of sustainability activities that represents customers and suppliers, e.g. other important stakeholders of the Company, as well as employees allows being informed about the stakeholders' opinions about the sustainability issues being discussed, and hence, stakeholders' opinions are taken into consideration in determining the sustainability measures and strategies. Furthermore, the Company pays regard to the rights and interests of customers, suppliers or business partners and the public interest when adopting medium- and long-term strategies, as set out also in its Sustainability Policy.</p>	<p>https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/</p>
<p>D2. The social responsibility projects, awareness activities and trainings have been carried out to raise awareness about sustainability and its importance.</p>		X	<p>Briefing meetings and training programs for employees are organized for raising increased awareness of sustainability and its significance. In this context, Sustainability Training, Gender Equality Training and Anti-Bribery and Anti-Corruption Training were provided to employees during the year in order to increase their awareness of sustainability.</p>	<p>https://www.isgyo.com.tr/investor-relations/financial-data/annual-reports/ https://www.isgyo.com.tr/corporate/sustainability/</p>

SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK

A. GENERAL PRINCIPLES

The Company's priority Environmental, Social and Governance (ESG) issues, risks and opportunities are determined particularly in the "Sustainability Policy" and "Environmental and Social Impacts Policy" that have been approved by the Board of Directors and publicly disclosed, and in other applicable and publicly disclosed guidelines. The risks associated with these issues are regularly monitored and analyzed by the Committee for Early Detection of Risk. Furthermore, ESG processes and associated risks are assessed as part of the Company's risk management, internal control and audit activities.

ESG factors make the focal point of the Company's activities; combating climate change, employee and customer satisfaction, supplier relationship management, occupational health and safety, stakeholder communication, gender equality, compliance with the code of conduct and transparent corporate governance practices and so on take to the forefront. ESG policies and related guidelines that represent the Company's approach to sustainability are provided below:

- Sustainability Policy
- Environmental and Social Impact Policy
- Human Rights and Human Resources Policy
- Anti-Bribery and Anti-Corruption Policy
- Gifts and Entertainment Policy
- Supplier Management Principles
- Gender Equality Policy
- Occupational Health and Safety Policy
- Customer Satisfaction Policy

The said guidelines have been established based on Board of Directors decisions and made available for the information of all stakeholders via the Company website. The guidelines can be found on the Company website, under the tab Corporate/Sustainability/ Policies. The Company's ESG targets are determined within the scope of relevant policies and disclosed publicly.

The Corporate Governance Committee has been designated as the highest body responsible for ESG matters at the Company, and it oversees the implementation of sustainability policies. The Investor Relations and Sustainability Department, on the other hand, is responsible for the internal coordination of sustainability efforts and activities.

The Corporate Governance Committee is formed of four Board members two of whom are independent members, and the Assistant General Manager responsible for Investor Relations and Sustainability function; the Committee's terms of reference were updated to incorporate environmental, social and governance management and sustainability practices. The afore mentioned have been made available to all stakeholders via the PDP and Company websites.

A "Sustainability Working Group" was set up which is led by the Assistant General Manager to whom Investor Relations and Sustainability Department reports and in which the Company's all key functions are represented for ensuring effective and inclusive execution of the Company's sustainability efforts.

Activities carried out under the Company's ESG policies are reported at least annually to the Board of Directors, as stated also in the terms of reference of the Corporate Governance Committee. The Corporate Governance Committee presented its 2023 activities in its report to the Board of Directors.

The Company has created implementation and action plans for the ESG targets it has set. Basic steps implemented or planned for preventing or minimizing potential negative impact of the Company's property portfolio on the environment are described in the "Environmental Principles" section, and its plans concerning other matters in the "Social Principles" section. Determination of ESG key performance indicators will be considered in the future.

The Company conducts activities for improving its sustainability performance associated with its business processes and products and services. The practices implemented within the scope of preventing or minimizing the potential negative impact of the Company's real estate portfolio on the environment are included in the "Environmental Principles" section, and human resources practices are included in the "Social Principles" section.

The Company presented intelligible, accurate and adequate information regarding the sustainability performance, goals and actions in its 2023 Annual Report and under the "Corporate/Sustainability" tab on its Company website.

With the activities it undertakes, the Company supports the UN 2030 Sustainable Development Goals (SDGs). The SDGs that are associated with the Company activities are addressed in the "Environmental Principles" and "Social Principles" sections.

There are no lawsuits in relation to ESG matters which are filed or concluded against the Company, or are material with respect to ESG policies or may have a material impact on operations.

Verification service is not applicable since the Company's ESG Key Performance criteria are not yet determined.

B. ENVIRONMENTAL PRINCIPLES

Adhering to the principles set out in the "Environmental and Social Impacts Policy" and acting in an environmentally sensitive manner in the conduct of its activities, the Company aims to achieve improvement in energy and water efficiency, GHG emissions, waste generation and recycling under the said Policy, and disclosed its existing and planned actions in this respect.

In keeping with these goals and implementations, actions that can be taken in the short- and long-term both for the existing properties in the Company's portfolio and for projects that are being or will be developed by the Company are evaluated with respect to their qualifications for each property and project, and are implemented in view of the fitness of the property or development phases of projects.

Described below are the basic steps taken or planned for preventing or minimizing the potential negative environmental impact of the property portfolio of the Company that pursues activities in a manner to support the UN SDGs titled "Sustainable Cities and Communities", "Responsible Consumption and Production", "Clean Water and Sanitation" and "Climate Action".

