

Türkiye Sustainability
Reporting Standards
(TSRS) Compliant
Sustainability Report
2025

İŞ GYO



Independent Auditor's Limited Assurance Report



İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. TÜRKİYE SÜRDÜRÜLEBİLİRLİK RAPORLAMA STANDARTLARI KAPSAMINDA SUNULAN BİLGİLER HAKKINDA BAĞIMSIZ DENETÇİNİN SINIRLI GÜVENCE RAPORU

İş Gayrimenkul Yatırım Ortaklığı A.Ş. Genel Kurulu'na,

İş Gayrimenkul Yatırım Ortaklığı A.Ş.'nin ("Şirket") 31 Aralık 2025 tarihinde sona eren yıla ait Türkiye Sürdürülebilirlik Raporlama Standartları 1 "Sürdürülebilirlikle İlgili Finansal Bilgilerin Açıklanmasına İlişkin Genel Hükümler" ve Türkiye Sürdürülebilirlik Raporlama Standartları 2 "İklimle İlgili Açıklamalar" a uygun olarak sunulan bilgileri ("Sürdürülebilirlik Bilgileri") hakkında sınırlı güvence denetimini üstlendik.

Güvence denetimimiz, Sürdürülebilirlik Bilgileri ile ilişkilendirilen diğer bilgileri (herhangi bir resim, ses dosyası, internet sitesi bağlantısındaki doküman veya yerleştirilen videolar dâhil) kapsamamaktadır.

Sınırlı Güvence Sonucu

"Güvence sonucuna dayanak olarak yürütülen çalışmanın özeti" başlığı altında açıklanan şekilde gerçekleştirdiğimiz prosedürlere ve elde ettiğimiz kanıtlara dayanarak, Şirket'in 31 Aralık 2025 tarihinde sona eren yıla ait Sürdürülebilirlik Bilgileri'nin, tüm önemli yönleriyle Kamu Gözetimi Muhasebe ve Denetim Standartları Kurumu ("KKGK") tarafından 29 Aralık 2023 tarihli ve 32414(M) sayılı Resmi Gazete'de yayımlanan Türkiye Sürdürülebilirlik Raporlama Standartları ("TSRS") na göre hazırlanmadığı kanaatine varmamıza sebep olan herhangi bir husus dikkatimizi çekmemiştir.

Sürdürülebilirlik Bilgileri'nin Hazırlanmasında Yapısal Kısıtlamalar

Sürdürülebilirlik Bilgileri, 50 ila 54 no'lu sayfalar arasında Ek 1 olarak yer verilmiş olan "Metriklerle İlişkin Hesaplama Esasları" başlığı altında açıklandığı üzere, bilimsel ve ekonomik bilgi eksikliklerinden kaynaklanan yapısal belirsizliklere maruz kalmaktadır. Sera gazı emisyonlarının hesaplanmasında bilimsel bilginin yetersizliği belirsizliğe yol açmaktadır. Ayrıca, gelecekteki muhtemel fiziksel ve geçiş dönemi iklim risklerinin olasılığı, zamanlaması ve etkilerine ilişkin veri eksikliği nedeniyle, Sürdürülebilirlik Bilgileri iklimle ilgili senaryolara dayalı belirsizlikler içermektedir.

www.pwc.com.tr

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Yönetimin ve Üst Yönetimden Sorumlu Olanların Sürdürülebilirlik Bilgileri'ne İlişkin Sorumlulukları

Şirket yönetimi aşağıdakilerden sorumludur:

- Sürdürülebilirlik Bilgileri'nin Türkiye Sürdürülebilirlik Raporlama Standartları esaslarına uygun olarak hazırlanması;
- Hata veya hile kaynaklı önemli yanlışlıklar içermeyen Sürdürülebilirlik Bilgileri'nin hazırlanmasıyla ilgili iç kontrolün tasarlanması, uygulanması ve sürdürülmesi;
- İlaveten Şirket yönetimi uygun sürdürülebilirlik raporlama yöntemlerinin seçimi ve uygulanması ile koşullara uygun makul varsayımlar ve tahminler yapılmasından da sorumludur.

Üst yönetimden sorumlu olanlar, Şirket'in sürdürülebilirlik raporlama sürecinin gözetiminden sorumludur.

