

İŞ GYO



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YIL

TURKISH SUSTAINABILITY REPORTING STANDARD (TSRS) SUSTAINABILITY COMPLIANCE REPORT 2024





İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON INFORMATION PRESENTED WITHIN SCOPE OF TURKISH SUSTAINABILITY REPORTING STANDARDS

To the General Assembly of İş Gayrimenkul Yatırım Ortaklığı A.Ş.,

We have undertaken a limited assurance audit regarding the information presented in accordance with Turkish Sustainability Reporting Standards 1 "General Provisions on Disclosure of Sustainability-Related Financial Information" and Turkish Sustainability Reporting Standards 2 "Climate-Related Disclosures" ("Sustainability Information") of İş Gayrimenkul Yatırım Ortaklığı A.Ş. ("Company") for the year ended December 31, 2024.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, as described under the heading "summary of the work conducted as basis for assurance conclusion", nothing has come to our attention that leads us to believe that the Company's Sustainability Information for the year ended 31 December 2024 was not prepared, in all material respects, in accordance with the Turkish Sustainability Reporting Standards ("TSRS") published by the Public Oversight Accounting and Auditing Standards Authority ("KGK") in the Official Gazette dated December 29, 2023 and numbered 32414(M).

We are not providing any assurance conclusion about information regarding previous periods.

Structural Restrictions in Preparation of Sustainability Information

Sustainability Information, as explained under heading "Calculation Principles related to Metrics" on pages 29 to 32 of the Company's Sustainability Compliance Report 2024, exposed to structural uncertainties resulting from lack of scientific and economic information. Lack of scientific information in calculation of greenhouse gas emissions leads to uncertainty. Besides, Sustainability Information contains uncertainties based on scenarios related to climate due to lack of data regarding probability of future possible physical and transition period climate risks, their timing and effects.

Responsibilities of Management and Officers in Charge of Senior Management Regarding Sustainability Information

The Company Management is responsible for the following:

- Preparation of Sustainability Information in compliance with principles of Turkish Sustainability Reporting Standards (TSRS);
- Designing, implementing and maintaining internal control related to the preparation of Sustainability Information that is free from material misstatements due to misstatement or fraud,
- Additionally, Company Management is responsible for selecting and applying appropriate sustainability reporting methods and making reasonable assumptions and predictions suitable for circumstances.

Officers in charge of Senior Management are responsible for the supervision of the sustainability reporting process of the Company.



Independent Auditor's Responsibilities related to Limited Assurance Audit on Sustainability Information

We are responsible for following matters:

- Planning and conducting assurance work to obtain limited assurance about whether the Sustainability Information contains material misstatements due to error or fraud,
- Reaching an independent conclusion based on the evidence we obtain and the procedures we apply, and reporting the conclusion we reach to the Company's management.
- Risk assessment procedures have been fulfilled not for the purpose of reporting an assurance conclusion on effectiveness of the Company's internal control but for the purpose of understanding internal control structure and defining and evaluating material misstatement risks of sustainability information due to error and fraud.
- Fields that may contain material mistakes have been determined within Sustainability Information and procedures intended for such fields have been designed and implemented. As fraud may involve the acts of collusion, forgery, willful failure to enter transactions into records or providing untrue statements to the auditor on purpose or internal control breach, the risk of failing to detect a material fraud-related misstatement is higher than the risk of failing to detect a material error-related misstatement.)

Misstatements may result from errors or frauds. If the misstatements, alone or collectively, are reasonably expected to have an impact upon the financial decisions to be taken by Sustainability Information users based such statements, such mistakes are considered material.

Since we are responsible for providing an independent opinion on the Sustainability Information prepared by the Management, we are not allowed to be involved in the preparation of the Sustainability Information in order not to compromise our independence.

Implementation of Professional Standards

We have conducted a limited assurance audit in accordance with the Assurance Audit Standard 3000 "Other Assurance Audits Other Than Independent Audits or Limited Independent Audits of Historical Financial Information" published by the KGK and the Assurance Audit Standard 3410 "Assurance Audits Regarding Greenhouse Gas Declarations" regarding greenhouse gas emissions included in the Sustainability Information.

Independence and Quality Management

We have acted in accordance with the independence provisions and other ethical provisions in the Code of Ethics for Independent Auditors (Including Independence Standards) (Code of Ethics), published by the KGK and built on the fundamental principles of honesty, impartiality, professional competence and diligence, confidentiality and professional conduct. Our company enforces provisions of Quality Management Standard 1 and maintains a comprehensive quality management system, including written policies and procedures regarding compliance with ethical provisions, professional standards and applicable legislation. Our works have been conducted by an independent and multi-disciplinary team of auditors and sustainability and risk specialists. We have used the work of our expert team to help assess the reasonableness of information and assumptions regarding the Company's risks and opportunities related to climate and sustainability. We are solely responsible for assurance conclusion we have given.



Summary of the Work Conducted as Basis for Assurance Conclusion

We are required to plan and execute our works to address areas where we have identified a high probability of material errors occurring in the Sustainability Information.

Procedures implemented by us are based on our professional judgment. Whilst conducting limited assurance audit related to Sustainability Information:

- Interviews have been conducted with key senior personnel of the Company to understand the processes in place to obtain the Sustainability Information for the reporting period.
- The Company's internal documentation has been utilized in order to evaluate and examine information related to Sustainability.
- Evaluation has been conducted for disclosure and presentation of information related to Sustainability.
- An understanding has been obtained regarding the Company's control environment and information systems relevant to the preparation of Sustainability Information through inquiries. However, design of certain control activities has been evaluated, no evidence regarding their implementation has been obtained and function efficiencies have not been tested.
- It has been evaluated whether the Company's prediction development methods are appropriate or not and whether they are implemented consistently or not. However, our procedures do not include testing the data on which predictions are based or developing our own predictions to evaluate the Company's predictions.
- Processes related to identification of risks and opportunities which are considered to be financially material as well as the Company's sustainability reporting processes have been understood.

Procedures implemented in limited assurance audit are different from reasonable assurance audit in terms of quality and timing and their scope is narrower. To conclude, assurance level offered as a result of limited assurance audit is significantly lower than level of assurance that would have been obtained if reasonable assurance had been conducted.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Mehmet Cenk Uslu, CPA
Responsible Auditor

Istanbul, August 1, 2025

1. Introduction

İş Gayrimenkul Yatırım Ortaklığı A.Ş. (İŞ GYO) Turkish Sustainability Reporting Standards (TSRS) Compliance Report for the year 2024 presents İŞ GYO's management structure, strategy, risk and opportunity determination and management processes, performance metrics and goals in connection with sustainability and climate in alignment with TSRS requirements.

İŞ GYO intends to provide its stakeholders with reliable and comprehensive information concerning its sustainability approach and performance with this report.

1.1. About İŞ GYO

Founded in 1999, İŞ GYO has combined its market reputation supported with deep-rooted corporate principles and financial power of İş Bankası Group, of which it is a member, with sectoral experience and vision and developed selective projects and has been maintaining its sound growth trend ever since its foundation.

İŞ GYO, one of the sector's leading companies with its diversified and balanced portfolio and strong financial structure, has focused on offering risk-yield balance that is best suited to its investors.

İŞ GYO, which has implemented new investments with its strong equity capital, funding opportunities and sustainable resources derived from regular rent income from its qualified portfolio, is taking firm steps with the determination to further advance its position in the sector.

The Company invests in real estate and real estate projects and runs its operations in accordance with the regulations of the Capital Markets Board.



deep-rooted

2 Information on Preparation of this Report

2.1 Purpose of the Report Declaration of Conformity

TSRS 1 General Provisions on Disclosure of Sustainability-Related Financial Information, which was integrated into our legislation by Public Oversight, Accounting and Auditing Standards Authority (KGK), is intended to require an entity to disclose information about its sustainability-related risks and opportunities that would be useful to primary users of general purpose financial reports in making decisions about funding the entity. Purpose of TSRS 2 Climate-Related Disclosures is ensuring that the said users disclose risks and opportunities related to climate-related risks and opportunities.

İş Gayrimenkul Yatırım Ortaklığı A.Ş. ("İş GYO" or "Company") is obliged to report in alignment with TSRS Standards since the Company is subject to regulation and audit by the Capital Markets Board and meets the criterion of threshold value of minimum two of the size criteria specified in two successive reporting periods.

This report has been prepared in alignment with requirements specified in standards such as TSRS 1: General Provisions on Disclosure of Sustainability-Related Financial Information and TSRS 2: Climate Related Disclosures. İş GYO has evaluated and included in the report the entire value chain and operations of Kanyon Yönetim İşletim ve Pazarlama Anonim Şirketi, its single affiliate, whilst preparing the report. All information and statements in this report cover İş Gayrimenkul Yatırım Ortaklığı A.Ş. and its jointly controlled entity specified in the financial statements.

TSRS 1 and TSRS 2 standards have been utilized with all of its annexes whilst explaining risks and opportunities that can be reasonably expected to affect financial adequacy of İş GYO in connection with Sustainability and climate change.

2.2. Fair Presentation

İş GYO 2024 Turkish Sustainability Reporting Standard Compliance Report fairly presents all climate-related risks and opportunities that are reasonably expected to affect the Company's financial adequacy. TSRS 1, Annex Implementation Guide, paragraphs B1-B12 have been implemented for the purpose of determination of the relevant risk and opportunities. Information presented in this report presents İş GYO's risks and opportunities connected with the climate fully, objectively and accurately.