- Care is taken to align the properties in the portfolio with the criteria of worldwide-accepted green building certifications such as LEED and BREEAM, and necessary work is undertaken accordingly on the basis of each property. LEED-EBOM process for İş Kuleleri Tower 2, where the Company Headquarters is located, is ongoing and the process is expected to be completed in 2024.
- The Company aims to qualify for International Renewable Energy Certificate (I-REC) and eco-energy labelling for its electricity consumption at the Company Head Office for offsetting or minimizing its carbon footprint.
- Zero Waste Certificate has been obtained for Kule Çarşı Shopping Mall in the İş Towers Complex (Tower 2, Tower 3 and Kule Çarşı Shopping Mall), where the Company Headquarters is located, and the Zero Waste Management process for Tower 2 and Tower 3 is ongoing.
- For energy efficiency purposes, HVAC system in properties are set at a specific temperature from the central automation system, thus precluding unnecessary energy consumption due to overheating or overcooling of buildings.
- For instance, central automation system is employed in the İş Towers Complex (Tower 2, Tower 3 and Tower Shopping Mall), Tuzla Technology and Operations Center (TUTOM), Ege Perla Shopping Mall and Ankara İş Tower.

- The water collected by the rainwater harvesting system is used across the İş Towers Complex and for irrigation of green areas in TUTOM.
- Necessary work is in progress for the target of gradually replacing the common area lighting in the properties in the portfolio with LED fixtures for energy efficiency purposes. Implementations securing energy efficiency are targeted to be spread across the entire portfolio.
- Project design discussions are held for solar power generation for self-consumption at each property within the scope of renewable energy generation.

Below are examples of the Company's actions for assessing the environmental impact of the projects that are being developed.

- The Company obtains energy identification document for ensuring energy efficiency in the projects that are being developed and pursues reduced energy consumption.

An energy identification document has been obtained for each Project developed since 2011 for measurement and documentation of energy consumption in an effort to ensure efficient energy consumption. With respect to planned projects, the Company designs buildings with maximum energy efficiency by utilizing heat insulation systems that classify energy needs and consumption of buildings, and reduce GHG emission levels for the purposes of reducing wasted energy and preserving the nature, correct and beneficial use of energy and energy resources.

The following measures are taken to reduce electricity consumption in developed projects:

- Equipment and devices in A energy class are envisaged to be used.
- Care is taken to select energy-saving LED bulbs for lighting and solar- powered luminaires for outdoor lighting.
- Care is taken to use energy-saving EC-class motors in HVAC equipment.
- Lighting automation and movement sensors are installed in buildings to contribute to reduced electricity consumption and preclude unnecessary lighting.

In addition;

- Green building certification is targeted to be obtained in projects under development to devise and spread environmentally-sensitive design, implementation and operation standards.
- Importance is attached to systems that ensure environment-friendly energy consumption for increasing energy efficiency and reducing air pollution and carbon emissions. Accordingly, care is taken to using photovoltaic systems, a renewable energy source, for common area energy consumption. For instance, photovoltaic panels were used in Manzara Adalar Project. Project studies are being carried out to use photovoltaic systems in the Ömerli, Balmumcu and Tuzla projects that the Company will develop.
- Care is taken to allocate indoor and outdoor spaces for as many electric vehicles and bicycles as possible, and specific access is provided in related spots in the project to encourage the residents of the project to use mass transportation.
- Care is taken to keep driving routes under the ground and to increase green spaces depending on the size of the projects. Çınarlı Bahçe Project developed in Tuzla has such a design, and a similar course is followed for Litus İstanbul Residential Project in development phase.
- EV charging stations are included in projects for reducing carbon emissions. For instance, such stations are included in the İstanbul Financial Center Project and Litus İstanbul Residential Project that are in development phase. It is also planned to include vehicle charging stations in Ömerli, Tuzla and Balmumcu projects.
- Rainwater harvesting system is employed in projects in development phase. Additionally, care is taken to using greywater treatment system that contribute significantly to environmental protection by reducing unnecessary depletion of natural water resources, and also supports reducing wastewater generation and mains water consumption. For instance, both systems were used in Litus İstanbul Residential Project. Thus, treated greywater and rainwater are used for garden irrigation and/or flush tanks.

- Care is taken to using oil-water separator systems in projects to prevent water pollution. For instance, these systems were used in the Manzara Adalar Project and İstanbul Residential Project that were developed.
- Attention is paid to selecting locally-sourced and natural and/ or recyclable materials and care is taken to procure the materials from points of extraction/purchase that are near the project site.
- Drought-resistant plants that require minimum watering are included in projects' landscaping; the ecosystem is supported by choosing species that break solar radiation and develop the green texture quickly, and whose leaves, flowers and seeds can be used. Rooftop gardens are created to minimize environmental impact.
- Solutions for reducing water consumption are preferred in the projects for conserving water resources, and increasing and improving the use of these solutions are promoted.
- It is aimed to help conserve water resources by adding technologies that reduce water consumption such as water efficiency, wastewater treatment, water recycling and reuse technologies, and additionally, developing projects that embody these technologies.
- Attention is paid to engaging management companies that adopt technologies and methods that reduce wastewater ratio by reducing pollution and increase the safety of recycling.
- The Company reviews its business goals within the frame of "Environmental and Social Impacts Policy" principles and of environmental matters prioritized accordingly, and pays regard also to these points when formulating its investment strategies.

Targeting to develop environment friendly, sustainable projects that focus on customer satisfaction within the frame of its publicly disclosed strategic goals, the Company has developed the "Customer Satisfaction Policy" and "Supplier Management Principles" in relation to its customers and suppliers that make two of the most important stakeholders of its value chain based on the Board of Directors decision, and made them available for the information of all stakeholders on its Company website.

If/when deemed necessary, the Company will carry out initiatives to raise further awareness of environmental and social issues of its customers and suppliers, and thus make sure its customers and suppliers are involved in the Company's Environmental and Social Impacts Policy.

