

SUSTAINABILITY PRINCIPLES REPORT - 2022

iŞ REIC's (The Company's) Environmental, Social and Governance (ESG) related issues, risks and opportunities are determined 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

These 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 (Public Disclosure Platform) 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 2022 activities in its report to the Board of Directors.

This report provides transparent information on the activities undertaken by Company within the framework of its environmental, social, and corporate governance principles. The company is engaged in projects related to energy efficiency, waste management, and green construction practices under the Environmental Principles section. The interactions of the company with its employees and the community are conducted in accordance with social responsibility principles, and these details are presented in the Social Principles section. The company adheres to business principles based on ethical standards and transparent management practices and related information is provided in the Corporate Governance Principles section.

Apart from this report, the sustainability report of the İŞ REIC, prepared in accordance with CMB (Capital Markets Board of Türkiye) principles, encompasses all of the Company's activities. It's worth noting that İŞ REIC does not engage in any global activities.

A. ENVIRONMENTAL PRINCIPLES

Adhering to the principles set out in the "Environmental and Social Impacts Policy" and acting in an environmentally- sensitive manner, the Company aims to achieve improvement in energy and water efficiency, GHG emissions, waste generation and recycling under the said Policy, and disclosed its present 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. The LEED-EBOM process for İŞ Towers Complex Tower 2 where the Company is headquartered, still continues.
- The Company aims to purchase International Renewable Energy Certificate (I-REC) 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.

Energy and Water Efficiency Initiatives

Total energy consumption of the Company from 2020 through 2022 covered in the report is shown in the tables below in MWh and GJ units. According to these tables, the highest energy consumption in 2022, which is the baseline year, resulted from fuel oil and electricity consumption at buildings. Energy consumption in 2022 was down by nearly 73% as compared to 2020.

Total energy consumption in 2022 is 1,391.5 MWh; energy consumption resulting from fuel oil and electricity consumption at buildings is 960.2 MWh, whereas that resulting from fuel oil used for vehicles is 431.3 MWh.

Total Energy Consumption (MWh)

Energy Consumption	2020 MWh	2021 MWh	2022 MWh
Fuel oil & electricity at buildings	4,887.9	2,060.2	960.2
Purchased grid electricity	3,538.2	265.3	261.2
Natural Gas	1,349.7	1,792.6	698.5
Generator (diesel)	0.0	2.2	0.0
Fuel oil for vehicles	322.6	395.7	431.3
Diesel	191.0	202.3	178.0
Gas	131.6	193.5	253.3
Total	5,210.5	2,455.9	1,391.5

According to the table below, total energy consumption in 2022 is 5,009.4 GJ; energy consumption resulting from fuel oil and electricity consumption at buildings is 3,456.8 GJ, whereas that resulting from fuel oil used for vehicles is 1,552.5 GJ.

Total Energy Consumption (GJ)

Energy Consumption	2020 GJ	2021 GJ	2022 GJ
Fuel oil & electricity at buildings	17,596.6	7,416.6	3,456.8
Purchased grid electricity	12,737.5	955.2	942.3
Natural Gas	4,859.1	6,453.3	2,514.5
Generator (diesel)	0.0	8.1	0.0
Fuel oil for vehicles	1161.2	1424.7	1,552.5
Diesel	687.5	728.2	640.8
Gas	473.8	696.5	911.7
Total	18,757.8	8,841.3	5,009.4

The Company's total water consumption in 2022 is 16,397 cubic meters, which is down by 44% as compared to 2021 and up by 20% as compared to 2020. 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.

Total Water Consumption (m³)

	2020 m ³	2021 m ³	2022 m ³
Total Water Consumption	16,652	29,124	16,397

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.

In 2022, the following investments are realized:

- 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 use photovoltaic systems, a renewable energy source, for common area energy consumption. For instance, photovoltaic panels were installed in Manzara Adalar Project.
- 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.
- 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.
- 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.
- 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". These are in relation to its customers and suppliers that make two of the most important stakeholders of its value chain. These initiatives are 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.

Green Building Certifications and Initiatives

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.

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
- İstanbul Finance Center 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 50% of the Company’s properties that generate rental income consist of investments with green building certification. This ratio will be more than 80% if all properties for which application process is ongoing earn certification. Furthermore, the Company aims to obtain LEED certification for the office part of the Litus İstanbul Project under development, as well as the Balmumcu Project and Tuzla Project.