2.3. Materiality

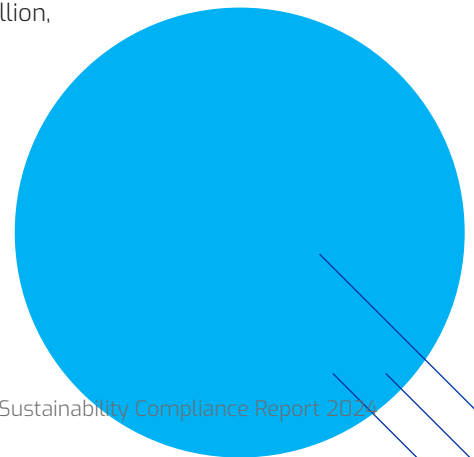
"Financial materiality" has been used in İş GYO TSRS Compliance Report as materiality criterion. The outputs of the "İş GYO Climate Risk and Opportunity Analysis" study, which covers İş GYO and its jointly controlled entity, have been prioritized by taking into account the financial magnitude of the impact. Financial materiality criterion has been determined as 1% of the total balance sheet assets, taking into account established magnitudes as utilized in the company's financial statements in this framework. During this process, criteria of materiality as laid down in paragraphs S1 B13-B37 of TSRS, have been taken into account.

2.4 Reporting Entity

Disclosures related to sustainability and climate as set forth in this report have been prepared for İş Gayrimenkul Yatırım Ortaklığı A.Ş. and should be evaluated in conjunction with the Company's financial statements. The report's scope has been prepared in parallel to İş GYO annual reports and covers İş GYO's affiliate specified in its financial statements.

Below are main fields of operation of the company included in the consolidation and ratio of contribution to its capital:

Kanyon Yönetim İşletim ve Pazarlama A.Ş. (Kanyon): Main objective and scope of activities of Kanyon, incorporated by İş GYO and Eczacıbaşı Holding with a shareholding ratio of 50%-50%, include management, operation and marketing of shops, the mall or office buildings. Kanyon's capital is TRY 1 million, and the Company's contribution ratio is 50%.



2.5. Related Information

Related information between risks and opportunities has been observed while identifying sustainability-related risks and opportunities and sharing material information about the relevant risks and opportunities. Such information has been disclosed, taking into account links among disclosures related to their relations, governance, strategy and risk management as well as metrics and goals in the context of İŞ GYO and its jointly controlled entity. Financial statements containing information connected with risks and opportunities related to sustainability are in alignment with financial statements presented in İŞ GYO 2024 Annual Report.

2.6. Reporting Time and Place of Disclosures

Financial disclosures regarding climate change within the scope of the Turkish Sustainability Reporting Standard (TSRS) Compliance Report, which has been prepared and presented in a separate report format specifically for the transition year of 2024, have been presented to cover the same reporting period (01.01.2024 – 31.12.2024) as the relevant financial statements.



It is possible to have access to İŞ GYO's relevant financial information covering this period via this link.
<https://www.isgyo.com.tr/en/investor-relations/reports-and-presentations>

2.7. Comparative Information

As per provisional article of Board Resolution Related to TSRS Implementation Scope, since an entity does not have to present disclosures specified in TSRS S1 and S2 for any period before the first implementation date and comparable information, only metrics related to the year 2024 are reported. This report does not contain climate-related financial disclosures of previous years, making use of the transition relief.

2.8. Guidance Sources

İŞ GYO implements TSRS 1 and TSRS 2 standards whilst sharing information on its risks and opportunities associated with sustainability and climate change. The guides "Volume 35—Home Builders", "Volume 36—Real Estate" and "Volume 37—Real Estate Services", from among the Guides for the Sector-Based Application of TSRS 2, which are relevant to İŞ GYO's scope of activities have been utilized.

The "İŞ GYO Climate Risk and Opportunity Analysis" study has been prepared by considering the parent company and the jointly controlled entity, and the study evaluated external trend analysis based on sectoral and macro level reports and guides, and strategic analysis focusing on the relationship between İŞ GYO's business strategy and sustainability issues.

2.9. Notes Regarding Basic Contents

There are certain transition reliefs for the year 2024, the first reporting year, as per articles E3, E4, E5 and E6 specified in TSRS 1 and articles C3, C4 ve C5 specified in TSRS 2. Below are transition reliefs implemented by İŞ GYO:

- » During the first annual reporting period, an entity is permitted to disclose only information about climate-related risks and opportunities (in accordance with TSRS 2), thereby, applying requirements in TSRS S1 only to the extent they are relevant to disclosing information about climate-related risks and opportunities. İŞ GYO has only taken into account climate change-related risks and opportunities whilst creating this report. However, information related to strategy and risk management approach covers all sustainability issues including the climate.
- » Since an entity does not have to present disclosures specified in TSRS S1 and S2 and comparable information for any period before the first implementation date, İŞ GYO only provides metrics pertaining to the year 2024 in this report. This report does not contain climate-related financial disclosures of previous years, making use of the transition relief.
- » An entity is permitted to report sustainability-related financial disclosures in the first annual reporting period in which such entity adopts TSRS, after the entity has published the relevant financial statements. İŞ GYO publishes TSRS Compliance Report within the period of time given by Public Oversight Institution after it shares financial statements pertaining to the period from January 1 - December 31, 2024.

3. Governance

Sustainability governance structure has been established, taking into account all existing and potential requirements, in order to ensure that İş GYO sustainability approach is rendered functional within the entire value chain. This structure is intended to ensure that sustainability is managed efficiently within the Company, thereby, effect-oriented solutions are generated for all stakeholders.

3.1. Sustainability Governance Structure

The highest-ranking authority at İş GYO in charge of sustainability and climate matters is the Corporate Governance Committee. Sustainability policies are enforced under supervision of the Corporate Governance Committee. The Corporate Governance Committee consists of 3 Board Members, 1 of whom is independent, and the Assistant General Manager responsible for Investor Relations and Sustainability function, and the Committee's working principles have been updated to include environmental, social and corporate governance issues and sustainability practices, and such principles have been shared with all stakeholders through the Public Disclosure Platform (KAP) and the Company's website

It is the Investor Relations and Sustainability Department that is responsible for coordination of Sustainability studies across the Company.

"Sustainability Working Group" whereby all key functions of the Company are represented has been formed, led by the Assistant General Manager to whom Investor Relations and Sustainability Department reports in order to conduct sustainability studies of the Company effectively and comprehensively. Sustainability Working Group, led by Investor Relations and Sustainability Unit, is composed of officials from Corporate Communications, Human Resources, Information Technologies, Sales and Leasing, Business Development, Risk Management, Facility Management and Construction Unit.

Responsibilities related to risks and opportunities connected with sustainability and climate at İş GYO are clearly defined under the Sustainability Policy. Conducting sustainability activities and following up risks/opportunities within scope of this policy have been organized in alignment with relevant job descriptions and authorities. The Sustainability Working Group looks after risks and opportunities related to Sustainability within framework of sustainability activities determined following examination and evaluation of the company's general manager. The said activities and monitoring results are shared with relevant committee members of the Corporate Governance Committee and are followed up by the senior management. This process shows how tasks related to climate risks and opportunities are directed within the organizational structure, what mechanisms are used to transfer responsibilities, and how they are linked to relevant policy documents.

Activities conducted within scope of the Company's ESG Policies are reported to the Board of Directors at least once a year, as indicated in the working principles of the Corporate Governance Committee. The Corporate Governance Committee has presented studies conducted in 2024 to the Board of Directors with a report prepared by it.



3.2. Improvement and Updating of Sustainability Competencies

İş GYO annually evaluates the capacity, knowledge and experience of individuals and bodies involved in managing climate and sustainability risks and opportunities by considering their academic and professional background, past experience, and the conferences and NGOs they have attended. Where necessary, training and/or external expert support is provided in the field of climate change and sustainability, and capacity building work is carried out through the sharing of appropriate guidance resources and reports. Officials from the working group attended the meetings and conferences regarding sustainability organized domestically throughout the year 2024. It is intended to utilize online training materials to be implemented within the scope of Human Resources Career Architecture to develop the skills and competencies of company officials who will take part in this process for strategies to be designed to respond to risks and opportunities related to sustainability, and to develop the necessary competencies within the company by the end of 2026. The sustainability activities related to sustainability risks and opportunities identified after the review and evaluation of the company's general manager are monitored by the Sustainability Working Group and shared with the committee members in the Corporate Governance Committee.

İş GYO Sustainability Working Group regularly monitors the applicability and effectiveness of sustainability strategies and identifies areas for improvement, when necessary. The monitoring results and evaluations obtained are shared with the relevant committee members in the Corporate Governance Committee, and the strategies are monitored. Necessary decisions are made for effective management and improvement of strategies, given the competencies of committee members and audit processes.

It is the Corporate Governance Committee that is responsible for conducting tasks within sustainability practices and policies created to that effect at İş GYO. The Committee reports to the Board of Directors within scope of sustainability activities. Investor Relations and Sustainability Department is responsible for coordination of Sustainability studies across the Company.

Implementation of the Sustainability Policy and the other Policies with complementary nature created under this Policy is carried out under supervision of the Corporate Governance Committee. These Policies are reviewed regularly by the Corporate Governance Committee, at least once a year, in line with changes in requirements and operating conditions, and updates and changes deemed necessary are approved by the Board of Directors upon the Committee's recommendation and then become effective.



İş GYO Sustainability Policy is available at the link below:

https://www.isgyo.com.tr/files/surdurulebilirlik/politikalar/IS_GYO_Sustainability_Policy-27565.pdf

3.3. Integration of ESG Indicators into the Performance System

İş GYO adopts a fair and competitive remuneration and rewarding understanding in alignment with its ethical values and strategic goals. The Remuneration Policy in force has been approved by the Board of Directors and has been submitted to shareholders for information at the General Assembly.

The Company's publicly disclosed Remuneration Policy is valid for managers and employees at all levels, and it is essential that the remuneration to be paid to managers and employees at all levels of the Company be not associated solely with the Company's short-term performance, but be compatible with the Company's ethical values, internal balance and strategic objectives.