Bağımsız Denetçinin Sürdürülebilirlik Bilgilerinin Sınırlı Güvence Denetimine İlişkin Sorumlulukları

Aşağıdaki hususlardan sorumluyuz:

- Sürdürülebilirlik Bilgileri'nin hata veya hile kaynaklı önemli yanlışlıklar içerip içermediği hakkında sınırlı bir güvence elde etmek için güvence çalışmasını planlamak ve yürütmek;
- Elde ettiğimiz kanıtlara ve uyguladığımız prosedürlere dayanarak bağımsız bir sonuca ulaşmak ve
- Şirket yönetimine ulaştığımız sonucu bildirmek.
- Şirket'in iç kontrolünün etkinliği hakkında bir güvence sonucu bildirmek amacıyla değil ama iç kontrol yapısını anlamak ve sürdürülebilirlik bilgilerinin hata ve hile kaynaklı önemli yanlışlık risklerini tanımlamak ve değerlendirmek amacıyla risk değerlendirme prosedürleri yerine getirilmiştir.
- Sürdürülebilirlik Bilgileri'nin önemli yanlışlık içerebilecek alanları belirlemek ve bu alanlara yönelik prosedürler tasarlanmış ve uygulanmıştır. Hile; muvazaalı işlemler, sahtekârlık, işlemlerin kasıtlı olarak kayda geçirilmemesi veya denetçiye kasten gerçeğe aykırı beyanlarda bulunulması veya iç kontrolün ihlali gibi konuları içerebilmesi sebebiyle hile kaynaklı önemli bir yanlışlığı tespit edememe riski, hata kaynaklı önemli bir yanlışlığı tespit edememe riskinden daha yüksektir.

Yanlışlıklar hata veya hile kaynaklı olabilir. Yanlışlıkların, tek başına veya toplu olarak, Sürdürülebilirlik Bilgileri kullanıcılarının buna istinaden alacakları ekonomik kararları etkilemesi makul ölçüde bekleniyorsa bu yanlışlıklar önemli olarak kabul edilir.

Yönetim tarafından hazırlanan Sürdürülebilirlik Bilgileri hakkında bağımsız bir sonuç bildirmekle sorumlu olduğumuz için, bağımsızlığımızın tehlikeye girmemesi adına Sürdürülebilirlik Bilgileri'nin hazırlanma sürecine dâhil olmamıza izin verilmemektedir.

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Mesleki Standartların Uygulanması

KGK tarafından yayımlanan Güvence Denetimi Standardı 3000 "Tarihi Finansal Bilgilerin Bağımsız Denetimi veya Sınırlı Bağımsız Denetimi Dışındaki Diğer Güvence Denetimleri" ve Sürdürülebilirlik Bilgileri'nde yer alan sera gazı emisyonlarına ilişkin olarak Güvence Denetimi Standardı 3410 "Sera Gazı Beyanlarına İlişkin Güvence Denetimleri" ne uygun olarak sınırlı güvence denetimini gerçekleştirdik.

Bağımsızlık ve Kalite Yönetimi

KGK tarafından yayımlanan ve dürüstlük, tarafsızlık, mesleki yeterlik ve özen, sır saklama ve mesleğe uygun davranış temel ilkeleri üzerine bina edilmiş olan Bağımsız Denetçiler İçin Etik Kurallar'daki (Bağımsızlık Standartları dâhil) (Etik Kurallar) bağımsızlık hükümlerine ve diğer etik hükümlere uygun davranmış bulunmaktayız. Şirketimiz, Kalite Yönetim Standardı 1 hükümlerini uygulamakta ve bu doğrultuda etik hükümler, mesleki standartlar ve geçerli mevzuat hükümlerine uygunluk konusunda yazılı politika ve prosedürler dâhil, kapsamlı bir kalite yönetim sistemi sürdürmektedir. Çalışmalarımız, denetçiler ve sürdürülebilirlik ve risk uzmanlarından oluşan bağımsız ve çok disiplinli bir ekip tarafından yürütülmüştür. Şirket'in iklim ve sürdürülebilirlikle ilişkili risk ve fırsatlarına yönelik bilgilerin ve varsayımların makuliyetini değerlendirmeye yardımcı olmak için uzman ekibimizin çalışmalarını kullandık. Verdiğimiz güvence sonucundan tek başımıza sorumluyuz.

Güvence Sonucuna Dayanak Olarak Yürütülen Çalışmanın Özeti

Sürdürülebilirlik Bilgileri'nde önemli yanlışlıkların ortaya çıkma olasılığının yüksek olduğunu belirlediğimiz alanları ele almak için çalışmalarımızı planlamamız ve yerine getirmemiz gerekmektedir.