Greenhouse Gas (GHG) Emissions and GHG Mitigation Initiatives

İş REIC is aware of the impacts of climate change on the daily lives, takes responsibility in this respect, and reports its GHG inventory. Accordingly, 2022 GHG Report was prepared and posted under the “Corporate/Sustainability” tab on the Company website. This report’s scope covers 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 2022 through 31 December 2022, the report includes energy and water consumption data and GHG emissions also for the years 2020 and 2021, and increases or decreases in these environmental indicators as compared to previous years are made available for the information of all stakeholders.

The Company’s GHG emissions by years are shown in the table below. According to the table, total GHG emissions in 2022 comprised of Scope 1 emissions by 63.4%, Scope 2 emissions by 31.7% and Scope 3 emissions by 4.7%.

GHG Emissions (tCO₂e)

GHG Emission	2020 tCO ₂ e	2021 tCO ₂ e	2022 tCO ₂ e
Scope 1	358.2	467.2	254.8
Scope 2	1,770.3	233.3	127.5
Scope 3*	18.1	25.5	20.0
Grand Total	2,146.2	726.0	402.3

**Solely the waste resulting from operations, mains water consumption and business air travel Scope 3 (GHG Protocol – Categories 5 and 6) were calculated.*

As seen in the table, total annual GHG emissions were 2,146.2 tCO₂e in 2020, 726 tCO₂e in 2021, and 402.3 tCO₂e in 2022. GHG emissions in 2022 were down by nearly 81% as compared to 2020.

Scope 2 emissions calculation took into account I-REC renewable energy procurement certifications; I-REC certifications obtained in 2022 for the Company Head Office, Kanyon Shopping Mall and Kanyon A.Ş. certified that electricity consumption at these locations are totally supplied from renewables.

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 related risks within the Company Risk Policy approved by the Board of Directors, and for its inclusion in the Company Risk Catalogue.

The Company 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 indicators including carbon footprint, water and energy consumption, and publicly disclosed its practices and plans for reduction of those indicators. 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. The Company also targets to gradually replace the vehicles in its fleet with hybrid vehicles. 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 purchase I-REC to increase its renewable energy consumption and to enable 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 81,106 MWh (292,581.6 GJ) of I-REC certified green electricity in 2022 and 77,189 MWh of the same in 2021 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 45% 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 of 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 kWh to 45,360 kWh.
- Conference rooms were set up in each construction site and sales office to enable online meetings 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 kWh of energy and 26 kg 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. This 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-term and long-term goals under the main targets defined in its policies to mitigate its environmental impact. The targets were first identified in 2022 reporting period, and progress achieved in relation to the goals will presumably be presented for the information of all stakeholders in the next reporting period.

The Company is not included in any carbon pricing due to 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 follow-up the latest developments in Türkiye and in the world throughout its communication 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.

Waste Management

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.

In addition, zero waste management system was established at TUTOM, Kanyon Shopping Mall and Ege Perla Shopping Mall covered in the Company’s portfolio and that fall under the scope of the “Zero Waste Regulation”, and “Zero Waste Certificates” were obtained. 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.

The total waste amount of the Company Headquarters for 2022 is 9.08 tonnes. The entire amount of waste is sent for disposal. In this context, the rate of waste sent for recycling is 3% (0.272 tonnes).

Environmental Impact Assessment

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 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 90% of the Company's properties generating rental income are operated by management companies with ISO 14001 certification.

Biodiversity

By dispatching all scrap electrical devices for melting and simultaneously committing to tree planting initiatives through the TEMA Foundation (Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats), the Company not only contributes to environmental

sustainability but also actively supports biodiversity conservation. The choice of drought-resistant plants for landscaping projects not only minimizes water consumption but also fosters diverse habitats for various species, thus enhancing local biodiversity. Additionally, by carefully selecting plant species that break solar radiation and develop greenery quickly, the Company promotes a thriving ecosystem where numerous flora and fauna species can thrive. The creation of rooftop gardens further amplifies this impact, providing additional habitats for insects, birds, and other wildlife, thus enriching urban biodiversity and mitigating the environmental footprint of the Company's operations. Through these concerted efforts, the Company demonstrates its commitment not only to environmental stewardship but also to the preservation and enhancement of biodiversity for future generations.