İş GYO has set its environmental and social impacts as a strategic performance field and disclosed such field through corporate policies. Social and environmental impact assessment, which covers topics such as energy and emission management, waste and water management, occupational health and safety, gender equality, supply chain management, and contribution to social welfare, is an integral part of corporate performance goals. Climate-related performance indicators have not been included in executive remuneration yet, but it is planned to incorporate such criteria into remuneration processes in the future. Infrastructure work to incorporate risks and opportunities identified within the scope of studies related to sustainability into performance metrics in a way that is consistent with the areas of responsibility of employees at all levels of the company will be coordinated by the Human Resources Unit.



The Company Remuneration Policy's full text is available at the following section of the website:

<https://www.isgyo.com.tr/en/investor-relations/corporate-governance#policies>

Environmental and Social Impact Policy is available here.



3. Governance

3.4 Corporate Policies Related to Sustainability

İş GYO integrates its sustainability vision into management strategy and business model through policies connected with sustainability. All principles of implementation for sustainability focal points are shared with all stakeholders via policies.

Below are ESG Policies demonstrating İş GYO's sustainability approach and relevant arrangements.



The said regulations have been created with the decision of the Board of Directors and have been submitted to all stakeholders via the Company's website for information. Relevant policies and regulations are available here.
<https://www.isgyo.com.tr/en/corporate/sustainability>

4. Strategy

4.1. Climate-Related Risks and Opportunities

Climate risks for companies such as İŞ GYO which have operations in real estate industry may create risks from both physical and financial perspective. Increased flooding, heatwaves, and other extreme weather events threaten the physical integrity and value of structures in companies' real estate portfolios, while transition risks such as energy efficiency regulations, carbon taxes, and investor expectations can also have an impact upon operational and financial sustainability. Companies not taking into account climate risks may have a hard time in accessing insurance and financing and may suffer from loss of reputation.

However, such risks may also turn into important opportunities when managed with correct strategies. Investments in energy-efficient green buildings increase İŞ GYO's portfolio value and can also provide advantages in terms of access to sustainable financing sources and investor interest. Therefore, identifying, measuring and managing climate risks is critical to İŞ GYO's long-term goals of creating value and maintaining/increasing its competitiveness.

At İŞ GYO, Sustainability Working Group and Risk Management teams have been established with human resources in mind so as to respond to sustainability and climate risks.

A budget is formed for works related to mitigation of climate risks within framework of revamping and maintenance works to be undertaken for real estates that are included in our portfolio. Additionally, new investments required to strengthen technological infrastructure and data management systems are being planned and implemented in proportion to the Company's financial power. Assessments regarding climate risks and opportunities are made by senior management and the Corporate Governance Committee, and these mechanisms are structured to enable rapid and effective decision-making.

İŞ GYO conducts its activities in a manner sensitive to environment within the framework of the principles set out in the "Environmental and Social Impact Policy" and aims to make progress in energy and water efficiency, greenhouse gas emissions, waste generation and recycling within the scope of the said Policy. The Company has disclosed its existing and planned practices in this scope.

Within the scope of these objectives, short-term and long-term actions that can be taken for both the existing properties in the Company's portfolio and the projects being developed or to be developed by the Company are evaluated and implemented by taking into account the quality and suitability of each property and the development stages of the project.

İŞ GYO has ascertained and considered climate risks and opportunities reasonably expected to have an impact upon its financial performance, cash flow and access to finance in the short, medium and long run. As a priority target in 2025, the Risk Management, Internal Control and Compliance Activities Unit (in short, RIC Unit) will carry out work to include climate risks in the Company Risk Policy and Risk Catalogue.

It is planned to, first of all, prioritize the potential climate-related risks identified and included in the Risk Catalogue, taking into account the risks closely monitored by the sector in which the company operates, and then, to classify risks and opportunities that should be prioritized according to the risk probability and impact scale, to determine trade-offs between risks and opportunities, and within this framework, to evaluate potential impacts that İŞ GYO may be exposed to upon İŞ GYO within scope of its activities.

4.1.1. Climate Risks

Climate risk is defined as financial and non-financial risks which result from climate change and may emerge during transition to low-carbon economy.

In line with the review and evaluation studies conducted, at İŞ GYO, it is planned to incorporate climate risks in the Risk Catalogue approved by the Board of Directors, classifying them in a manner comprised of physical risks. Physical risks arise from environmental factors connected with events that could damage assets (acute: e.g. heatwaves, fires and floods) or long-term changes (chronic: rising temperatures and sea level rise); transition risks arise from the transition to a low-carbon economy. It is critical to grow sustainably and manage climate risk during transition to low-carbon economy.

Physical Risks

Risks arising from the severity, frequency and effect of natural events caused by climate change, which are divided into two as acute and chronic.

Acute Physical Risks: Risks posed by nature-related events such as hail, floods, landslides or forest fires, which are increasing in severity due to climate change and manifest themselves in a short period of time,

Chronic Physical Risks: Risks posed by long-term changes in climatic conditions, such as increased average air temperatures, changes in precipitation patterns, rising sea levels, etc., whose effects spread over time,

4. Strategy

Transition Risks: Risks arising from developments related to economic processes such as additional tax burden, production or foreign trade restrictions, technological effects, and changes in consumer preferences that may arise during the transition to a low-carbon economy. Transition risks related to climate have important priorities in the company's risk assessment. Economic impact of transition risks is higher than economic effect of physical risks. Expenditures made to manage such risks are similar, too.

4.2. Time Horizons

İş GYO defines time slots in climate-related risk assessment processes as follows in compliance with timetables used in decision-making processes:

Short Term: 0 to 3 years

Medium Term: 3 to 10 years

Long Term: 10+ and above

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Activities conducted within scope of the Company's ESG Policies are reported to the Board of Directors at least once a year, as indicated in the working principles of the Corporate Governance Committee. The Corporate Governance Committee has presented studies conducted in 2024 to the Board of Directors with a report prepared by it.



4.3. İş GYO's Business Model and Value Chain

İş GYO has evaluated the entire value chain apart from its own activities whilst preparing its financial disclosures related to climate.

Below are İş GYO's upstream and downstream value chain relationships:



4.4 Probability

İş GYO evaluates probability of occurrence of risks over a scale of 6.

- » Almost certain
- » Highly probable
- » Probable
- » Low probability
- » Not probable
- » Not probable at all

4.5. Magnitude of Impact

Magnitude of risk's financial effect at İş GYO is classified as follows.

- » Low Impact: 1% decrease in EBITDA
- » Medium Impact: 1% to 3% decrease in EBITDA
- » High Impact: 3% to 5% decrease in EBITDA
- » Severe Impact: 5% to 10% decrease in EBITDA
- » Critical Impact: Decrease in EBITDA by 10% and more

If the costs related to the risks and opportunities defined within the scope of these criteria have been realized, the corresponding item(s) at İş GYO's financial statements are stated. Estimated values which have been set in scenario analyses and have not materialized are specified as "prediction value."

İş GYO takes into account the following risk calculations and risk response/opportunity assessment costs in its decision-making processes regarding possible operational changes and investment plans.

4. Strategy

4.6. Risks and Opportunities

In the process of determining the environmental and social metrics presented, judgments were made, particularly regarding reporting scope, data reliability, uncertainties regarding timing, and differences in operational activities. As a result, the scope of emissions calculations (e.g. only Scopes 1–2) was shaped by limitations such as the limitation of human resource metrics to system records and the reliance of some environmental data on third-party declarations. The management has based the inclusion of this data in the report on the principles of transparency, traceability and relevance for decision makers, and the risks and opportunities section has been created accordingly.

Within context of climate change, risks and opportunities defined at the level of İŞ GYO's jointly controlled entity of which financial impact has been found reasonably important are as follows.

Risks Connected with the Climate

1- Acute Physical Risk - Increase in Severity of Extreme Weather Events

An increase in extreme weather events may cause insurance terms to become less favorable and/or more expensive and increase building maintenance costs. Increase in severity and frequency of extreme weather events may damage the company's properties and may lead to loss of and/or damage to asset. Also, it may have an adverse impact upon the company's assets. There may be disruptions in project delivery dates. The value chain where the risk is concentrated is considered direct operations and likelihood of its occurrence is estimated to be high. When the current situation scenario (Scenario 1) included in the climate scenario analysis study is evaluated with regards to risk of increasing severity of extreme weather events, it is predicted that the acute physical risk predicted for the short term may have an impact upon insurance premiums during the said period and will have an impact upon insurance expenses under the cost of sales item. Here, measurement uncertainty of the impact is high, yet it is predicted that magnitude of the said impact will be high and it will not have a crucial impact upon EBITDA.

İŞ GYO has coverages within scope of general building insurance policies against extreme weather events. The company takes out insurance against possible risks in order to prevent the decrease in asset value due to heavy rainfall caused by climate change.

Accordingly, total insurance cost of İŞ GYO assets for the year 2024 is TRY 39,992,256. Below is the breakdown of the insurance cost according to the real estate:

Real Estates	Insurance Expense 2024 (TRY)
Tuzla Technology and Operations Center	15,473,463
Istanbul İŞ Towers Complex	7,974,545
Izmir Ege Perla Housing/	6,468,942
Istanbul Kanyon Mall	5,115,900
Izmir Ege Perla Mall	2,257,779
Istanbul Tuzla Square Mall	871,744
Ankara İŞ Tower Building	683,349
Maslak Office Building	404,973
Kartal Manzara Adalar	313,678
Marmaris Mallmarine Shopping Center	211,815
Other Real Estates	216,068
TOTAL	39,992,256

Risk	Acute Physical Risk - Increase in Severity of Extreme Weather Events
Description	An increase in extreme weather events may cause insurance terms to become less favorable and/or more expensive and increase building maintenance costs. Increase in severity and frequency of extreme weather events may damage the company's properties and may lead to loss of and/or damage to asset. Also, it may have an adverse impact upon the company's assets. There may be disruptions in project delivery dates.
Where does it occur in the value chain?	Direct
Type	Operation
Basic factor causing the risk	Damages that may be inflicted upon properties due to changing precipitation regime
Primary potential financial impact	Increasing insurance costs - Disruption in delivery dates.
Time Range of the Impact	Short term
Occurrence Probability	High
Magnitude of impact	Low
Financial Impact of Risk	
Potential Impact	Increased insurance premiums
Cost of eliminating the risk	2024 End of Year Insurance Cost: TRY 39,992,256 (page 24) In the scenario where insurance costs increase by 10% due to increasing severity of extreme weather events, the impact on EBITDA is estimated to be 0.1%.
Equivalent in the financial statement	Cost of Sales/Insurance Expenses /EBITDA

Climate-Related Opportunity

1- Green Buildings and Resource Efficiency

Green buildings are structures designed and built so as to optimize resource efficiency, and they become more and more important in respect of their impacts connected with climate in the long run. Green buildings with design solutions prioritizing energy efficiency are also designed to minimize carbon emissions thanks to materials used in their building.