Uyguladığımız prosedürler mesleki muhakememize dayanır. Sürdürülebilirlik Bilgileri'ne ilişkin sınırlı güvence denetimini yürüttükten:

- Şirket'in anahtar konumdaki kıdemli personeli ile raporlama dönemine ait Sürdürülebilirlik Bilgileri'nin elde edilmesi için uygulamada olan süreçleri anlamak için görüşmeler yapılmış;
- Sürdürülebilirlik ile ilgili bilgileri değerlendirmek ve incelemek için Şirket'in iç dokümantasyonu kullanılmış;
- Sürdürülebilirlik ile ilgili bilgilerin açıklanmasının ve sunumunun değerlendirilmesi gerçekleştirilmiştir.
- Sorgulamalar yoluyla, Sürdürülebilirlik Bilgileri'nin hazırlanmasıyla ilgili Şirket'in kontrol çevresi ve bilgi sistemleri konusunda kanaat edinilmiştir. Ancak, belirli kontrol faaliyetlerinin tasarımı değerlendirilmemiş, bunların uygulanmasıyla ilgili kanıt elde edilmemiş ve işleyiş etkinlikleri test edilmemiştir.
- Şirket'in tahmin geliştirme yöntemlerinin uygun olup olmadığı ve tutarlı bir şekilde uygulanıp uygulanmadığı değerlendirilmiştir. Ancak prosedürlerimiz, tahminlerin dayandığı verilerin test edilmesini veya Şirket'in tahminlerini değerlendirmek için kendi tahminlerimizin geliştirilmesini içermemektedir.
- Şirket'in sürdürülebilirlik raporlama süreçleriyle birlikte finansal olarak önemli olduğu tespit edilen risk ve fırsatların belirlenmesine ilişkin süreçler anlaşılmıştır.



Sınırlı güvence denetiminde uygulanan prosedürler, nitelik ve zamanlama açısından makul güvence denetiminden farklıdır ve kapsamı daha dardır. Sonuç olarak, sınırlı güvence denetimi sonucunda sağlanan güvence seviyesi, makul güvence denetimi yürütülmüş olsaydı elde edilecek güvence seviyesinden önemli ölçüde daha düşüktür.

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



Mehmet Cenk Uslu, SMMM
Sorumlu Denetçi

İstanbul, 11 Haziran 2026

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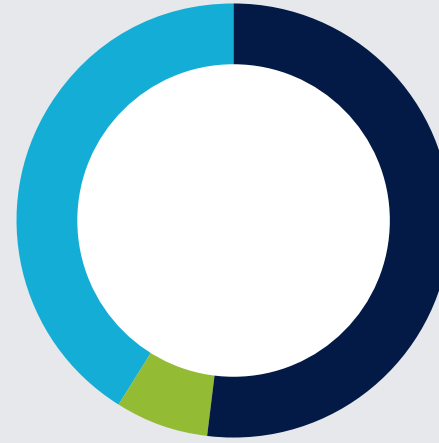
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About İş Gayrimenkul Yatırım Ortaklığı

İş Gayrimenkul Yatırım Ortaklığı A.Ş. (“İş GYO” or “Company”) began operations in 1999 after obtaining real estate investment trust status. The Company is a real estate investment trust subject to the regulations of the Capital Markets Board, and it manages the investment, development and leasing processes for the real estate properties in its portfolio. The Company’s scope of activities includes real estate projects, real estate-related rights, and investments in capital market instruments, as set forth in the regulations of the Capital Markets Board regarding Real Estate Investment Trust. Accordingly, the Company invests in real estate such as offices, shopping centers, residential properties, commercial spaces, land and development projects. İş GYO’s operations are conducted through portfolio assets located in various regions of Türkiye, and the Company’s portfolio consists of commercial real estate and residential and development projects capable of generating sustainable income. The Company conducts its operations in line with the relevant legislation, maintaining portfolio diversification and focusing on long-term value creation. The real estate in the Company’s portfolio consists primarily of commercial properties, and the energy consumption, operational performance and

exposure to climate-related physical and transition risks of these assets are among the factors taken into account in relation to the Company’s operations and financial performance. İş Gayrimenkul Yatırım Ortaklığı A.Ş. is 52.50% owned by Türkiye İş Bankası A.Ş. and 7.04% by Anadolu Hayat Emeklilik A.Ş., and the remaining 40.46% consists of other shares. As of December 31, 2025, the capital group that holds indirect control over the Company’s capital is Türkiye İş Bankası A.Ş. Group. The Company’s reporting scope includes its own operations as well as its subsidiary, which is included in its financial statements. Kanyon Yönetim İşletim ve Pazarlama A.Ş., the sole subsidiary of İş GYO, was established on October 6, 2004, and is engaged in the management, operation and marketing of real estate properties intended for residential, commercial, retail and office use. Kanyon’s capital is TRY 1 million, and İş GYO owns 50%.