Achieving alignment with the criteria of globally-recognized green building certifications such as LEED, BREEAM takes place among the Company's existing targets. The Company devised a strategy for obtaining LEED certification during the development phase of its future property projects and in renovations of its existing properties or within the scope of additional investments. During the execution of these certification processes, carbon footprint reduction, ensuring water and energy efficiency, waste management and recycling requirements are fulfilled.

The majority of the Company's property portfolio consist of properties that have received or applied for a certificate. In 2023 LEED Gold certification was obtained for IFM Project in line with the expected timeline.

Certified properties:

Tuzla Technology and Operation Center - LEED Gold

Tuzla Mixed-Use Project - LEED Gold

Manzara Adalar (Residential) - LEED Gold

Kanyon Shopping Mall - BREEAM Outstanding

IFM Project – LEED Gold

Work in relation to LEED certification for TUTOM, an important property in the Company's portfolio, is detailed under the "Corporate/Sustainability" tab on the Company website.

Properties for which approval process is in progress:

İş Towers Tower -2 - LEED - EBOM İş Towers Tower -3 - LEED - CS Ankara İş Tower - LEED - CS

About 53% of the Company's rentable portfolio consist of investments possessing green building certification. This ratio will close in on 80% if all properties for which application process is ongoing earn certification.

In addition, the Company aims to obtain LEED certification for the office part of the Litus Istanbul Project it is developing, as well as the Balmumcu Project and Tuzla Project.

İş REIC is aware of the impacts of climate change on our daily lives, takes responsibility in this respect, and reports its GHG inventory. Accordingly, 2023 GHG Report was posted under the "Corporate/Sustainability" tab on the Company website.

The said report's scope covered the Company Head Office, Kanyon Yön. İşl. Ve Paz. A.Ş. (Kanyon A.Ş.) owned by 50%, and Kanyon Shopping Mall managed by Kanyon A.Ş. and Office Lamartine, and the reporting scope, period, data, limitations and other information including the standard, protocol, methodology etc. employed in reporting are described within the GHG Report.

Covering the period from 1 January 2023 through 31 December 2023, the report includes energy and water consumption data and GHG emissions also for the years 2022 and 2023 and increases or decreases in these environmental indicators as compared to previous years are made available for the information of all stakeholders.

Total energy consumption of the Company from 2022 through 2023 covered in the report is shown in MWh and GJ units. The total energy consumption in 2023 is 5,842.55 MWh (21,033.24 GJ).

Total annual GHG emissions is 639,54 tCO₂e in 2023. Greenhouse gas emissions are highest in Scope 1 (61.24%) for the 2023. Scope 2 takes the second place (19.44%), while Scope 3 takes the third place (19.32%).

Scope 2 emissions calculation took into account I-REC renewable energy procurement certifications; I-REC certifications obtained in 2023 for the Company Head Office, Kanyon Shopping Mall and Kanyon A.Ş. certified that electricity consumption at these locations are totally supplied from renewables.

The Company's total water consumption in 2023 is 33,846.42 cubic meters. The Company uses the mains water supplied by local administrations for its water consumption. Wastewater is discharged into treatment facilities and similar infrastructures as defined by local administrations.

For water efficiency purposes, tap aerators in all common area washrooms at İş Towers Complex (Tower 2, Tower 3 and Tower Shopping Mall) were replaced with water-saving types. Solutions that serve to water efficiency are intended to be spread across the entire portfolio.

Maximum compliance with specifications, regulations, protocols and standards applicable in Türkiye and in the world is sought to be attained in projects in development phase and in existing properties. Accordingly, the aim is to conserve natural resources, establish structures and systems that support sustainability through reduced energy use and emissions, and create value for the end users of projects and for future generations.

The Company does not directly undertake the construction works in its development projects or existing properties, but procures the construction service from construction companies that operate within certain quality standards and are capable of satisfying the Company's expectations in relation to quality standards. When selecting these companies, the Company takes into account the service criteria that will ensure qualification as a "green building" and/or similar quality in development projects and properties subject to renovation. In addition, the Company oversees the interaction of the companies that will offer construction service with all the stakeholders that might be potentially impacted by the project or property with the aim of avoiding or minimizing potential environmental impacts of existing projects or those in development phase. Relationships with all suppliers and particularly with companies offering construction service are handled in accordance with the publicly disclosed "Supplier Management Principles" and "Code of Ethics".

The Company targets to develop projects that will be eligible for "Environmental Impact Assessment (EIA) Not Required" certificate. The Company gets EIA introductory files prepared for assessing the environmental impacts of its planned projects of a specific scale as per the "Environmental Impact Assessment (EIA) Regulation" of the Ministry of Environment, Urbanization and Climate Change. In the EIA introductory files, the Company

undertakes to abide by the applicable regulations in relation to the quantity of wastewater, solid waste, excavation waste, construction waste, packaging waste, hazardous waste, medical waste, gas waste generation quantity; waste batteries and accumulators, waste mineral oil, vegetable oil waste, exhaust emissions, noise generation quantity; environmental impacts of dust emissions from vegetal soil and excavation waste, and soil pollution, and the measures to be adopted therefor. Projects are evaluated by the related Ministry within this context, and projects, which are concluded to not have significant impacts upon the environment as a result of this assessment, receive an “Environmental Impact Assessment Not Required” certificate.

The Company also follows up the policies and regulations (e.g. ISO 14001) that management companies abide by within the framework of sustainability principles during the operation of the buildings in its portfolio, and encourages management companies to align themselves with new standards. Hence, the tenants in the properties serviced by management companies are prompted with regard to fundamental environmental issues such as carbon footprint reduction, and ensuring energy and water efficiency.