The company's real estate portfolio includes the Tuzla Technology and Operations Center, Tuzla Square Mall, Kanyon Shopping Mall, Istanbul Financial Center Office Building and Manzara Adalar (housing) green building certifications, while the Kasaba Modern Residence Project, which is currently under construction, is also a project developed in a manner enabling it to receive a green building certification. The Company intends to receive green building certification for buildings it is planning to develop.

Buildings with low carbon footprint which use the energy efficiently become more and more appealing in respect of investors who are sensitive to the environment and buyers / tenants demanding lower operation costs. It is also likely that the state will introduce regulations to encourage the production of such structures in the medium and long term in years to come.

It is believed that opportunity related to resource efficiency and green buildings will concentrate in the downstream value chain. Considering the potential impact of this opportunity in the medium and long term, the climate scenario analysis study predicts that it can be evaluated within the scope of the Scenario 3, where climate actions are gradually increased, and that this will contribute to the development of commercial real estate projects with green building certifications with the aim of achieving maximum resource efficiency and the management of these properties with lower operational costs, thus increasing tenant demand, thereby, ensuring higher rent income and occupancy rates. The same applies to residential projects; and projects that prioritize resource efficiency (energy, water, natural gas) will receive greater demand from customers because common area expenses will be lower. Currently, there is a legal incentive for higher rates of housing loans to be used for houses with Class A and Class B energy certificates, and such incentives can be expected to be expanded in the future.

It is projected that opportunity related to resource efficiency and green buildings will occur in the medium and long run.

4. Strategy

In a business environment where awareness of climate risk is increasing, it is projected that, in the medium term, companies, investors and end users will prefer buildings that are environmentally friendly, prioritize resource efficiency and have green building certifications in this regard. In this context, the Company predicts that its real estate portfolio with green building certification will become more attractive to both tenants and buyers, and that this will have a positive impact on the Company's revenue from rentals and real estate sales in the medium term, and that its strategy of owning and developing green buildings will positively differentiate the Company from other developers in the medium term.

Opportunity	
Green Buildings and Resource Efficiency	
Description	The company's real estate portfolio includes office buildings and shopping malls, and uses both electrical energy and energy from other fuels for heating and cooling these buildings. Therefore, energy efficiency is of paramount importance for İş GYO. Accordingly, rise in extreme weather events related to the climate such as heatwaves may require use of more energy which is a direct cost. Improvements made in this field may offer financial saving in respect of both the Company and its tenants. Increased resource efficiency will make the Company more attractive in terms of new tenants, potential buyers. Developing residential projects with resource efficiency in mind and commercial real estate projects with green building certifications will create opportunities for these properties to be managed with lower operational costs, leading to greater demand from tenants, thus contributing to higher rental income and occupancy rates. This will bring about a positive impact in sales of houses for the company will be preferred more by housing customers.
Where does it occur in the value chain?	Downstream Value Chain
Type	Finance Operation
Basic factor resulting in the opportunity	Resource saving Response to customer and investor demands Appealing for ESG-oriented tenants and investors
Primary potential financial impact	Cost saving Competitive advantage
Time Range of the Impact	Medium - Long
Occurrence Probability	Probable
Magnitude of impact	High
Financial Impact of Opportunity	
Potential Impact	Amounts of dues to be paid by office tenants as well as shopping center and mall tenants are expected to decline due to reduction in operating costs. In this context, the Company's real estates may become more appealing for tenants. Housing projects created by using resources efficiently, especially energy and water, to address the negative impact of rising air temperatures due to climate change will also increase customer demand, thus, increasing the Company's competitiveness in the market and potentially positively impacting sales. Attaching importance to resource efficiency will enable projects and green building certified properties to be managed with lower operational costs, contributing to greater demand from tenants and higher rent income and occupancy rates. This will bring about a positive impact in sales of houses for the company will be preferred more by housing customers.
Cost of Responding to Opportunity	Rise in capital expenditures Consultancy, energy audit, application fees and other fees for green building certification processes vary depending on the project and building to be certified.
Equivalent in the financial statement	Drop in operating costs – Increase in revenue

Evaluation regarding Impact of Climate Related Risks and Opportunities upon the Financial Standing as of the Reporting Period

There are no serious risks or opportunities that would require a significant adjustment in the next reporting period to the book values of assets and liabilities reported in the financial statements published within the relevant activity period regarding climate-related risks and opportunities so identified.

It is predicted that the company's financial standing will remain unchanged in the short and long run, given the Company's investment and disposal plans within scope of strategy for management of risks and opportunities related to the climate. İŞ GYO plans equity financing in its strategies to be implemented in connection with climate-related risks and opportunities. Within the framework of managing these risks and opportunities, it is expected that cost savings and operating costs will be created through methods and strategies to be implemented, especially within the scope of resource efficiency, and, thereby, dues to be paid by tenants in both office and retail investments will be positively affected. In this regard, it is projected that the Company will have a more attractive and cost-effective real estate portfolio for office, shopping mall and market tenants, which will increase the rent demand for the Company's real estate and create a positive impact on revenue.



positive impact

5. Risk Management

İş GYO utilizes numerous national and international standards in order to be able to manage climate related risks and opportunities fairly, objectively and fully. Risks and opportunities are assessed in light of the guidance set out in the procedures of TSRS (Turkish Sustainability Reporting Standards), SASB (Sustainability Accounting Standards Board), CDSB (Climate Disclosure Standards Board) and the Global Risks Report of the World Economic Forum (WEF).

The corporate risk management strategy, which is the primary guide for İş GYO's corporate risk management processes, aims to ensure that appropriate actions are taken against all financial and non-financial uncertainties that could threaten İş GYO's corporate existence and to protect its corporate identity and stakeholder interests under any and all circumstances. This strategy is also the main corporate method for managing sustainability and climate risks assessed within the Corporate Risk Management system.

İş GYO's priority Environmental, Social and Corporate Governance (ESG) issues, risks and opportunities are determined in the "Sustainability Policy" and "Environmental and Social Impact Policy" approved by the Board of Directors and disclosed to the public as well as in other relevant regulations disclosed to the public. Following the completion of the work to define the risks related to these matters in the Risk Policies and Risk Catalogue documents approved by the Company's Board of Directors, it is intended to carry out risk measurement, monitoring and reporting activities. It is aimed to regularly share risk assessment results achieved with the Early Detection of Risk Committee and the Board of Directors through company risk reports. In addition, the audit of the Company's compliance with the Sustainability Policy approved by the Board of Directors and other complementary policies established within the scope of this Policy will be carried out within the scope of the Internal Systems Department activities.

ESG factors constitute the focal point of the Company's activities, and issues such as combating climate change, employee and customer satisfaction, managing supplier relations, occupational health and safety, stakeholder communication, gender equality, compliance with ethical principles and transparent corporate governance practices come to the fore from among such factors.

Climate related risks and opportunities, which are a component of risk management processes, are intended to be taken into account in all strategic decision-making mechanisms of İş GYO, such as investments, new project development, renewal, and transformation.

5.1. Risk Management Structure

Risk management activities at İş GYO are conducted by the Risk Management, Internal Control and Compliance Activities Unit (in short, RIC Unit). Within the scope of the risk management function, risks integrated with the Company's activities are defined, identified, measured, monitored, controlled and reported to the Company's Senior Management within the framework of the Company's Risk Policy and related internal company regulations. İş GYO which is Türkiye İş Bankası A.Ş.'s financial subsidiary conducts risk management activities and processes in alignment with "Türkiye İş Bankası A.Ş. Consolidated Risk Policies."

It is ensured that the Company's documents related to risk management are reviewed and, when necessary, updated in line with the company's changing requirements.

The Early Detection of Risk Committee (in short, Committee) has been established at İş GYO to work towards the early detection of risks that may endanger the existence, development and continuity of the company, to take the necessary precautions regarding the identified risks and to manage the risks as proactively as possible.

The said Committee that reports to the Board of Directors conducts its activities in compliance with "Task Regulation on Early Detection of Risk Committee" and convened for 8 times throughout 2024. Within scope of reviewing the company's risk management systems;

- » The "Company Risk Report", prepared by the RIC Unit with the knowledge of the Early Detection of Risk Committee, includes the main types of risks to which the Company is exposed in relation to its activities, especially operational risk, liquidity risk, credit risk and market risk, is submitted to the Board of Directors for information on a quarterly basis, and
- » The "Early Detection of Risk Committee Evaluation Report," prepared by the Early Detection of Risk Committee to cover the early detection and management of risk, is submitted to the Board of Directors for information on a bi-monthly basis.

The Committee played an active role in identifying and analyzing significant risks integrated with the Company's activities within the scope of the reporting and studies conducted throughout the year, ensured that the necessary information was provided to the Board of Directors within the scope of monitoring legal and internal risk limits and increased the effectiveness of the Company's risk management systems by also monitoring the compliance of risk management activities with the Risk Policy.