Shareholding Structure

52.50%

Türkiye İş Bankası A.Ş.

7.04%

Anadolu Hayat Emeklilik A.Ş.

40.46%

Other Shares



01 About the Report

İŞ GYO



About the Report

TSRS Reporting Framework, Purpose and Scope

The climate-related disclosures in this report were prepared for İş Gayrimenkul Yatırım Ortaklığı A.Ş. (“İş GYO” or “Company”) within the scope of the Turkish Sustainability Reporting Standards (TSRS), aim to present, in a clear and comparable format, the impacts of climate-related risks and opportunities on the Company’s business model, governance structure, strategic planning, and risk management processes. The information in the report is presented in accordance with the principles of materiality, fair presentation, comparability, and understandability, within the framework of disclosures intended to benefit users of general-purpose financial reports.

The report was prepared based on the TSRS regulations in effect for the January 1, 2025 – December 31, 2025 period. There are no material events, transactions or circumstances that would require an update to the disclosures from the end of the reporting period through the date of publication. The disclosures are prepared based on the TSRS regulations published in

the Official Gazette dated December 29, 2023 and numbered 32414(M), which came into effect for financial periods beginning on or after January 1, 2024.

Accordingly, the report was prepared in accordance with TSRS 1 – General Provisions on Disclosure of Sustainability-Related Financial Information and TSRS 2 – Climate-Related Disclosures, and is presented under the headings “Governance”, “Strategy”, “Risk Management”, and “Metrics and Targets”. The organizational boundaries used in reporting are consistent with İş GYO’s annual reporting structure and include Kanyon Yönetim İşletim ve Pazarlama A.Ş., which is subject to joint management by the Company.

Among the guidelines for the sector-specific implementation of TSRS 2, Volumes 35 – Home Builders, Volume 36 – Real Estate, and Volume 37 – Real Estate Services, which are consistent with İş GYO’s scope of activities, were used as the basis for preparing this report. Accordingly, the metrics applicable to real estate development and portfolio management activities were evaluated. Metrics that can be linked to İş GYO’s

operational structure and value chain were included in the report.

The analysis of climate-related risks and opportunities was linked to the Company’s business model, governance practices, strategic approach, and risk assessment processes. In assessing climate-related risks and opportunities, the potential impacts of these factors on asset values, rental income, operating costs, and investment decisions were also taken into account. In line with the nature of the real estate portfolio, development projects and leasing activities, the disclosures were evaluated in accordance with the principle of financial materiality; items that fall below the materiality threshold but are considered relevant from a holistic evaluation perspective were also included in the report.

Materiality Assessment

The climate-related disclosures in this report were determined based on the principle of financial materiality as defined under TSRS 1. Information deemed material includes climate-related risks and opportunities that could reasonably impact the decision-making processes of the Company’s current and potential investors, as well as users of general-purpose financial statements. The disclosures were evaluated based on factors deemed material in terms of their financial impact within the framework of İş GYO’s business model and value chain.

The following factors were taken into account during the materiality assessment process:

- Current and potential climate-related risks and opportunities,
- Material information regarding these risks and opportunities,
- Potential short-, medium-, and long-term consequences of impacts on the Company’s operations and cash flows,
- Potential changes on the strategy, business model, and portfolio structure.

The assessment covers both the direct impacts arising from İş GYO's own operations and the indirect impacts associated with its value chain, including development activities, leasing processes, and suppliers. The Company approaches the materiality assessment process across the entire value chain in accordance with TSRS 1 and fulfills its disclosure obligations by taking climate-related financial impacts into account.

İş GYO set the financial materiality threshold at 1% of total assets on the balance sheet in accordance with TSRS requirements. This threshold was established to ensure that the Company's total assets on balance sheet follow a relatively stable trend over the years and to enable a consistent assessment of potential impacts on the financial statements.

Risks and opportunities arising from climate change and expected to impact the Company's financial resilience in the future were assessed based on materiality thresholds in accordance with TSRS and are explained in detail in the Strategy section of the report. The Company's development activities, portfolio management processes and sustainability approach were taken into account in the disclosures.