B. 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 “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.

Founded upon various principles, the Human Rights and Human Resources Policy upholds nondiscrimination among employees based on race, religion, language, sect, or any faith, gender, age, cultural, or social class. It prioritizes the respect of human rights, strives for equal opportunities across all human resources management processes, safeguards employees from internal physical, mental, and emotional abuse, enforces a fair and competitive remuneration policy, and establishes mechanisms for employee feedback and complaints. Additionally, the policy underscores the significance of training, development, talent management, and occupational health and safety. 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 sets forth promotion requirements for all employee groups through internal written rules. Decisions regarding promotions are made by the Personnel Committee, taking into account standard staff qualifications, years of seniority, and performance results. Furthermore, the Company ensures equal promotion opportunities for female employees. During the reporting period, 53% of promoted employees were female, and notably, a female employee who was on maternity leave was successfully promoted to a managerial level.

To enhance equal opportunities and promote diversity, the Company implements various strategies, such as supporting employees with disabilities and providing equal promotion opportunities to women. A noteworthy initiative is the establishment and disclosure of the “Gender Equality Policy,” aligning with UN SDG 5 “Gender Equality” and the principles outlined in the Human Rights and Human Resources Policy. In the coming period, the Company aims to become a signatory to the statements of initiatives championing gender equality on national and international platforms, that are aligned

with the Company's purpose and strategies, have a large sphere of influence and offer opportunities for development. The Company conducts gender equality awareness training for its employees, reinforcing its commitment to gender equality and women's empowerment. Under the leadership of top management, İŞ REIC collaborates with diverse disciplines to ensure participative and inclusive studies. It actively pursues gender equality across all operations and endeavors to raise awareness throughout the value chain. Equality is a fundamental principle in İŞ REIC's behavior towards all employees, rejecting any attitudes or behaviors that may hinder the recognition and enjoyment of human rights and fundamental freedoms. The Company is dedicated to preventing any form of discrimination, deprivation, or restriction based on gender.

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.

Workforce Demographics and Diversity

As of the end of 2022, the company employs a total of 72 individuals. Among them, the gender distribution is as follows:

- Male Employees: 38
- Female Employees: 34

The ratio of female employees in the company is reported as 47.22%. The ratio of male employees in the company is reported as 52.78%.

As of the end of 2022, the gender distribution within the managerial levels of the company is as follows:

Senior Executive Positions:

- Male Managers: 60.00%
- Female Managers: 40.00%

Middle-Level Managers:

- Male Managers: 50.00%
- Female Managers: 50.00%

All Managerial Positions:

- Male Managers: 56.00%
- Female Managers: 44.00%

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 2022 is 42%, and the average age of new recruits is 32. The turnover rate of the Company is 8% in 2022. 60% of the departed employees are women with an average age of 36.

Offering equal promotion opportunities to women employees, the Company promoted a woman employee on maternity leave to managerial level in the reporting period. 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%. 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.

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.

Employee Well-Being and Benefits

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.

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 upholds a non-discriminatory approach in its fundamental human resources processes, including recruitment, career management, remuneration policy, promotion, performance measurement, evaluation, and cessation of employment, ensuring equal treatment for male and female employees. The company adheres to the principle of equal pay for equal work and employs a transparent and measurable remuneration system.

Similarly, İş REIC adopts a fair and competitive remuneration and rewarding model, aligning with ethical values and strategic objectives. The principle of 'equal pay for equal work' is strictly followed without any form of discrimination. The Company implements a salary cascade system, considering employees' job and position-based weight in determining remuneration levels. Detailed job descriptions and performance implementation principles have been documented and communicated to all employees.

The wages of technical group employees who were promoted to the same title in 2022 and the newly graduated group who started working in 2022 were determined equally, regardless of gender. In addition, the compensation and benefits of all Company employees with the same title has been determined to be equal, regardless of gender.

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.

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.

In addition, practices providing income support for a fixed period of time were introduced in 2022 with the aim of supporting employees' purchasing power.

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. 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.