The internal control system is run in order to make the maximal contribution for the purpose of achieving goals aligned with the Company's vision, mission and strategies. Internal control activities are conducted within framework of generally accepted COSO (Committee of Sponsoring Organizations) and results of such activities are reported to the Board of Directors.

Compliance activities are carried out to ensure that compliance risk is managed and kept under control in an appropriate and effective manner within the framework of a materiality and risk-based approach, and to make maximum contribution to the management of the Company's activities in accordance with the relevant legislation, regulations and standards. "Compliance Report" drawn up on a quarterly basis is submitted to the Board of Directors.

5.2. Definition of Risks

The Early Detection of Risk Committee, which operates to identify and manage potential risks which İş GYO may be exposed to in advance and in accordance with İş GYO's risk appetite, carries out these activities in full compliance with all relevant legislative requirements.

At İş GYO, it is ensured that documents related to risk management are reviewed and, when necessary, updated in line with the company's changing and evolving requirements.

Matters which may prevent İş GYO's strategic goals and critical operations from being realized are considered as risk element. Potential risks are classified according to main risk categories defined in İş GYO's Risk Catalogue and sub risk lines defined under such categories. General principles that must be complied with in the process of managing risks as identified at İş GYO on the basis of each main risk category are included in the Corporate Risk Policy.

The Company's risks that are integrated with its operations are defined under seven main categories, i.e. strategy, operational, liquidity, loan, market, structural interest rate and reputational risk. Such risks are managed through integration with corporate processes and the Company's decision mechanisms as part of the corporate management.

5.2.1. Climate Risk Stress Test and Scenario Analysis

Three main scenarios have been examined within scope of the study concerning identification of İş GYO climate risks:

Scenario 1: RCP 8.5 (High Emission) Scenario: This scenario represents a future where existing policies and actions continue and efforts of fight with the climate change are insufficient. Global average temperature rise is expected to be 3°C or more by end of the century.

Scenario 2: RCP 4.5 (Medium Emission) Scenario: This scenario reflects a future where governments and the private sector gradually increase climate action, but not quickly or comprehensively enough.

Scenario 3: IEA Net Zero Emission (NZE) Scenario: This scenario assumes a future in which ambitious policies and technological advances are rapidly adopted to limit global warming to 1.5°C in line with goals of the Paris Agreement.

Scenarios RCP4.5 and RCP8.5 show existing vulnerabilities and climate impacts whereas scenario NZE 2050 indicates how risks may be mitigated "if transformation is done." Seeing extremes presented in scenarios show İş GYO portfolio's flexibility towards different climate pathways.

The company's climate resilience has been assessed by applying scenarios chosen to İş GYO's existing real estate portfolio as of 31.12.2024.

The climate stress test, which analyzes the physical and transition risks that may arise due to climate change from a financial and operational perspective, has been conducted by taking into account scenario analyses and existing risk scores.

İş GYO's real estate portfolio has been assessed, in respect of climate risks, Facade Insulation Type, Building Inspection Date, Number of Underground Floors, Energy Performance, Energy Infrastructure, Green Building Certification, Insurance Status Against Climate Risks and Geographical Location based on Provinces.

5. Risk Management

Table 1: Projects that are subjected to Climate Scenario Analysis and Stress test:

Name of Real Estate	
1	İstanbul İş Towers - Tower 2 & 3 and Central Branch
2	Ankara İş Tower Building
3	Maslak Office Building
4	Taksim Office Lamartine
5	Tuzla Technology and Operations Center (TUTOM)
6	Istanbul Finance Center (İFM)
8	Istanbul Kanyon Mall
9	Istanbul İş Towers - Tower Mall
10	Muğla Marmaris Mallmarine Shopping Center
11	Istanbul Tuzla Square Mall
12	Izmir Ege Perla Mall
14	Litus Istanbul (Housing)
15	Kasaba Modern (Housing)

Table 2: Scenario Analysis Evaluation based on Type of Real Estate

Type	Risk Score			
	Existing	RCP4.5	RCP8.5	NZE2050
SHOPPING CENTER	Low	Low	Low	Low
HOUSING	Low	Medium	Medium	Low
OFFICE	Low	Low	Medium	Low

27% of real estates generating rent income in 2024 are vulnerable to climate risks whereas 6.6% of real estates are vulnerable to transition** risks within İş GYO portfolio.

* Calculated based on the Facade Material, Building Inspection Date, Number of Underground Floors, Energy Performance, Energy Infrastructure, Insurance Status and Geographical Location. 3 of 15 projects included in the analysis are at low-medium vulnerability level. Climate strengthening efforts for such projects are in progress.

** Real estates with no green building certificate and certification process have been taken into account.

Based on İş GYO Climate Risk Assessment results;

1. Low Risk Portfolio Structure

13 of 15 projects under assessment are low risk group and 2 projects are at medium risk group. No project has been considered to be at high risk group. Such situation indicates that İş GYO has embraced a perspective attaching importance to climate risks in its portfolio management and its projects have a high structural resilience level.

2 Strong Technical Characteristics

Many projects are come with facade insulation (Low-e cam, insulated panel, etc.) and this increases energy efficiency. VRF and central systems are chosen in the most projects in respect of energy infrastructure. Although there are some old buildings in terms of building inspection year, most projects were built after 2000, which shows that the projects are in compliance with current norms.

3. Geographical Location and Urban Concentration Risk

Projects at areas such as Beşiktaş, Şişli, Sarıyer with dense urbanization have received relatively higher geographical risk score. Nonetheless, such risk has been balanced with technical infrastructure quality and insurance coverage.

4. Scenario-Based Financial Losses

Real estate risk scores are below "high risk" limit, even in the RCP 8.5 (high emission) scenario. Although potential rent losses induced by climate risks may vary from 17% to 32%, such risks are integrated through insurance and energy infrastructure measures for non-residential projects.

5. Insurance and Certification

For all projects, "an insurance covering climate risks" and green building certifications are among factors mitigating climate risks.

5.3. Prioritization of Risks and Risk Inventory

"Legal and ethical risks" come to the forefront along with "business environment risk" defined under the main category of operational risk from among risks integrated with the company's activities. İş GYO, which did not undertake any foreign currency-denominated financial borrowing transactions in 2024, prefers to use various Turkish Lira-denominated borrowing instruments (bank loans, bond issuances, etc.) in addition to equity financing opportunities for financing its investment expenses for new projects or renovation investments for existing properties in its portfolio, by evaluating market cost conditions. In this context, the management of liquidity needs is prioritized and closely monitored by the Company's General Management, taking into account the Company's finalized financial debt payments and the cash flows it generates. Additionally, development risks associated with projects are closely monitored by the Company's relevant executive units; and when necessary, or for matters requiring expert advice, technical/legal consultancy services are obtained to ensure analysis and prioritization of project risks.

İş GYO plans to create a "risk inventory" that will include all types of risks it is exposed to, taking into account the Company's strategic objectives, findings and recommendations identified within the scope of internal audit, and developments regarding compliance. The goal is to prioritize risks to be included in the risk inventory by classifying them according to their impact and probability of occurrence, by evaluating them in terms of time, cost, performance and reputation.

Given the financial, environmental and legal effects of sustainability and climate risks, their reflections upon strategic planning will be considered, too.

5.4. Improvement of Risks

Within the scope of the risk management system, measures that are deemed necessary to be taken and the practices to be developed in order to reduce the impact and probability of occurrence of the risks the company is exposed to are determined.

In addition to legal and internal limits, "Key Risk Categories" created on the basis of main risk categories are used at İş GYO for the purpose of determining early warning signals related to risks the company may be exposed to and to manage risks more effectively.

In addition to key risk indicators, development risks associated with our company are followed up end to end from beginning of the relevant development projects, taking into account development stage of projects, and measures intended to mitigate / prevent such risks are ascertained, taking special consultancy service, when necessary.

5. Risk Management

5.5. Risk Management Trainings

Creating a successful risk management culture and awareness among İş GYO employees is one of the fundamental elements helping the Corporate Risk Management System to become successful. All employees are responsible for operating Corporate Risk Management processes correctly and fully at İş GYO. Operation of risk management processes widespread across the Company is directly associated with raising awareness in the Company's personnel about risks integrated with operations and internalization by employees of risk mitigating / preventing measures.

Throughout 2025, risk management trainings will be added by the Human Resources and Development Unit to professional and on-the-job training programs of İş GYO employees and will become mandatory.

5.6. Integration of Climate Risks with Corporate Risk Management System

The Sustainability Policy, prepared to demonstrate the company's sustainability approach, along with other complementary policies (Environmental and Social Impacts Policy, Human Rights and Human Resources Policy, Occupational Health and Safety Policy, Supplier Management Principles, Customer Satisfaction Policy, Gender Equality Policy), were approved by the Board of Directors and came into force in December 2022.

It is the Corporate Governance Committee that is responsible for management of sustainability works at İş GYO and integration of sustainability practices into goal, strategy and work processes. The relevant Committee started its studies regarding the subject matter by establishing the Sustainability Working Group, and, accordingly, a "Sustainability Working Group" where all key functions of the company are represented has been created and climate risks started to be addressed at the managerial level. Climate change risks and opportunities are addressed by the Sustainability Working Group within scope of Environmental Management System Standard.

By adding the identified climate-related risks to the Risk Policy and Risk Catalogue, creating a risk inventory, and subsequently undertaking risk monitoring and reporting works, it is intended to ensure the full integration of climate/ sustainability risks into İş GYO's corporate risk management system, to include these risks more prominently in strategic objectives, and to begin managing them with a broader impact across management units.

5.7. Monitoring and Reporting of Risks and Opportunities

"Key Risk Indicators", as established and diversified on the basis of each risk category, are used at İş GYO for the purpose of improvement of risks and detecting early warning signals intended for risks. Realization levels related to the said indicators are regularly followed up and periodically reported to the Early Detection of Risk Committee and the Board of Directors.