Information Related to Financial Disclosures

Climate change-related disclosures in this report were prepared for İş Gayrimenkul Yatırım Ortaklığı A.Ş. and should be evaluated in conjunction with the Company's financial statements prepared in accordance with Turkish Financial Reporting Standards (TFRS).

In order to ensure consistency among the reports published by İş GYO, the sustainability and climate-related financial disclosures in this report use data sets, assumptions, and calculation methods that are consistent with the financial information for the 2025 reporting period. Accordingly, in order to ensure consistency between sustainability data and financial information, the same accounting policies, methods, estimates, and the Turkish Lira (TRY) as the reporting currency were used.

Transition Exemptions

Pursuant to the "Board Resolution on the Exemptions Applicable in the 2025 Reporting Period for Entities Preparing Sustainability Reports in Accordance with the TSRSs During the 2024 Reporting Period", published on December 25, 2025, it was decided that the transition exemptions set out in TSRS 1 and TSRS 2 for the first reporting period under the TSRS would also apply to the 2025 reporting period; accordingly, the duration of the exemptions defined in paragraphs E4, E5, and E6(b) of TSRS 1 has been extended for one additional year.

Accordingly, İş GYO benefits from the transition reliefs provided under Articles E4, E5 and E6 of TSRS 1. Detailed information on these reliefs is provided below:

- **TSRS 1 E4:** The Company shares its TSRS-compliant sustainability report with the public following the publication of the financial statements for the relevant period.
- **TSRS 1 E5 ve TSRS 1 E6b:** The Company only benefits from the relief from disclosure requirements regarding climate-related risks and opportunities under the transitional provisions.
- **KGK Board Resolution Provisional Article 3:** The Company is relieved of the obligation to disclose Scope 3 emissions in accordance with the provisions of TSRS.

Reporting Entity Boundaries and Measurement Approach

İş GYO uses internationally recognized methods and standards for calculating and reporting greenhouse gas emissions. Accordingly, emissions are calculated in accordance with the Greenhouse Gas Protocol. The measurement inputs, assumptions, methodological approaches and measurement uncertainties used in the calculations are reviewed regularly for each reporting period and updated as needed.

İş GYO uses a financial control approach in determining its organizational boundaries for reporting greenhouse gas emissions. Adopting a financial control approach in accordance with the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004), İş GYO includes greenhouse gas emissions resulting from all activities under its financial control in its own inventory.

Assumptions and Measurement Uncertainties

During the preparation of the report, comprehensive assessments were made to identify climate-related risks and opportunities and to determine the material information to be reported. Assumptions and estimates were used for certain elements that could not be measured directly or calculated precisely. These assumptions and estimates were applied by taking into account İş GYO's entire value chain, within the scope of current data limitations and forward-looking projections.

Business Model and Value Chain

İş Gayrimenkul Yatırım Ortaklığı A.Ş. took into account all relevant elements of its value chain, along with its own operations, when preparing its climate-related financial disclosures. Accordingly, direct operations were included in the reporting for both upstream and downstream value chains. This structure, which encompasses all stages of the value chain, helps identify which steps are associated with climate-related risks and opportunities, and İş GYO's sustainability strategy is shaped accordingly. Furthermore, Kanyon Yönetim İşletim ve Pazarlama A.Ş., a jointly managed subsidiary of the Company, was also included in the reporting scope, thereby ensuring the integrity of the value chain.

Upstream Value Chain



- Market Research and Strategic Portfolio Planning Processes
- Feasibility and Procurement Processes
- Suppliers/Contractors
- Investors and Shareholders
- Public Authorities and Regulatory Institutions

Direct Operations



- Project Development Processes
- Operation Processes
- Investment Processes
- Portfolio Management and Asset Value Enhancement Activities

Downstream Value Chain



- Customers
- Business Partners
- Tenants
- Revenue Management

02 Governance

İŞ GYO



Governance

İş GYO conducts its operations within the framework of fairness, transparency, accountability, and responsibility, which are the fundamental principles of corporate governance.

Sustainability Management Structure

The Board of Directors ensures risk management, sustainability, and climate-related processes through Board committees and relevant departments. Under this structure, sustainability and climate-related developments are regularly included on the agendas of the committees established within the Board of Directors, and the Board is informed accordingly.

As of the reporting period, there has been no evidence that the Company's climate-related strategies, goals and practices have resulted in a concrete trade-off that has had a material adverse effect on its financial performance or operational capacity.