Embracing a proactive and innovative approach to human resources management, the Company has introduced the "Hybrid Working Model." This model, which incorporates remote working, has been implemented in response to the expectations of employees, with a focus on enhancing overall employee satisfaction.

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.

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.

In 2022, the Company diligently pursued its commitment to employee development aligned with overarching managerial strategies. A comprehensive array of training initiatives was implemented, encompassing technical and vocational subjects, individualized external training, seminars, e-learning platforms, and mandatory protective courses. During 2022 period, employees received trainings such as sustainability expertise, sustainability in business processes and digital transformation, financial reporting in high-inflation economies, real estate, MASAK (The Financial Crimes Investigation Board), EYT (Retirement Age Victims) applications, behavioral inventory interpretation, technical training in the field of information technologies within the scope of reducing the informal economy, for both

their professional and career development and attended investor meetings organized by TUYİD (Turkish Investor Relations Society). These programs were strategically designed to augment both professional expertise and foster robust career development.

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. 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.

Similarly, collective bargaining agreement is not needed, given the Company's scale. On the other hand, the Company does not have any regulations prohibiting the freedom of association and the right to collective bargaining.

Occupational Health and Safety

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 constitute integral components of the Company's HR policies and practices. In adherence to relevant legislation and established norms in occupational health and safety, the Company ensures a secure and healthful working environment for its employees. Continuous enhancement of related processes is pursued through preventive, corrective, and protective measures.

Occupational Health and Safety training occurred every three years, ensuring legal compliance. The Company offers regular occupational health and safety training to employees, provides necessary information and raises awareness of the topic. In this framework, 368 hours of Occupational Health and Safety training were provided in total during the reporting period (Each employee, on average, received 16 hours of training in 2022). The Human Resources and Training Unit regularly disseminates awareness emails to employees, covering pertinent topics such as occupational health and safety, emergency preparedness, earthquake response, and first aid.

The Company has devised its 'Occupational Health and Safety Policy,' accessible to all stakeholders on the corporate website under the 'Corporate/Sustainability/Policies' tab. Designed to encompass all personnel, customers, visitors, and service providers associated with İş REIC, the Occupational Health and Safety Policy aims to establish a secure and healthy working environment while promoting proactive healthcare practices. This policy delineates the Company's principles, structure, and

obligations, assigning specific responsibilities to each relevant party concerning occupational health and safety.

The execution of Occupational Health and Safety Policy and OHS activities fall under the purview of the Occupational Health and Safety Board, responsible for coordinating internal practices within the framework of occupational health and safety. This board operates under the oversight of the Corporate Governance Committee.

Comprising various company employees, a workplace physician, and an Occupational Health and Safety (OHS) expert, the Occupational Health and Safety Board conducts regular quarterly meetings to assess, strategize, and monitor ongoing practices.

To ensure relevance and compliance, the policy undergoes an annual review, considering evolving needs, changes in operating conditions, and updates in legal regulations. Modifications, when necessary, are suggested by the Corporate Governance Committee, approved by the Board of Directors, and subsequently enforced.

To prevent workplace accidents and safeguard employee health, the following proactive measures are implemented:

- Employee training and briefing sessions are regularly conducted to enhance awareness and knowledge.
- Workplace physicians perform initiation and periodic health examinations as part of health supervision, with risk analyses and field observations conducted routinely and updated. These activities are led by the occupational safety expert and workplace physician.
- Emergency action plans are developed to address unforeseen situations.
- Regular Occupational Health and Safety Board meetings are held to evaluate, strategize, and monitor safety practices.
- In the event of incidents such as workplace accidents or professional diseases, thorough accident analyses are conducted, leading to the development of improvement procedures.

Regulatory and preventive activities are organized in collaboration with relevant business units, aligning with data and findings from field observations, near-miss incidents, and accident analyses within the Company.

The Company diligently reports adopted measures, workplace accidents, accident statistics, and health protection initiatives to the Joint Health and Safety Unit (OSGB), the workplace physician, and relevant authorities. Notably, in 2022, only one situation resulted in more severe consequences such as injury or death to employee due to a work accident exceeding one million hours. Employees did experience a collective loss of 5 working days due to the activities carried out during the reporting period. The total injury rate is 498 (per 1,000,000 hours).