Apart from Key Risk Indicators, realization levels of internal limit approved by the Company's Board of Directors are also followed up and periodically reported to the Early Detection of Risk Committee and the Board of Directors.

The numerical equivalent of the limits within the scope of portfolio limitations determined by the Capital Markets Board (CMB) for real estate investment partnerships is calculated as of the quarterly financial reporting periods and disclosed to the public by the Company together with the financial statement footnotes for the relevant period.

On the other hand, once risks related to sustainability and climate are included in the Risk Policy and Risk Catalogue, the Company intends to regularly follow up and update risks and opportunities related to sustainability and climate in line with metrics and goals to be set. This integration aims to create a transition plan for the foreseeable changes in the company's business model (such as managing energy-intensive operations, planning, capital expenditure, additional expenditures such as research and development) to address risks and opportunities connected with the climate.

In this context, numerical goals, if any, associated with risks incorporated into the Risk Inventory in connection with the climate will also be taken into account with a view to setting warning values in order to track course of key risk indicators related to the climate risk.

5.8. Assessment of Risk Management Process

Risk management process are periodically reviewed and updated, when necessary, so as to improve the Company's existing competencies and increase the capability of responding to risks.

Effectiveness analyses are conducted in line with current data obtained from internal and external sources, and a continuous evaluation study is carried out to identify new risks that may be exposed or to determine the impact of the development of existing risks on the Company's activities and business processes.

RIC Unit regularly demands opinion and comments from Company employees working at different units on risks related to scope of activities within scope of the corporate risk management activities, and feedbacks so conveyed are analyzed by RIC Unit and classified based on the risk category they are related to. Issues that are considered to be risky and conveyed to the RIC Unit by employees are reviewed by the RIC Unit, if necessary by obtaining additional information from relevant business units in different disciplines, and the issues deemed necessary to be addressed as a result of the risk assessment are reported to the Committee and subsequently to the Board of Directors.

6. Metrics and Goals

İş GYO will be able to set its goals connected with sustainability and climate in 2025 for the purpose of managing sustainability risks and opportunities which may have a reasonable impact upon its financial performance. When setting goals and metrics, national and international arrangements, sectoral comparison studies, international sustainability standards, activities and scope of the Company will be taken into consideration. All metrics presented within scope of the reporting have been structured in alignment with Turkish Sustainability Reporting Standards (TSRS) S1 and S2.

	Scope 1 (tCO ₂ e)	Scope 2 location-based (tCO ₂ e)	Scope 2 market-based (tCO ₂ e)	Total emissions (tCO ₂ e)
İş GYO (Headquarters)	81,24	35.94	-	81,24
Kanyon Yönetim İşletim ve Pazarlama A.Ş.	170.60	898.43	-	170.60
Office Lamartine	-	41.02	-	-
İş GYO Total	251.83	975.38	-	251.83

İş GYO has implemented equity approach whilst determining its organizational limits for reporting of greenhouse gas emissions. Based on this approach, greenhouse gas emissions of subsidiaries are calculated in accordance with the stake the company holds in such subsidiaries. Such approach has included greenhouse gas emissions in Scope 1 and 2 reporting. In this context, for 2024, Scope 1 emissions, known as direct emissions, have been calculated as 262.76 tCO₂e whereas Scope 2 emissions, which are emissions resulting from electricity consumption, have been calculated as 0 tCO₂e, taking into account market-based emissions. Scope 2 emissions dropped by 100.00% in 2024. For İş GYO, Scope 2 emission calculations are made locally and in a market-based fashion. Locally based emissions (982.31 tCO₂e) are calculated by multiplying all electricity supplied by the grid average emission factor, while market-based emissions (0 tCO₂e) are calculated by taking into account supplier-specific or renewable energy supply certificates such as I-RECs. 100% of their electricity consumptions has been provided from renewable resources with I-REC certificates obtained for İş GYO Headquarters, Kanyon A.Ş. and Kanyon mall locations in 2024. For office Lamartine building, an I-REC certificate was obtained in 2024 and electricity consumed for all locations came from 100% renewable electricity resources.

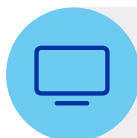
	Scope 1 (tCO ₂ e)	Scope 2 location-based (tCO ₂ e)	Scope 2 market-based (tCO ₂ e)	Total emissions (tCO ₂ e)
Kanyon Yönetim İşletim ve Pazarlama A.Ş.	10.93	6.92	-	10.93



İş GYO Greenhouse Gas Report is available at the link below:

<https://www.isgyo.com.tr/en/corporate/sustainability>

İş GYO and its jointly controlled entity have not purchased and utilized any carbon credit during the reporting period. Carbon credits may be purchased to achieve greenhouse gas emission goals in years to come, but how carbon credits will be used, the carbon credit strategy and implementation methods are not yet clear. Additionally, the Company does not currently apply internal carbon pricing in its decision-making processes (including investment decisions, transfer pricing or scenario analyses). İş GYO does not have an internal carbon pricing study used to assess costs of greenhouse gas emissions.



During the reporting period, İş GYO's greenhouse gas emissions have been validated and disclosed:

<https://www.isgyo.com.tr/en/corporate/sustainability>

6. Metrics and Goals

6.2. The Other Sustainability Metrics

Metric	2024	Category	CODE
Total energy consumed (GJ)	12,301	Quantitative	IF-RE-130a.2
Mains electricity (%)	-	Quantitative	IF-RE-130a.2
Renewable Energy (%)	7,997.97	Quantitative	IF-RE-130a.2

Project designing studies are carried out within the scope of site selection, field design and field development within the framework of legal obligations and the application specified by the regulatory institutions in respect of projects so developed. The Company takes care of environmental sensitivity and actions are taken, considering Environmental and Social Impacts Policy. Storm water storage system is utilized at projects being developed within scope of the said policies. Besides, care is taken for use of greywater treatment system which helps make a great contribution to environmental protection, reducing unnecessary use of natural waster resources, which also make a great contribution to reduction of wastewater production and consumption of network water. For instance, the said two systems have been used at Istanbul Housing Project. Thus, greywater and storm water so treated is used for garden irrigation and/or in flush reservoirs.

The Company cannot directly undertake construction work for projects it is developing or existing real estate due to the legislation it is subject to; the Company receives construction services from companies which operate within framework of certain quality standards and can meet the Company's expectations regarding quality standards. For the purpose of selecting these companies, service criteria that will ensure that the projects developed and properties to be renovated will have a "green building" certificate and/or similar qualifications in the future are taken into consideration. The goal is to prevent or minimize the potential environmental impact of existing real estate or developed projects by taking into account the interaction of the companies that will provide construction services with all stakeholders that may be affected by the relevant project or real estate. Relations with all suppliers, especially construction service providers, are conducted within the scope of "Supplier Management Principles" and "Ethical Rules" which are disclosed to the public.

The Company intends to develop projects capable of being receiving "Environmental Impact Assessment is not Required". Within the scope of the "Environmental Impact Assessment (EIA) Regulation" of the Ministry of Environment, Urbanization and Climate Change, EIA files are prepared in order to evaluate the environmental impacts of certain scale projects planned to be realized and it is undertaken to comply with the regulations of the relevant articles within the scope of the environmental impacts of wastewater, solid waste, excavation waste, construction waste, packaging waste, hazardous waste, medical waste, gas waste production amounts, waste batteries and accumulators, waste mineral oil, vegetable waste oil, exhaust emissions, noise production amounts, dust emissions and soil pollution originating from vegetable soil and excavation waste and measures to be taken in relation to the foregoing in such files. Projects are assessed by the relevant Ministry within this scope and, for those projects that are considered to have no potential impacts upon the environment, a certificate of "Environmental Impact Assessment is not Required" is received.



6.3. Design for Resource Efficiency

İş GYO chooses material and process alternatives which offer resource efficiency in order to be able to make the most of "green buildings and resource efficiency" opportunity field.

The company obtains an energy identity certificate within the scope of ensuring energy efficiency in the projects developed by it and attaches importance to reduction of electricity consumption. However, all immovable properties of the company have energy ID documents and ID documents are renewed once every ten years.

The company prioritizes the use of systems that provide environmentally friendly energy consumption to increase energy efficiency, classifies and balances the energy needs and consumption of buildings, and plans buildings with maximum energy efficiency by using thermal insulation systems that reduce greenhouse gas emissions.

As part of the energy efficiency, works intended to gradually replace common area lighting in the properties within the portfolio with LEDs are in progress.

It is aimed to spread practices making energy efficiency possible across the portfolio. With regards to projects recently developed in this scope, use of photovoltaic panels has been detailed out in projects and the process of implementation is still ongoing.

Importance is attached to those systems which offer eco-friendly energy consumption for the purpose of increased energy efficiency, reduction of air pollution and carbon emission. In this context, care is taken for use of photovoltaic systems, one of renewable energy resources, for energy consumption of common areas. For instance, photovoltaic panels have been used for the project Manzara Adalar. Detailing works have been completed in projects for use of photovoltaic panels at Kasaba Modern Project which is being developed by the company and Balmumcu Rezidans project which is being planned to be started, and implementation phase is ongoing.

6.4. Adaptation to Climate Change

One of the important risks in climate change scenarios is the changing temperature. İş GYO carries out real estate leasing and real estate development operations in varying cities where temperatures over seasonal normals are felt. Changing temperatures may lead to higher energy consumption for those projects that are developed. It is predicted that the effective time period for changing temperatures may occur in the short run. The development of green building certified real estate projects intended to increase energy efficiency is considered as one of the strategies to reduce this risk within the scope of the potential increase in heating and cooling costs.



6. Metrics and Goals

6.5. Climate Resilience

İş GYO that conducts its activities in a manner sensitive to environment within the framework of the principles set out in the "Environmental and Social Impact Policy" aims to make progress in energy and water efficiency, greenhouse gas emissions, waste generation and recycling within the scope of the said Policy, and the Company has disclosed its existing and planned practices in this regard to the public.