Committees of the Board of Directors Corporate Governance Committee

The Corporate Governance Committee regularly reviews the Company's corporate governance practices and serves as an effective bridge of communication between the Board of Directors and shareholders by reviewing the activities and findings of the Investor Relations and Sustainability Department during the period.

The Committee is responsible for evaluating and monitoring sustainability and climate-related matters, and reports to the Board of Directors. Accordingly, it reviews sustainability policies and supplementary regulations related to these policies at least once a year and recommends any necessary updates to the Board of Directors.

The Corporate Governance Committee consists of three members of the Board of Directors, one of whom is an independent member, and the Assistant General Manager in charge of Investor Relations and Sustainability. The operating principles of the Committee are formulated to cover sustainability practices in the areas of environmental, social and corporate governance, and are made publicly available.

Activities in the environmental, social and governance areas are evaluated by the Committee at least once a year, and the results are reported to the Board of Directors. The Corporate Governance Committee meets in principle prior to every Board of Directors meeting and has held 11 meetings during the year.

Early Risk Detection Committee

The Early Detection of Risks Committee is responsible, in accordance with the Capital Markets Board's corporate governance regulations and the relevant provisions of the Turkish Commercial Code, for the early identification of risks that may jeopardize the Company's existence, development and continuity, taking the necessary measures regarding identified risks, and managing such risks as proactively as possible.

The Committee is kept informed by the Risk Management, Internal Control and Compliance Activities Unit in accordance with the İş GYO Risk Policy and ensures the effectiveness of the Company's risk systems while also monitoring the compliance of the risk management activities of the units with the Risk Policy. The Committee convened 6 times during the year.

Audit Committee

Operating under the Board of Directors, the Audit Committee carries out its work in accordance with the "Audit Committee Regulation". The Committee is responsible for monitoring and overseeing the effectiveness of the company's audit and internal control processes and ensuring that these processes function properly. The Committee closely monitors the conduct of the independent audit process, ensures that internal audit activities are carried out in accordance with the annual audit plan, and evaluates information regarding research, reviews and investigations conducted outside the scope of the plan. It also coordinates the sharing of findings identified by the Internal Audit Unit with management and taking the necessary actions. Reviewing the general functioning of audit activities on a regular basis, the Committee contributes to enhancing the effectiveness of the internal audit system, supports the identification of areas for improvement, and helps strengthen the corporate audit culture. The Committee convened 8 times during the year.

Organizational Structure in Charge of Sustainability and Climate Issues Investor Relations and Sustainability Department

Internal coordination of sustainability efforts is handled by the Investor Relations and Sustainability Unit. Accordingly, in order to ensure that sustainability activities are carried out in a coordinated manner across different units, a Sustainability Working Group was established under the leadership of the relevant Assistant General Manager, whereby all key functions of İŞ GYO are represented.

The Sustainability Working Group is a structure consisting of a total of 17 members representing the following departments;

- Investor Relations and Sustainability Unit
- Corporate Communication and Marketing Unit
- Leasing Unit
- Sales Unit
- Customer Experience Unit
- Valuation and Reporting Unit
- Real Estate Management and Repair Unit
- Financial Reporting, Budgeting and Accounting Unit
- Project Implementation Unit
- Strategy and Project Development Unit
- Human Resources and Development Unit
- Internal Systems Department

The Working Group coordinates activities carried out in line with sustainability policies and supports the collection of climate-related data and the necessary flow of information in reporting processes.

The Sustainability Working Group tracks sustainability activities following a review and assessment by the Company's General Manager; the results are forwarded to the Corporate Governance Committee, which monitors them. Compliance with the provisions of the Sustainability Policy and supplementary policies is audited by the Internal Systems Department.

Risk Management, Internal Control, and Compliance Activities Unit

Risk management activities at the Company are conducted by the Risk Management, Internal Control and Compliance Activities Unit (RIC Unit) under the leadership of the Internal Systems Department. The RIC Unit is responsible for reviewing the Company's Risk Policies and the Risk Catalog attached thereto, along with the internal risk limits approved by the Board of Directors, at least once a year. It conducts updates as needed, establishes workflows, and documents the process. If, as a result of the assessments conducted, changes are needed, the RIC Unit submits

its recommendations to the Early Detection of Risks Committee through the Internal Systems Department. The Committee submits its assessment to the Board of Directors. The Board of Directors holds the final decision-making authority regarding risk policies and limits. A comprehensive "Company Risk Report" is prepared on a quarterly basis and submitted to the Early Detection of Risks Committee and Members of the Board of Directors.