Adhering to existing legal regulations, all employees under an employment contract are mandated to undergo occupational health and safety training, while employers are obligated to report work accidents, accident statistics, and the implemented measures to the appropriate authorities. Within this framework, the Company sets the expectation that all suppliers, from whom goods or services are procured, operate in alignment with the principles outlined in the Company's publicly disclosed Human Rights and Human Resources Policy. Emphasis is placed on upholding human rights, occupational health and safety, as explicitly detailed in the Company's publicly disclosed Supplier Management Principles.

Customer Health and Safety

In the existing real estate and developed projects offered by the Company for rental or sale, the customer health and safety are prioritized, with appropriate safeguards implemented. Ventilation is ensured through air handling devices or natural ventilation systems in these properties. Fire safety measures adhere to both local and foreign requirements, with actions tailored to the specific characteristics and types of buildings based on consultant recommendations. All fire protection, escape, warning, and extinguishing systems are customarily applied to each building. Consideration of these factors begins during the architectural design phase. Once the buildings are completed and the life begins, all necessary inspections and controls for compliance with current regulations are conducted on a regular basis, and appropriate steps are implemented.

Code of Ethics

The Company 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. In such cases, employees are obliged to report the incident through the communication channels made available, including the Whistleblowing (Ethic) Line. The Ethic Line has been formed for all stakeholders to inform Committee for Audit, consists of independent Board Members, about issues which are not compatible with Code of laws or Company’s Code of Ethics. There is no obligation for the stakeholder to share personal info. In case personal info is shared, the privacy rules will be in effect. The stakeholder will be informed, if contact details are provided, about the Committee for Audit’s consideration about the issue. This hotline enables the management of significant issues such as ethical violations, cases of corruption. Complaints received through the hotline are thoroughly investigated and necessary actions are taken. The hotline, which was established to promote sustainable management functions and enable a more transparent and fair organization, provides solutions to all concerns and problems of relevant stakeholders who want to inform cases of non-compliance and ethical violations. In 2022, employees did not report any complaints regarding discrimination or abuse.

Data Protection and Stakeholder Communication

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. 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.

Established by the Corporate Governance Committee within the frame of ESG factors and enforced based on the Board of Directors decision, ESG Policies were shared with the employees in writing; additionally, briefing meetings were held with the employees regarding ESG policies and practices. During the reporting period, some employees participated in ESG training programs. It is planned to get a higher number of employees participate in these programs in the coming year as a short- term target for supporting employees’ development in relation to ESG matters.

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.

Also in contact with stakeholders such as public and private sector institutions due to its operations or in response to the requests from the related parties, the Company provides feedbacks on draft regulations concerning capital markets and the sector, and extends support to questionnaires and academic studies to the extent possible.

The Company did not embrace any sustainability reporting standard or principles, nor is it a signatory or member of any international organization, committee and/or principle in relation to sustainability.

The Company will consider in the future to discuss adoption of international reporting standards and/or affiliation to international principles or organizations.

Having established its guidelines in relation to ESG matters and sustainability practices during the reporting period, the Company targets to improve its ESG and sustainability performance and qualify for inclusion in Borsa İstanbul Sustainability Index. Accordingly, the Company works to take necessary actions in this respect.

C. CORPORATE GOVERNANCE PRINCIPLES

İŞ REIC makes all its decisions regarding its employees without discrimination based on race, religion, language, ethnic identity or any belief, sex, age, marital status, sexual orientation, gender identity, family responsibilities, political opinion, disability, or cultural or social differences. İŞ REIC sets the fundamental principles for all employees and activities of regarding gender equality practices in line with the equality of opportunity and diversity principles set out in the Human Rights and Human Resources Policy and Gender Equality Policy. The Company is not a member of the UN Global Compact. However, the company carries out all its activities in compliance with the principles of the United Nations Global Compact.

Board of Directors Structure

The members of the Board of Directors are selected to complement each other in terms of their backgrounds, professional experiences, and expertise. This approach aims to harness diverse sources of experience, skills, and perspectives on corporate challenges for the benefit of effective leadership. The qualifications required when forming the Board of Directors shall be handled in compliance with the Capital Markets Board Communiqué on Principles Regarding Real Estate Investment Trusts, the Turkish Commercial Code and the other relevant capital markets legislation.