Within the scope of these objectives and practices, actions that can be taken in the short- and long-term for both existing real estates in the Company's portfolio and projects being developed or to be developed by the Company are evaluated based on their characteristics for each real estate and project, and are implemented by taking into account the suitability of the real estate or the development stages of the projects. Nonetheless, consumer choices, global climate actions and which climate scenario will materialize give rise to uncertainty and are taken into account in respect of resiliency assessment.

İş GYO has necessary financial resources to respond to climate related risks and opportunities. Environmental sustainability is prioritized in investment budgets, and resource allocation can be done flexibly, where necessary. The company's liquidity and strong capital structure enable preventive and alignment investments stipulated in scenario analyses to be realized in time. Furthermore, green financing and loan options tied to sustainability fall within scope of evaluation.

Below are basic practices put into practice or planned for avoidance of adverse impact of the real estate portfolio upon the environment or minimizing such impacts.

- » Importance is attached to compliance of immovable properties within the portfolio with globally accepted green building certificate criteria such as LEED, BREEAM and necessary works are being undertaken specifically for real estates. With regards to Tower 2 of İş Towers where the Company's headquarters are located, LEED-EBOM certification process is ongoing, and it is estimated that green building certificate process will be completed in 2025.
- » The Company has the competence to transform and modernize its assets within existing real estate portfolio within scope of adjustment to climate risks. In this context, process of obtaining certificate has been started for those assets with no green building certificate, and technical transformations intended to improve structures' energy efficiency and environmental performances have been planned.
- » Importance is attached to attaining International Renewable Energy Certificate (I-REC) or eco energy label within scope of electricity consumption of the Company's Headquarters in order to zero or minimize carbon footprint.
- » At İş Towers Complex that is also home to the company's headquarters (Tower 2, Tower 3 and Kule Mall), Zero Waste Certificate has been attained for Kule Mall and Zero Waste Management process is ongoing for Tower 2 and Tower 3.
- » Within the scope of energy efficiency, the heating and cooling system at immovable properties is adjusted to a certain temperature from the central automation system, thereby, preventing unnecessary energy consumption by overheating or cooling the buildings. For instance, İş Towers Complex (Tower 2, Tower 3 and Kule Mall), Tuzla Technology and Operation Center (TUTOM), Ege Perla Shopping Center and Ankara İş Tower are equipped with an automation system.
- » Water collected with the aid of storm water collection system is used for watering the entire İş Towers Complex and green spaces of TUTOM.
- » As part of the energy efficiency, works intended to gradually replace common area lighting in the properties within the portfolio with LEDs are in progress. It is aimed to spread practices making energy efficiency possible across the portfolio. With regards to projects recently developed in this scope, use of photovoltaic panels has been detailed out in projects and the process of implementation is still ongoing.
- » Within the scope of renewable energy production, project discussions are being held to generate electricity from solar energy for use in the lighting of each real estate.
- » Below are examples of implementation within scope of assessment of environmental impacts of projects developed by the Company;
- » The company obtains an energy identity certificate within the scope of ensuring energy efficiency in the projects developed by it and attaches importance to reduction of electricity consumption. However, all immovable properties of the company have energy ID documents and ID documents are renewed once every ten years.
- » For all projects intended to measure and certify the energy use, energy identity certificate has been received, starting from 2011, with a view to rendering energy consumption efficient. Buildings with maximum energy efficiency are planned by using thermal insulation systems that classify and balance the building's energy needs and consumption and reduce greenhouse gas emissions in order to use energy and energy resources correctly and beneficially, reduce energy waste and protect the nature at projects planned to be developed.

Following measures are taken for reduction of electricity generation in projects being developed:

- » Use of equipment and devices with an energy class A is stipulated.
- » Care is taken to choose energy-saving LED bulbs for illuminations and solar-powered luminaires for outdoor illumination.
- » Care is taken for use of energy-efficient EC class engines for ventilation equipment.
- » Buildings are fitted with illumination automation and motion sensors in order to make a contribution to saving on electrical power and avoid undue illumination.

Moreover;

- » It is intended to obtain building certificate in order to develop and spread eco-friendly design, practice and operation standards at the projects being developed.
- » Importance is attached to those systems which offer eco-friendly energy consumption for the purpose of increased energy efficiency, reduction of air pollution and carbon emission. In this context, care is taken for use of photovoltaic systems, one of renewable energy resources, for energy consumption of common areas. For instance, photovoltaic panels have been used for the project Manzara Adalar. Detailing works have been completed in projects for use of photovoltaic panels at Kasaba Modern Project being developed by the company and Balmumcu Rezidans project of which construction is being planned to be started, and implementation phase is ongoing.
- » Care is taken for allocation as many as possible spaces for electrical vehicle and bike spaces indoor and outdoor areas within the project, and entrance-exit areas are placed in relevant points to encourage residents of projects to use the public transportation.
- » Care is taken to keep vehicle routes under the ground and increase ratio of green spaces within projects depending on size of the project. Çınarlı Bahçe Housing Project developed by the company in previous years has the said design, and similar actions are also taken for Litus İstanbul Housing Project.
- » Space is allocated within projects for car charging stations with a view to reducing carbon emission. For instance, İstanbul Financial Center Project and Litus İstanbul Housing Project offer the said stations. It is planned to allocate space for car charging stations within projects Kasaba Modern and Balmumcu.
- » Storm water storage system is utilized at the project being developed. Besides, care is taken for use of greywater treatment system which helps make a great contribution to environmental protection, reducing unnecessary use of natural water resources, which also make a great contribution to reduction of wastewater production and consumption of network water. For instance, the said two systems have been used at İstanbul Housing Project. Thus, greywater and storm water so treated is used for garden irrigation and/or in flush reservoirs.
- » Care is taken to incorporate oil separator systems into projects in order to avoid water pollution. The said systems were used at Manzara Adalar and İstanbul Housing Project. Kasaba Modern Project is also fitted with wastewater treatment system. Wastewater so treated is used in the landscaping area within the project.
- » While choosing materials, attention is paid to choosing among local, natural and/or recycled ones, attention is paid to using low water consumption faucets and built-in reservoirs, and to ensuring that places where materials are extracted/taken are close to the project area.
- » The landscaping of the projects includes drought-resistant plants that require minimal water; species that can be utilized for their leaves, flowers, and seeds, that break solar radiation, and that develop green tissue quickly are chosen to support the ecosystem and roof gardens are created to minimize environmental impacts. Additionally, storm water storage system is implemented at Litus İstanbul and Kasaba Modern projects and water accumulating in such system is used for watering the landscaping areas.
- » Storm water and greywater treatment systems are used depending on the structure of the projects to protect water resources, and solutions intended to reduce water consumption are preferred in the projects, and support is offered for increased and improved use of such solutions. In this scope, waters coming from Litus İstanbul Project washbasins and showers are treated and such waters are re-used in reservoirs, installing a greywater system.
- » It is intended to help protect water resources through development of projects incorporating such technologies, adding water saving technologies to real estates such as water efficiency, wastewater treatment, water recycling and re-use technologies and developing projects that include such technologies.
- » Care is taken to cooperate with operation companies that embrace technologies and methods which reduce garbage quantity, thereby, reducing waste water ratio and making recycling safer.

6. Metrics and Goals

Key Assumptions Used:

Assumptions used by İş GYO in risk and opportunity analyses have been established in accordance with international climate scenarios as well as macroeconomic, demographic and sectoral trends that are specific to Türkiye.

Climate scenarios that are taken as basis are based on emission reduction pathways as developed by International Energy Agency, (IEA) and Intergovernmental Panel on Climate Change (IPCC). Sustainable Development (SDS) and Net Zero Emission (NZE) scenarios included in IEA's World Energy Outlook reports as well as IPCC's Shared Socioeconomic Pathways (SSPs) scenarios have been taken as a reference for the purpose of assessment of impacts of low-carbon transformation upon energy, economy and urbanization.

Specifically for İş GYO, such scenarios have been taken into account in respect of goals such as design of new projects, energy efficiency investments and reduction of the carbon footprint within the portfolio. Scenarios are also used to analyze medium- & long-term effects of transition risks and physical risks.

Within scope of assumptions specific to Türkiye:

- » Macroeconomic indicators (inflation, interest rates) affect financing costs of sustainable investments.
- » Alignment with the EU Green Deal increases financing facilities intended for sustainable real estate projects.
- » Increased urbanization gives rise to need for energy-efficient buildings that are resilient to climate.
- » Technological developments shape the green building designs and certification processes.
- » Local environmental variables (extreme weather events, water stress, etc.) are taken into account in long-term resilience analyses of projects.

İş GYO shapes both risks induced by climate and sustainable growth strategy with analyses developed by it in this framework.

6.5.1. Green Building Certifications

One of İş GYO's goals is compliance with globally accepted green building certificate criteria such as LEED, BREEAM. The company has developed a strategy to obtain green building certification during the development phase of its real estate projects and as part of renovations or additional investments in existing properties that do not have green building certification.

55% of the company's leasable portfolio consists of investments with green building certification throughout the operating cycle 2024. Such ratio will increase to 85% of the leasable portfolio in the event that immovable properties that are under construction also receive certificates. İş GYO aims to obtain a LEED certificate for Balmumcu Project that is being developed by it.

Requirements regarding reducing carbon footprint, ensuring water and energy efficiency, waste management and recycling are also fulfilled within scope of carrying out these certification processes.

A significant portion of the real estate portfolio is comprised of real estates that have been certified or which have applied for certification.

Real estates that have obtained a certificate

- » Tuzla Technology and Operations Center - LEED Gold
- » Tuzla Mixed Project - LEED Gold
- » Manzara Adalar (Housing) - LEED Gold
- » Kanyon Mall - BREEAM Outstanding
- » İFM Project – LEED Gold

Real estates whose certification process is in progress:

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



Calculation Principles Related to Metrics

The information contained in this guide covers the fiscal year ending on December 31, 2024, and operations related to real estate under the responsibility of İş Gayrimenkul Yatırım Ortaklığı A.Ş., as detailed out in the "Basic Definitions and Reporting Scope" section.