Major properties in the Company’s portfolio such as İş Towers Complex, TUTOM, Kanyon Shopping Mall and Marmara Park Shopping Mall are operated by management companies holding ISO 14001 certification, and related environmental management system standards are observed in matters such as energy and water management, waste management and so on. In this context, approximately 75% of the Company’s properties generating rental income are operated by management companies possessing ISO 14001 certification.

Zero Waste Certificate has been obtained for Kule Çarşısı in the Business Towers Complex (Tower 2, Tower 3 and Tower Shopping Mall), where the Company Headquarters is located, and the Zero Waste Management process for Tower 2 and Tower 3 continues. The total waste amount of the Company Headquarters for 2023 is 7.7 tons, and all of the total waste amount is sent for recycling. The rate of waste subject to recycling is 5%.

A zero waste management system was established in TUTOM, Kanyon Shopping Mall and Ege Perla Shopping Mall, which are within the scope of the "Zero Waste Regulation" among the immovable properties in the portfolio, and a "Zero Waste Certificate" was obtained within this scope.

As part of its long-term goals, the Company will consider obtaining a Zero Waste Certificate and ISO 14001 Certification for the Company Head Office in the coming period.

As stated in its Sustainability Policy approved by the Board of Directors and publicly disclosed, the Company assesses risks and opportunities within the scope of the combat against climate change, strives to minimize its impacts resulting from its operations, and determines the actions that need to be taken therefor. The Company attaches the necessary importance to combating climate change, and carries out work for inclusion of climate crisis risk within the Company Risk Policy approved by the Board of Directors, and for its description in the Company Risk Catalogue.

The Company spends efforts to regularly measure GHG emissions that act as the main cause of climate change and to conduct mitigation activities. The measures adopted for reducing carbon footprint, and the steps taken at the Head Office and existing properties and those under development have been defined together with the Company’s environmental targets. Furthermore, the target of obtaining green building certification for existing projects and those under development takes place among the actions for reduction of GHG emissions. The Company contributes to reduction of GHG emissions of its suppliers and customers that it services by way of its properties and its implementations for carbon footprint reduction and securing energy and water efficiency as well as green building certification processes. In 2022, the Company started reporting on environmental factors including carbon footprint, water and energy consumption, and publicly disclosed its practices and plans for reduction of those factors. The Company plans to continue measuring the said environmental indicators and to set and disclose numeric targets for the reduction of measurement results in the future. Currently, 40% of the vehicles in the Company's vehicle fleet are hybrid, and it is aimed to gradually replace the vehicles in the fleet with hybrid vehicles in the future. In addition, in order to reduce the environmental impacts that may occur due to personnel transportation, employees are offered the opportunity to benefit from the personnel shuttle, and the entire cost incurred by the employee due to this service is covered by the Company for incentive purposes. The company provides transportation support to employees who do not use personnel shuttles.

Supporting the UN SDG no. 7 “Affordable and Clean Energy”, the Company aims to qualify for I-REC and eco-energy labelling to help with increasing its renewable energy consumption and its transition to zero- or low-carbon electricity. I-REC certification is being obtained at the Company Head Office since 2021. In this framework, the

Company consumed 3,765.51 MWh of I-REC certified green electricity in 2023 at its Head Office. I-REC certification is intended to be obtained also in 2023 for the electricity consumed at the Company's Head Office.

Kanyon Shopping Mall and TUTOM, two of the Company's major properties that represent approximately 40% of the leasable portfolio in terms of value, also consume I-REC certified green electricity. In addition, some of the tenants in İş Towers Tower 2 & 3 also get I-REC certification.

The Company promotes environment- friendly technologies, and strives to minimize the harmful effects any IT equipment has on the environment throughout their lifecycles. The work undertaken in this respect is described below:

- The number of physical servers existing at the Company was decreased from 20 to 3 within the scope of virtualization initiatives, and the annual energy consumption was reduced from 172,800 KW/h to 45,360 KW/H.
- Conference rooms were set up in each construction site and sales office to enable online meetings instead of physical ones in view of the fact that the Company's construction sites and sales offices can be located in different places. Thus, 404 gram CO2 emission per kilometer was avoided, enabled by the elimination of vehicle use for transportation.
- Paper consumption was minimized thanks to "Incoming and Outgoing Invoices" and "Incoming Documents" processes developed within the scope of digital transformation.
- Card readers are used for printing out documents at the Company, which prevents unnecessary printing. Reduced quantity of print-outs and the Ysoft software on printers saved 2,616 liters of water, 405 KW/h of energy and 26KG CO2 in 2022.
- All scrap electrical devices are dispatched for being melted on condition of planting trees on behalf of the Company via TEMA Foundation (Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats), thus supporting the protection of land ecosystem.

The Company started taking steps to encourage its employees to delete large- capacity email that are not necessary to be kept on Outlook and online archives, with the aim of reducing the database disk dimension on its email server.

The said digital cleaning is intended to eradicate the need for replacing the data storage devices and to limit the Company's energy consumption. In addition, elimination of a new purchase will also contribute to offsetting the energy items spent for the production of the relevant device.

The Company has set its short- and long-term goals under the main targets defined in its policies to mitigate its environmental impact. The progress achieved in relation to the goals have been presented for the information of all stakeholders in this report.

The Company is not included in any carbon pricing system by reason of its operations or activities, and does not implement carbon pricing. Additionally, the Company is not currently using carbon credits; the Company firstly targets to reduce its direct and indirect emissions (Scope 1 and Scope 2) and carbon credit purchasing might be considered in the future.

The Company takes pains to follow-up the latest developments in Türkiye and in the world in contact and cooperation with various stakeholders, particularly NGOs, universities and public agencies. In the reporting period, the Company was not involved in environment-related policy making processes of concerned organizations and NGOs engaged in environmental issues, nor engaged in any cooperation with such organizations and agencies.