In accordance of the Capital Markets Board Communiqué on Principles Regarding Real Estate Investment Trusts, the members of the Board of Directors who shall take office in the partnerships are required to fulfill the conditions specified in subparagraphs other than subparagraph (e) of the first paragraph of Article 7. In addition, the majority of the members of the board of directors must be graduates of four-year higher education institutions and must have at least three years of experience in fields such as real estate, infrastructure, law, construction, banking and finance, which are closely related to the field of activity of the partnership.

In accordance with the Company's Articles of Association, the Board of Directors consists of at least five and at most eleven members, the majority of whom are non-executive, elected by the General Assembly for a maximum of 3 years. Pursuant to Principle No 4.3.4 of the Corporate Governance Principles, the number of independent board members should be at least one third of the total number of board of directors. In accordance with the Company's Articles of Association; one of the Members of the Board of Directors is selected from among the candidates nominated by the Group B shareholders, while the rest are all selected from the candidates nominated by the Group A shareholders, who have the privilege to nominate candidates in the election of the Members of the Board of Directors. The nomination and election of independent board members is based on the CMB's regulations regarding independent board members. All board member candidates are submitted to the approval of the General Assembly simultaneously. Election of the board member candidates is not voted individually.

İŞ REIC is managed and represented by the Board of Directors. The Board of Directors executes the duties assigned to it by the Turkish Commercial Code, Capital Market Legislation, other relevant legislation and the decisions of the General Assembly. According to the current legislation, decisions like merger etc., have to be submitted to the approval of the General Assembly.

İŞ REIC follows the principles of Company's Articles of Association and Turkish Commercial Code for the election of Board of Directors. According to the Articles 11 and 21 of Company's Articles of Association; Board of Directors are elected by the General Assembly and the quorum for General Assembly meeting and decisions are subject to the provisions of the Turkish Commercial Code and Capital Market Law. According to Turkish Commercial Code, Article 418 titled "Meeting and Quorum"; decisions are made by the majority of the votes at the General Assembly meeting.

İŞ REIC follows the Capital Markets Board regulations for merger transactions. There is a retirement right mechanism for shareholders who do not approve the merger. The retirement price is determined under the relevant legislation, allowing shareholders to sell their shares to the company at this price.

The Board of Directors convenes with the presence of a simple majority of the entire number of directors and takes its decisions by majority of the number of members of the Board of Directors present in the meeting. In case of equality in votes, the subject is left to be discussed in the next meeting. If in the next meeting this issue again receives equal votes, this motion will be deemed to have been rejected. Each member has 1 vote each in the meetings. Voting right is used personally. In

the Board of Directors meetings, the votes will either be affirmative or negative. The member who rejects an issue, must write under this decision the grounds for his rejection and sign it. Members who have not attended the meeting cannot use their voting right in writing or by appointing a proxy. Decisions may be taken pursuant to article 390/4 of the Turkish Commercial Code, by obtaining the written approval of the majority of the full number of members to a proposal made to all members of the Board of Directors in the form of a decision. Decisions like amendment of articles of association are also submitted to the approval of GAM (General Assembly Meeting).

İŞ REIC follows the Turkish Commercial Code for the amendment of Articles of Association. According to the Article 421 of TCC; decisions to amend the articles of association are taken by the majority of votes present at the general assembly, where at least half of the company's capital is represented. If the required quorum is not achieved in the first meeting, a second meeting can be held within one month at the latest. The quorum for the second meeting is at least one third of the company's capital is represented at the meeting. Additionally, according to the Article 454 of TCC, if the decision of the general assembly regarding the amendment of the articles of association would violate the rights of privileged shareholders, this decision cannot be implemented unless it is approved in a special meeting of the said shareholders. For this reason, Group A shareholders of the Company who has privilege to nominate candidates to Board, attend all the General Meetings and approve the amendments to the articles of association.