Furthermore, pursuant to Article 378 of the Turkish Commercial Code no. 6102 and the Corporate Governance regulations of the Capital Markets Board, within the scope of the duties and responsibilities assigned to the Early Detection of Risks Committee and the Board of Directors regarding the early identification and management of risks, an "Early Detection of Risks Committee Evaluation Report" is prepared every two months and submitted to the Board of Directors.

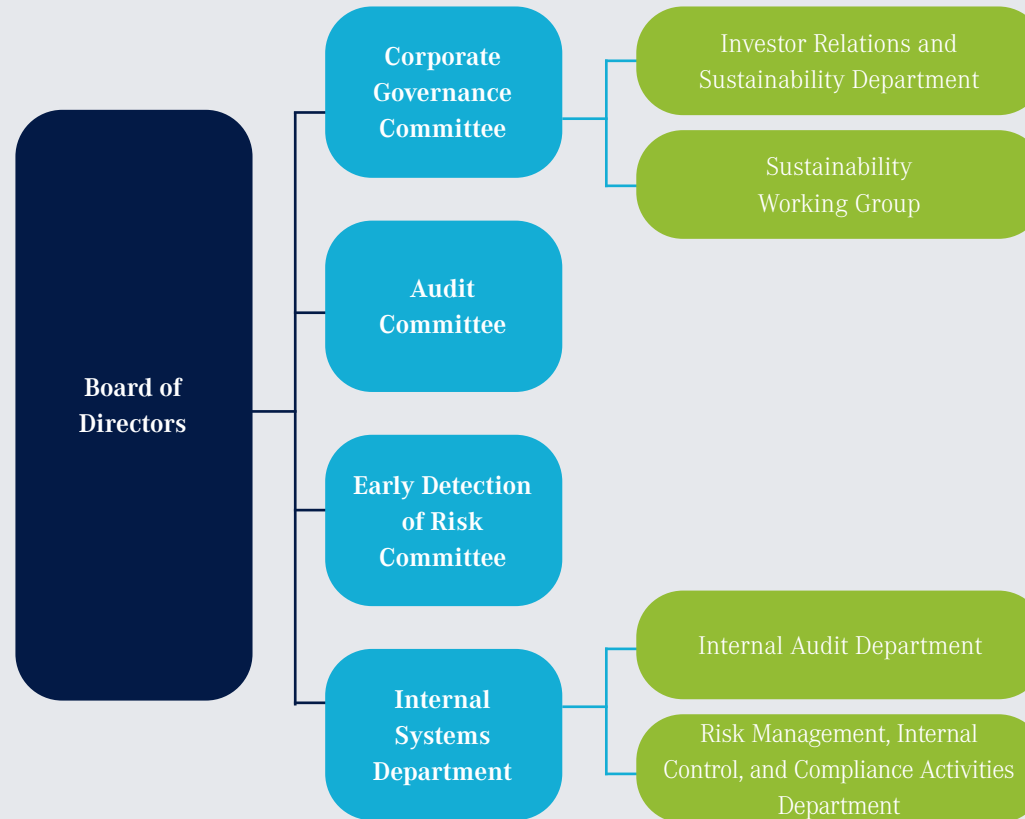
Internal control activities supervise the effectiveness of the internal control system established to ensure that the Company operates in accordance with its objectives. Internal control activities are conducted in accordance with the COSO internal control

framework; the functioning of processes is regularly evaluated, and the results are reported to the Board of Directors. Control evidence, along with the COSO Report prepared on an annual basis using the self-assessment method, is submitted to the Board of Directors for review.

Compliance activities are conducted to effectively manage the Company's compliance risk and ensure that all operations are conducted in accordance with the relevant legislation, regulations and standards. Legal compliance, financial crimes, sanctions and international obligations form the core framework of compliance activities through processes such as review, monitoring, assessment, communication and reporting. The Compliance Report drawn up on a quarterly basis by the RIC Unit is submitted to the Board of Directors for assessment.

Internal Audit Department

The Internal Audit Unit reports to the Internal Systems Department and is responsible for evaluating and improving the efficiency of the Company's audit and control processes, and for providing assurance to the Board of Directors. The Unit independently and impartially reviews and evaluates the business processes of all units and conducts risk-based audits in accordance with the annual audit plan approved by the Audit Committee and implemented by the Board of Directors. It provides preventive, corrective and improving recommendations to keep the risks identified based on audit findings under control and to improve processes. It provides advisory assessments and guidance as needed, without assuming any administrative responsibility. The Internal Audit Unit's activities are aimed at contributing to the effectiveness of risk management, internal control and corporate governance systems; supporting the effective, economical and efficient use of the company's resources; and fostering a strong audit culture within the organization.