The Company discloses its environmental data in the Annual Reports and under the "Corporate/ Sustainability" tab on its Company website. Additionally, in the case of EIA report or similar applications for the projects developed, the related reports are publicly disclosed by the relevant regulatory authorities.

C. SOCIAL PRINCIPLES

The Company has devised its “Human Rights and Human Resources Policy” that incorporates the Universal Declaration of Human Rights, the International Labor Organization (ILO) covenants that Türkiye ratified, and other applicable legislation, which was approved by the Board of Directors, and the Assistant General Manager to whom the HR function reports is responsible for the implementation of the said Policy. The Human Rights and Human Resources Policy and the people in charge of them are made available for the information of all stakeholders on the Company website. The company carries out all its activities in compliance with the principles of the United Nations Global Compact.

The “Human Rights and Human Resources Policy” that is created in a complementary nature and an integral part of the Company’s Sustainability Policy are regularly reviewed by the Corporate Governance Committee in line with the necessities and the changes in operating conditions, and updated and revised as necessary upon the suggestion of the Committee, which are enforced following the approval of the Board of Directors. The Internal Systems Unit audits compliance with the provisions of the Human Rights and Human Resources Policy.

Erected on various principles including non-discrimination between employees on any basis including race, religion, language, sect or any faith, gender, age, cultural or social class; respecting human rights, ensuring equal opportunities in all HR management processes, protecting employees from internal physical, mental and/or emotional abuse, implementation of a fair and competitive remuneration policy, establishment of necessary mechanisms for employee feedbacks and complaints; and the importance attached to training, development and talent management, as well as occupational health and safety, the Human Rights and Human Resources Policy can be accessed on the Company website under the “Corporate/ Sustainability/Policies” tab. Suppliers from which the Company purchases goods or services are also anticipated to abide by the Policy principles in their business dealings.

Adhering to the said Policy principles in HR management, the Company strives to provide the necessary support to keep employees motivated, to constantly improve financial and social rights offered to employees, to create a fair, egalitarian and modern working environment, and to identify and satisfy training needs of employees in a bid to recruit the qualified human resource that will enable maximum efficiency in the conduct of the Company’s activities and to maintain its success. Human Resources management activities are described in the “Human Resources Section” of the Annual Report.

Looking out for certain economically, environmentally and socially-vulnerable segments or minority rights, the Company aims to include all segments of the society in business life with the aim of a fair, egalitarian and modern working environment; and adheres to the principle of “equal pay for equal work” without discriminating on the basis of race, religion, language, gender, disability, etc. The Company offers equal opportunities for increasing employment of economically, environmentally and socially-vulnerable segments through various implementations such as supporting the participation of employees with disabilities, provision of equal promotion opportunities to women employees, and so on. Promotion conditions for all employee groups are established by internal written rules within the Company. Promotion decisions of employees are determined by the Personnel Committee based on standard staff, years of seniority and performance results.

The Company established and disclosed its “Gender Equality Policy”, which supports the UN SDG no. 5 “Gender Equality” in line with the principles of equal opportunity and diversity set out in its Human Rights and Human Resources Policy. The Company aims to be a signatory to the declarations of initiatives advocating gender equality at national and international levels, which are compatible with the Company's goals and strategies, have a high impact and offer development opportunities, and action has been taken to become a signatory to WEPs (Women's Empowerment Principles) during the year. The company is a signatory of WEPs as of the reporting date. The company organized gender equality training during the year to increase the awareness of its employees on gender equality. In addition, the Company monitors the supply of products/services from women entrepreneurs, and the contents of the gifts given to Company employees on special days throughout the year were created by giving priority to the products produced and/or supplied by women entrepreneurs.

Relying on a female labor-intensive workforce since its inception, the Company assigns women to managerial positions. The ratio of women employees is 46% at the Company that has 70 employees on its payroll as of 2023 year-end. While the ratio of women in senior executive positions is 36% and in middle-level managers is 50%,

the ratio of women in all the managers of the Company is 42%. The distribution of employees by gender, age and educational background is provided in the “Human Resources” section of the Annual Report.

Pursuant to the governing legislation, the Company attaches priority to selecting nominees possessing the necessary qualifications and experience associated with the field of activity when selecting the Board of Directors members, and also pursues diversity in the composition of the Board of Directors. The existing Board of Directors is composed of members having competence and experience in finance, banking, construction, architecture and accounting and finance. The Company accords importance to making sure that individuals with the necessary competencies take place in the execution and on the Board of Directors of the Company, without discriminating on the basis of gender; accordingly, maximum care is taken to ensure that women actively take place on the Board of Directors. There is one woman member on the Board of Directors.

The ratio of women in new hires in 2023 is 50%, and the average age of new recruits is 27. The ratio of departure from the Company, on the other hand, is 11% in 2023. 62% of the departed employees are women with an average age of 54.

Offering equal promotion opportunities to women employees, the rate of female employees among the promoted employees during the reporting period was 55%, and a female employee who was pregnant was promoted to the managerial level. The Company also briefs women employees about all their rights available under the law prior to and after childbirth and looks out for employees’ rights. There is a nursery room at the Company Head Office which can be used by women employees returning to active work after childbirth. Return-to-work and retention ratio after childbirth among women employees is 100%.

Maternity and paternity leaves given to employees are regulated in parallel with all legal regulations and are provided for the information of all employees within the Company Human Resources Regulation. In addition to the 16 weeks of paid maternity leave granted to female employees in case of maternity, regular notifications are made about the part-time maternity leave, part-time work opportunity, 6-month unpaid leave and breastfeeding leave. Paternity leave for male employees in the company is provided for 5 working days.