Decision-Making Processes

The General Assembly convenes for Ordinary or Extraordinary General assembly meetings and takes decisions pursuant to the provisions of the Turkish Commercial Code and the capital market legislation. In Ordinary General Assembly meetings, which are held no later than 3 months as of the end of the Company's fiscal year, the issues included in the agenda to be prepared pursuant to article 409 of the Turkish Commercial Code are discussed and decided upon. Dismissal and replacement of Board of Directors members is considered to be related with the article concerning discussion of year-end financial statements. Extraordinary General Assembly is convened when the business of the Company requires or the reasons stipulated in article 410 et seq. arise pursuant to the provisions of Turkish Commercial Code, capital market legislation and this articles of association and takes required decisions. According to the articles of Turkish Commercial Code, for publicly traded companies, minority shareholders constituting at least 5% of the capital may request the Board of Directors to call the general assembly for a meeting by stating the reasons and agenda in writing, or, if the general assembly is to convene, to put on the agenda the issues they wish to be decided upon.

Issues that are not included in the agenda of GAM cannot be discussed and decided on, with the following exceptions:

- Dismissal and replacement of members of the Board of Directors are considered items related with discussion of financial statements and are directly discussed and decided on, upon request, regardless of the fact whether they are directly related with an agenda item or not.
- Even if it is not an agenda item, in the existence of justifiable grounds such as malpractice, inadequacy or breach of the obligation of loyalty, hardship in executing the duties in the company for having memberships in other companies, being a difficult person, or abuse of power, then issues regarding dismissing the members of the Board of Directors and choosing new people to replace them are taken into the agenda through the majority of votes of those who are present in the meeting. In accordance with these exceptions regulated in the Company's General Assembly Internal Directive, shareholders may demand the removal of directors.

Shareholders or other attendees, who wish to express their opinions on an agenda item that is being discussed, inform the chairman of the meeting committee that they want to take the floor. The names, surnames of those who have objected to decisions in the meetings and would like to have this written down in the meeting minutes, as well as reasons for their objection are recorded in the meeting minutes. If the reasons for objection are given in writing, this letter is attached to the meeting minutes. Also, the name and surname of the shareholder or his proxy opposing to the decision are recorded in the meeting minutes and it is indicated that there is an objection letter in attachment. The letter of objection attached to the meeting minutes is signed by the committee members and the Ministry representative, if he has attended.

There is no cumulative voting practice in the Company. Each share of the Company has one voting right.

The advance notice period day is not specifically determined by the Company. The Company operates in compliance with current laws and regulations. According to current legal regulations, topics suggested by the minority within a specified period are considered by the board of directors to be included in the agenda.

İŞ REIC's largest shareholder does not have veto power in terms of voting rights.

İŞ REIC is not a State Owned Enterprise.

Capital Structure and Financial Considerations

As per the Capital Markets Legislation, the upper limit of the registered capital of the Company converted into a Real Estate Investment Trust by means of amendment of the Articles of Association is TL 7,000,000,000.- (Seven billion), and divided into 700,000,000,000 (Seven hundred billion) shares with a nominal value of Kr 1 (One Kurush) each. The permit for the upper limit of capital allowed by the Capital Markets Board is valid for (5 years) between 2022 and 2026. Even if at the end of 2026, the allowed upper limit for registered capital is not reached, for the Board of Directors to take a capital increase decision after 2026: it has to obtain authorization from the General Assembly for the new term, after receiving the permission of the Capital Markets Board for the previously permitted upper limit or a new upper limit. If the authorization in question cannot be obtained, the Company shall be deemed to have logged out of the registered capital system. The Board of Directors is authorized to increase capital that has been issued, up to the upper limit of registered capital, pursuant to the provisions of the Capital Markets Law and the related legislation, between 2022 and 2026.

Sustainability Practices

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.

Briefing meetings and training programs for employees are organized for raising increased awareness of sustainability and its significance. Believing in the vitality of increasing the awareness of customers and suppliers in relation to environmental and social issues, the Company will be considering the potential actions to be taken for raising increased awareness of stakeholders other than employees.

Legal Compliance and Litigation

Lastly, litigation expense of the Company for 2022 is 181,853 TL.

Restricted Country Policy

No activities have been conducted in Burma (Myanmar), Cuba, Iran, Sudan, or Syria. As part of our commitment to compliance with international regulations and ethical standards, we maintain a strict policy of non-engagement in regions where there may be legal, political, or ethical concerns. Therefore, there are no commercial or operational involvements within these countries. This adherence underscores our dedication to responsible business practices and ensures alignment with global regulatory frameworks.