General Reporting Principles

The following principles have been taken into account whilst preparing this guide document:

- » For the purpose of preparation of information - emphasizing appropriateness and reliability of the information to users of the information,
- » Emphasizing the principles of comparability/consistency of information with other data, including the previous year, and the principles of understandability/transparency, which provide clarity to users, for the purpose of reporting information.

Basic Definitions and Reporting Scope

The Company makes following definitions in alignment with the purpose of this report:

Capital	Indicator	Scope
Environmental	İş Gayrimenkul Yatırım Ortaklığı A.Ş. Scope 1 Emissions (tCO2e)	This figure represents the carbon dioxide equivalent in tons of direct greenhouse gas emissions resulting from fixed combustion at the İş Gayrimenkul Yatırım Ortaklığı A.Ş.'s specified locations during the reporting period, which are tracked through invoices, natural gas consumption from generator diesel and gasoline, tracked through invoices, diesel and gasoline consumption from leased and owned company vehicles, tracked through invoices, and cooling gas fillings into cooling devices tracked through the maintenance company's service forms, and operational emission amounts. The Company reports its greenhouse gas emissions according to "Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol, 2004)" standard. Biogenic emissions are not considered within total Scope 1 emissions.
Environmental	İş Gayrimenkul Yatırım Ortaklığı A.Ş. Scope 2 Emissions - Market Based (tCO2e)	Means one ton of carbon dioxide equivalent calculated when subtracting the amount of purchased renewable energy (I-REC) from indirect greenhouse gas emissions resulting from electricity consumption tracked through bills representing the indirect energy consumption of İş Gayrimenkul Yatırım Ortaklığı A.Ş. in the specified locations during the reporting period. The Company reports its greenhouse gas emissions according to "Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol, 2004)" standard.
Environmental	İş Gayrimenkul Yatırım Ortaklığı A.Ş. Scope 2 Emissions - Location Based (tCO2e)	Means one ton of carbon dioxide equivalent of indirect greenhouse gas emissions resulting from electricity consumption tracked through bills representing the indirect energy consumption of İş Gayrimenkul Yatırım Ortaklığı A.Ş. in the specified locations during the reporting period. The Company reports its greenhouse gas emissions according to "Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol, 2004)" standard.
Environmental	Total Energy Consumption (GJ)	Means the value in GJ after the consumption of the energy resources constituting scope 1 and scope 2 as stated above in the specified locations of İş Gayrimenkul Yatırım Ortaklığı A.Ş. during the reporting period.

6. Metrics and Goals

Preparation of Data

1. Environmental Indicators

Total Energy Consumption (Gj)

Primary fuel resources composed of natural gas, electricity, vehicle fuels such as diesel and gasoline, generator – diesel consumptions are reported within scope of direct energy consumption of İş Gayrimenkul Yatırım Ortaklığı A.Ş.

Energy conversions used have been performed using following calculations;

The table below shows references used in the calculation;

Energy Re-source	Net Calorific Value	Unit	Reference
Fuel (Natural Gas)	8,250	Kcal/Sm ³	Lower Thermal Values of Energy Resources and Coefficients for Conversion into Oil Equivalent ANNEX-2
Generator (diesel)	10,200	Kcal /kg	Lower Thermal Values of Energy Resources and Coefficients for Conversion into Oil Equivalent ANNEX-2
Fuel (gasoline) consumption company cars	10,400	Kcal /kg	Lower Thermal Values of Energy Resources and Coefficients for Conversion into Oil Equivalent ANNEX-2
Fuel (diesel) consumption company cars	10,200	Kcal/kg	Lower Thermal Values of Energy Resources and Coefficients for Conversion into Oil Equivalent ANNEX-2

Scope 1 Greenhouse Gas Emissions (tCO₂e)

Scope 1 emissions have been calculated within framework of "Greenhouse Gases Protocol: Corporate Accounting and Reporting Standard" based on the operational control principle in alignment with TSR5.

Factors of conversion CO₂, CH₄, N₂O in to CO₂ equivalent have been used for calculations. Emission factors used have been taken from Guide for National Greenhouse Gas Inventory (2006, IPCC) whereas Global Warming Potential (GWP) coefficients have been taken from Assessment Report 6 of Intergovernmental Panel on Climate Change (IPCC).

Formula:

Emission Amount (tCO₂e) = Operation Data (lt-m³-ton) *Emission factor (CO₂-CH₄-N₂O)(Kg/TJ)

Energy resources constituting Scope 1 are composed of natural gas consumption, generator diesel and gasoline consumption, diesel and gasoline consumptions of owned and leased vehicles.

Natural Gas;

Natural gas consumptions are followed up in m³ through bills provided by service provider companies at those locations of consumption.

Electricity;

Electricity consumptions are followed up in kWh through bills provided by service provider companies at those locations of consumption.

Generator (diesel);

Diesel and gasoline consumption for generators is followed up through bills provided by service provider companies at those locations of consumption.

Fuel for vehicles;

Diesel and gasoline consumption for owned cars and leased cars is followed up through invoices provided by service provider companies at those locations of consumption.

Cooling Gases;

Tracked through filling vouchers off machines consuming cooling gas and based on ratios of leakage for machines.

Emission Source – Scope 1	CO2 (kgCO2/TJ)	CH4 (kgCH4/TJ)	N2O (kgN2O/TJ)	Reference
Fuel (Natural Gas)	56,100	1	0.1	IPCC 2006, Volume2, Chapter 3
Generator (diesel)	74,100	3	0.6	IPCC 2006, Volume2, Chapter 2
Fuel (diesel) consumption company cars	74,100	3.9	3.9	IPCC 2006, Volume2, Chapter 3
Fuel (gasoline) consumption company cars	69,300	3.8	5.7	IPCC 2006, Volume2, Chapter 3

Emission Source – Scope 1 Cooling Gases	KIP(kgCO2e/kg)	Reference
R-134A	1,530.0	IPCC 6th Assessment Report
R-410A	2,255.5	IPCC 6th Assessment Report

Scope 2 Greenhouse Gas Emissions (tCO2e)

Scope 2 emissions have been calculated within framework of "Greenhouse Gases Protocol: Corporate Accounting and Reporting Standard" based on the operational control principle in alignment with TSRS.

Factors of conversion CO2, CH4, N2O in to CO2 equivalent have been used for calculations. For electricity emission factors, electricity emission factor for the year 2022, which was published in 2024 and provided by the Ministry of Energy and Natural Resources, has been taken as basis.

Formula:

Emission Amount (tCO2e) = Operation Data (kWh-h) *Emission factor (CO2-CH4-N2O)(kg/TJ)

The Company's indirect greenhouse gas emission amount has been added to Scope 2 emission calculations.

Electricity;

Electricity consumptions are followed up in kWh through bills provided by service provider companies at those locations of consumption.

Emission Source – Scope 2	Emission Factor (tCO2e/MWh)	Reference
Electric Energy of Türkiye (from the Mains)	0,442	ETKB-EVÇED-FRM-042 Rev.01

6. Metrics and Goals

Material Judgments and Measurement Uncertainties

The Company's process of identifying financially significant risks and opportunities related to sustainability and determining the important information to be reported is based on forecasts and forward-looking information that include short-, medium- and long-term expectations regarding 1% of the total assets in the relevant year, which is an important performance indicator in the sector. Nonetheless, the said evaluations require estimations to be used for certain amounts that cannot be directly measured. Operational limits and assumptions regarding emission calculations are given under the heading "Data Preparation", while information regarding metrics is disclosed on pages 30-31 of the report.

There are transition and global climate scenarios (RCP4.5, RCP8.5, IEA NZE) which are used by the Company to estimate impact dimension of its risks and opportunities related to climate from financial and physical standpoint. These scenarios involve uncertainties about how climate change, including the impact of transition risks and increases/decreases in greenhouse gas emissions, will affect the frequency and intensity of climate events which the Company may be exposed to. These uncertainties arise from variability in climate projections and potential unexpected changes in the behavior of natural and abnormal weather events due to changing weather patterns and evolving climate conditions.

The calculation steps for the financial effects of global warming and the changes that may occur in the company's financial performance in line with these effects, shown on pages "14-15" of the report, are based on forecasts and forward-looking information that include short-, medium- and long-term expectations.

Within context of climate change, there are certain uncertainties likely to affect amount equivalents within financial reports of risks and opportunities defined at the level of İŞ GYO and its jointly controlled entity of which financial impact has been found reasonably important.

Particularly in fields such as carbon emissions, comprehensive data access related to value chain could not be assured fully and certain assumptions are based on certain calculations. Such situation gives rise to increased measurement uncertainty and constitutes an issue that need to be taken into account for the purpose of interpretation of results.

Transition and global risk scenarios used by the Company to estimate outputs of effect dimension of its risks and opportunities related to sustainability from financial and physical standpoint involve uncertainties about how climate change, including the impact of transition risks and increases/decreases in greenhouse gas emissions, will affect the frequency and intensity of climate events which the Company may be exposed to. These uncertainties arise from variability in climate projections and potential unexpected changes in the behavior of natural and abnormal weather events due to changing weather patterns and evolving climate conditions.

Greenhouse gas emissions of İŞ GYO are calculated, consolidating greenhouse gas operation data. Data may be indicated as data taken from meters billed by distributor companies. Major factors that may affect data quality accuracy of measurement instruments, calibration of measurement instruments and deviations in temperature and pressure for certain fuels.

Re-Opinion Statement

Measurements and reporting of verified data inevitably contain prediction up to a certain degree. In the event of a change in data more than 5% at the company level, re-opinion declaration may be considered.

Contact

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