The Company takes necessary measures for respecting human rights and for protecting Company employees from any internal physical, psychological and emotional abuse. Employees refrain from any abuse, discrimination or abusive acts at the work place. Company employees abstain from any and all acts that might lead to abuse, discrimination or mobbing in the workplace. In such cases, employees are obliged to report the incident through the communication channels made available, including the Whistleblowing Line. In 2023, employees did not report any complaints regarding discrimination or abuse.

Adhering to the principle of respecting human rights and employee rights in its activities, the Company takes necessary measures against any indecent violation of rights. Forced labor, child labor, hazardous labor, etc. Are out of the question at İş REIC in support of the UN SDG no. 8 “Decent Work and Economic Growth”. The Company employs people above the age of 18 and the said age limit is also incorporated in the Company’s internal guidelines as a criterion for hiring. Suppliers are also expected to act accordingly pursuant to the Company’s Human Rights and Human Resources Policy.

The Company employs open, transparent and cordial communication channels for employees to convey their opinions, suggestions, complaints and feedbacks, and mechanisms for resolution of conflicts. Conflict resolution processes are addressed in the Company’s implementations and employees have been informed on the same.

All employees can convey their opinions, suggestions, complaints and feedbacks either via their line managers or the Human Resources and Education Unit. Also, the Company created a channel on the Human Resources Portal for the employees to convey their opinions, suggestions and satisfaction, and express themselves for the resolution of their complaints and disputes. In addition, methods including questionnaires/consultation are employed regarding decisions that produce a result affecting the Company employees.

A survey was conducted to measure employee loyalty within the 2023 reporting period in order for employees to evaluate the Company in terms of corporate culture and values, management practices, communication environment and similar areas, as well as to identify strong areas of Company policies and practices that are open to improvement.

Fundamental HR processes such as recruitment, career planning, salary and fringe benefits management, performance management and rewarding, resignation and compensation, etc. are shared with all employees; briefing meetings are held upon demand by the employee or as and when the need arises.

Targeting increased productivity in the Company's activities and enhancing the quality of work life, the human resources management conducts recruitment and placement activities informed by the principle of "placing the right individual in the right position" from among candidates who are compatible with İŞ REIC's corporate culture and values, are professionally competent, are open to development, and have strong potential without discriminating on whatsoever basis including race, religion, language, gender, disability etc. Conducting a fair recruitment process offering equal opportunities, the stages of recruitment and all the tools used in talent acquisition are made known to candidates.

İŞ REIC adopts the principle of offering equal opportunities for training and development of the qualified workforce needed for all managerial and specialist positions in different levels. In case of a vacant position at the Company, such position is firstly attempted to be filled from internal sources depending on the relevant position, by pursuing equal opportunities.

İŞ REIC adopts a fair and competitive remuneration and rewarding concept aligned with its ethical values and strategic goals, and embraces the principle of "equal pay for equal work" without any discrimination. The Company employs a salary cascade system based on employees' job and position-based weight in determining the remunerations. Job descriptions for the position and title, and implementation principles for the performance have been documented and announced to employees.

The Remuneration Policy in place was approved by the Board of Directors and presented for the information of shareholders in the first General Assembly convened. Refusing all sorts of discrimination in processes and practices encompassing its employees within the frame of the Human Rights and Human Resources Policy, İŞ REIC compensates all employees in accordance with the principles of the Remuneration Policy, Human Rights and Human Resources Policy, and Human Resources Bylaws. All employees in the Company are paid above the minimum wage.

The Company's publicly disclosed Remuneration Policy applies to managers and employees working at any level; the basic principle is to ensure alignment of the remuneration to be paid to managers and employees at any level are in harmony with the Company's ethical values, internal balances and strategic goals, and not linked solely to the Company's short-term performance.

Performance-based incentive payments are determined depending on objective conditions and in a manner to positively influence the Company's corporate values, taking into account the maturity of the risks taken and without guaranteeing the amounts in advance. Performance-based incentive payments criteria are determined and communicated to employees; the set criteria are regularly reviewed. Full wording of the Company Remuneration Policy can be accessed on the website, under the "Investor Relations/Corporate Governance/Policies" tab.

The Corporate Governance Committee is charged with and responsible for determining the principles, criteria and practices to be employed in the remuneration of executives with administrative responsibility and to present suggestions to the Board of Directors on these matters.

Fringe benefits and/or rights the Company provides to employees are determined in internal regulations; employees are familiar with salary and fringe benefits management. The Company's Compensation Policy is publicly disclosed and can be accessed on the Company website, under the "Investor Relations/Corporate Governance/Policies" tab.

Company health insurance is provided to company employees and their dependent spouses and children in a manner that supports UN SDG no. 3 "Good Health and Well-Being"; all employees have life insurance, and employer contribution is granted for employees participating in the private pension system. The Company offers "Employee Support Program" that can be used by employees and family members residing in the same household with the purpose of helping them establish the work-life balance and enhancing employee satisfaction. The content of the Employee Support Program includes dietitians, psychological counseling and areas where employees can consult on any needed issue. In addition, the Company offers its employees free gym memberships, which they can use all days of the week, in two different campuses, on the Anatolian and European sides.

In addition, practices providing income support for a fixed period of time were introduced in 2023 with the aim of supporting employees' purchasing power.

The company provides paid administrative leave for the first day of school to all employees who have children in preschool and primary school. In addition, all employees with children in preschool, primary school, secondary school and high school are given half-day paid administrative leave on report card days.

The Company aims to maintain long-lived cooperation with employees and strives to ensure employee satisfaction. The Company organizes annual motivational events intended for the participation of all employees, prior to which employees' opinions are sought. During the 2023 reporting period, the Company organized events for employees such as breakfast organization, New Year's dinner, service commemoration ceremony, birthday celebrations and waffle day. Pursuing employees' work-life balance, the Company makes its employees feel that it stands by them at all times with the employee support service offered to all employees, and fringe benefits and supports provided for special occasions such as childbirth, marriage and special days. In addition, employees completing certain tenures with the Company receive a memento of service.

Supporting a proactive and innovative perspective in the management of human resources and considering employee satisfaction, the Company implemented the "Hybrid Working Model", including the remote working model, during the year.

The Company bases employee training and development on "Performance and Competence Building System". This competence-based system clarifies the attitudes and behaviors expected of employees for achievement of targets in their respective areas of responsibility, lets them see their contribution to the Company as a whole, and aims to reinforce job satisfaction and motivation. The outputs of this system in which all employees actively take part and which is regarded as kind of a development journey for employees are used as an instrument in revealing employee potential. Furthermore, training programs supporting employees' improvement areas are organized based on the system's outputs. In the 2023 reporting period, a feedback meeting was held for all employees (64 people) within the scope of performance evaluation, with the participation of their senior managers.

Within the scope of learning and development activities carried out based on lifelong learning notion, it is aimed to align training programs planned according to employee needs with the Company goals and to let employees reflect the outcomes of the training in their business and personal lives. The Company strives to ensure that all employees participate in training within the frame of equal opportunities.

With this approach, the Company continued to ensure that employees participate in training programs in 2023, in parallel with the Company's managerial strategies. During the period, training activities were carried out in the form of technical and vocational training programs, external trainings with individual participation, seminars, e-learning platform and compulsory protective trainings. An average of 11 hours of training was provided per employee in 2023. During the period, employees participated in trainings on different subjects such as inflation accounting, CPA license qualification, urban transformation, financial structure, transfer pricing, debt instruments, advanced Excel and human resources analytics, and investor meetings organized by TSPB, for both their professional and career development. In addition, the "Sustainability" and "Gender Equality" trainings organized for all employees of the Company aim to raise awareness for a livable future for all employees.

Having a proactive and innovative perspective to HR management, İş REIC adopts a fair working manner erected on employee participation and entailing cooperation with all units. The Company promotes innovation and creativity in all HR processes.

Giving importance to digital transformation, İş REIC uses an HR portal which all HR functions can be run on, provides ease of use to employees, and is flexible and adaptable to needs. Through this portal, employees can transparently reach HR processes, and access the cloud-based application from anywhere with an Internet connection. Furthermore, it is aimed to execute existing HR practices in a manner to leave as much digital trail as possible and conservation of nature is pursued by reducing the number of hard-copies.

Employees are informed of the decisions made in relation to them or of developments that concern them. There is not an employee representative, nor is there a trade union due to the scale of the Company; the employees did not so far submit such a demand to the Company management. Similarly, due to the scale of the Company, a collective bargaining agreement is not required. There are no employees represented by union organizations or covered by a collective bargaining agreement during the 2023 reporting period. On the other hand, the Company

respects the right to unionization and collective bargaining. All employees are free to unionize and act of their own free will. The Company does not have any regulations prohibiting the freedom of association and the right to collective bargaining.

Pursuing a healthy and peaceful working environment for employees, the Company took the necessary measures against the Covid-19 pandemic, and did not make any deductions from employees' financial and social rights in the process. Furthermore, İş Towers Complex where the Company Head Office is located, there are physicians and healthcare personnel that employees can refer to for a medical examination when they need it.

Occupational health and safety is an important element of HR policies and practices.

Under the applicable legislation and practices associated with occupational health and safety, the Company provides a healthy and safe working environment to its employees and constantly improves its related processes with preventive, corrective and protective approaches. In this context, the Company offers repeat training to employees on Occupational Health and Safety every 3 years in accordance with legal regulations. Since the retraining date did not come within the reporting period, retraining was not provided. On the other hand, a total of 64 hours of occupational health and safety training was provided to employees hired during the period. The Company's Human Resources and Training Unit periodically sends awareness e-mails to employees on issues such as occupational health and safety, emergency, earthquake, first aid, etc.

The Company devised its "Occupational Health and Safety Policy" and made it available for the information of all stakeholders. The said Policy can be accessed on the Company website, under the "Corporate/Sustainability/Policies" tab.

Encompassing all employees, customers, visitors and service providers of İş REIC, the Policy has been created to establish a safe and healthy working environment and to promote protective healthcare practices. The Policy sets out the Company's implementation principles, structuring and obligations on the basis of each responsible party in relation to occupational health and safety.

The Policy is implemented by the Occupational Health and Safety Board in charge of coordinating internal occupational health and safety practices under the supervision of the Corporate Governance Committee.

The Occupational Health and Safety Board comprises of the Company's various employees, workplace physician and OHS expert and regularly holds quarterly meetings.

The Policy is reviewed in view of needs, changes in operating conditions and legal regulations at least once a year. It is updated and modified as necessary upon the suggestion of the Corporate Governance Committee and enforced following the approval of the Board of Directors.

To prevent workplace accidents and to protect health:

- Employee training and briefing activities are carried out;
- Workplace physicians perform initiation and periodic health examinations of employees as part of health supervision; risk analyses and field observation are regularly conducted and renewed,

led by the occupational safety expert and workplace physician at the workplace;

- Emergency action plans are created;
- Occupational Health and Safety Board meetings are held regularly;
- Accident analysis is performed in case of incidents such as workplace accidents and professional diseases, and related improvement procedures are devised;

Regulatory and preventive activities are organized with the relevant business units in line with the data and findings from field observations, near-misses and accident analyses at the Company.

The Company reports the measures adopted for workplace accidents and for protecting health, workplace accidents, and accident statistics to the Joint Health and Safety Unit (OSGB) from which service is provided, workplace physician and related authorities. In 2023, no employees suffered an injury or a condition leading to a

graver result such as death by reason of a workplace accident. On the other hand, 2 workdays were lost due to the activities carried out.

Within the scope of current legal regulations, all employees bound by an employment contract are required to receive occupational health and safety training, and employers are required to report work accidents, accident statistics and measures taken to the relevant authorities. In this context, all suppliers from whom the Company purchases goods or services are expected to comply with the principles of the Human Rights and Human Resources Policy, as included in the Company's publicly disclosed Supplier Management Principles.

The Company established its Personal Data Protection and Privacy Policy, which can be accessed on the Company website under the "Corporate/Personal Data Protection" tab. The Company also established and disclosed its Code of Ethics, which can be accessed on the Company website under the "Investor Relations/Corporate Governance/Code of Ethics" tab.

Conducting its activities in a manner to support UN SDG no. 16 "Peace, Justice and Strong Institutions", the Company set up a Whistleblowing Line for the so-called stakeholders consisting of shareholders, customers, creditors, suppliers and personnel to report any deeds they consider to be illegal or unethical to the Audit Committee composed of Independent Board Members. Whistleblowing Contact Form can be accessed on the Company Website.

Furthermore, employees acting within the frame of integrity and transparency principles and reporting in good faith deeds or attempts in violation of the Anti-Bribery and Anti-Corruption Policy posted on the Company website do not face a penalty and/or retribution for doing so. The Company's Anti-Bribery and Anti-Corruption Policy can be accessed on the Company website, under the "Corporate/Sustainability/ Policies" tab. During the year, "Anti-Bribery and Corruption Training" was given to employees in order to increase their awareness on the subject.

ESG Policies created by the Corporate Governance Committee within the scope of ESG factors and entered into force by the decision of the Board of Directors were shared with the Company employees in writing, and information meetings were held for employees within the scope of ESG policies and practices. In line with short-term goals, Company employees were provided with training on sustainability during the year to support their development on ESG issues.

The Company established its "Customer Satisfaction Policy" for customer complaints handling and resolution, and made it available for the information of all stakeholders on the Company website. The said Policy can be accessed on the Company website, under the "Corporate/Sustainability/Policies" tab.

The Company takes care to effectively maintain its communication with all stakeholders that are directly or indirectly affected by its activities in keeping with accountability and transparency concepts. The Company's main stakeholders that it is in contact with include employees, customers, suppliers and shareholders.

The Company maintains a communication that employs open, transparent and cordial communication channels with its employees that represent its most important stakeholder group. Furthermore, various socialization opportunities are taken advantage of to get together with the employees including annual performance feedback assessments and motivational events, mementos of service and monthly birthday celebrations.

The Company is in contact with tenants, home buyers and real estate agents within the scope of its rental and sales activities. Regular contact is maintained with these stakeholders in the form of face-to-face contacts, emails, telephone and video calls and digital platforms (website, social network accounts, complaint websites etc.).

The Company is in constant communication with suppliers within the frame of its project development activity; although it varies on project basis, regular supplier contacts happen mostly in the form of face-to-face contacts, as well as by email, telephone and video calls.

Oral and written contact is established with stakeholders requesting information about the Company's operations such as shareholders, analysts, portfolio managers etc., and sometimes meetings are organized with the said parties upon demand. These stakeholders can contact the Company's Investor Relations and Sustainability Department any time. Stakeholder queries increase at times that coincide with the general assembly meetings, announcement of financial results and so on.

The Company, which is in contact with stakeholders such as public and private sector organizations within the scope of its activities or in line with the request from relevant parties, and carries out its work in cooperation with non-governmental organizations, gives its opinion on draft regulations regarding capital markets and the sector, and supports survey studies and academic studies to the extent possible.

The company does not have any international reporting standards within the scope of sustainability, but the company is a signatory of the Women's Empowerment Principles. The issue of adopting international reporting standards and/or joining other international principles or organizations will be evaluated in the future.

Aiming to improve its performance in ESG issues and sustainability, the Company started the necessary work within the year in line with its goal of being included in the Sustainability Index of Borsa Istanbul, and it is aimed to be included in the said index in 2024.

D. Corporate Governance Principles

Set up in a manner to encompass all key functions in the Company so that sustainability activities can be carried out effectively and inclusively, the “Sustainability Working Group” represents mainly employees, and customers and suppliers that make up two other important stakeholder groups of the Company. Its structure enabling representation of different types of stakeholder groups allows being informed about the stakeholders’ opinions about the sustainability issues being discussed, and hence, stakeholders’ opinions are taken into consideration in determining the sustainability measures and strategies.

Furthermore, the Company pays regard to the rights and interests of customers, suppliers or business partners and the public interest when adopting medium- and long-term strategies, as set out also in its Sustainability Policy.

At present, the Company does not have an active social responsibility project running. However, the Company prioritizes creating stakeholder value while fulfilling its responsibility to our world, society and our people. Within the scope of the Company’s publicly disclosed Corporate Social Responsibility Policy, education, environment and nature, culture & arts, and gender equality are the topics that are given priority. The Company’s Corporate Social Responsibility Policy can be accessed on the Company website, under the “Corporate/Corporate Social Responsibility and Donations Policy” tab.

Briefing meetings and training programs for employees are organized for raising increased awareness of sustainability and its significance. In line with short-term goals of the Company, Sustainability Training, Gender Equality Training and Anti-Bribery and Anti-Corruption Training were provided to employees during the year in order to increase their awareness of sustainability.