Controls and Procedures Implemented by Management

The Company implements controls and procedures in accordance with the Risk Policy approved by the Board of Directors to ensure the effective management of potential risks from its operations. Accordingly, the risk management process involves the identifying, measuring, monitoring and reporting risks.

The risk management system is designed in line with the scope and nature of the Company's operations and covers strategic, operational, and financial risks, as well as climate change-related risks. Climate change-related risks are addressed as strategic risks under the Company's Risk Policy; the goal is to ensure that these risks are taken into account in the Company's investment and strategic decision-making processes.

Internal Control and Audit Processes

Risk management, internal control and audit processes within the Company are carried out in accordance with relevant policies and procedures and are reviewed regularly. Risks identified as part of risk management activities are monitored by the Risk Management, Internal Control, and Compliance Activities Unit (RIC Unit), and the findings are reported to the relevant management bodies.

The Company's Risk Policies and the Risk Catalog attached thereto, as well as the risk limits, are reviewed regularly and, if deemed necessary, recommendations for updates are submitted to the Board of Directors for evaluation through the Early Detection of Risks Committee (Committee). Accordingly, in line with the recommendations submitted to the Committee by the RIC Unit during November 2025, climate change risk was defined in the Risk Policy as a subtype of "Strategic Risk", the general principles established for the management of this risk were incorporated into the Risk Policy, and, in addition, examples of potential risks to which the Company may be exposed within the scope of climate change risk were included

in the Risk Catalog. Within the scope of the established risk management principles, it is aimed to monitor sustainability and climate change-related risks as part of risk management activities and to audit them as part of internal audit activities.

Improvement and Updating of Sustainability Competencies

İş GYO has not yet established an assessment mechanism to regularly evaluate the capacity, knowledge and experience of the individuals and bodies responsible for managing climate and sustainability-related risks and opportunities. However, the Sustainability Working Group is represented at the managerial level by sustainability and climate-related departments and is structured to consist of members with experience in the relevant fields.

Where necessary, activities aimed at building corporate capacity are carried out by utilizing training programs, expert opinions and guiding resources in the fields of climate change and sustainability. Training and awareness activities aimed at developing the knowledge and skills of company employees in the field of sustainability are supported. Efforts to develop the skills and competencies

of Company officials in order to effectively address sustainability-related risks and opportunities are supported by the training and development tools offered as part of the Human Resources Career Architecture. Accordingly, it is aimed to strengthen internal sustainability competencies by the end of 2026, both through the corporate training platform and through training provided by professional companies.

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 Company's Remuneration Policy was by the Board of Directors and was to shareholders for information at the General Assembly. The Company's publicly disclosed Remuneration Policy applies to all executives and employees, and it is essential that remuneration processes align with the Company's ethical values, internal balances and strategic objectives. İş GYO considers its environmental and social impacts as part of its corporate performance approach. 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, are among the key areas of the Company's sustainability performance. Climate-related performance indicators have not yet been directly included in executive remuneration, and efforts to integrate these indicators into performance and remuneration processes are ongoing. Infrastructure and design works to incorporate the risks and opportunities identified within the scope of sustainability-related efforts into performance metrics in a way that is consistent with areas of responsibility of the Company's employees at all levels will be coordinated by the Human Resources and Development Unit. The full text of the Company's Remuneration Policy is available at the [policies](#) section on the website. Environmental and Social Impact Policy is available on company's [web site](#).

03 Strategy

İŞ GYO



Strategy

İş GYO considers increasing the share of assets with high resource efficiency and environmental performance within its portfolio, as well as evaluating climate-aligned design criteria in new investments, to be an integral part of its operations. Analyses in this context indicate that İş GYO is exposed to a relatively limited financial impact from climate-related physical and transition risks in the short-term; however, in the medium- and long-term, particularly physical risks and market changes may have a gradually increasing impact on portfolio performance. However, it is also taken into account that these impacts remain below the materiality threshold within the framework of current assessments. While scenario analyses indicate that the portfolio's current structure exhibits a resilient profile against climate shocks, they also suggest that investments in energy efficiency, the green transformation, and climate-aligned project development approaches are of critical importance for long-term value preservation and income stability. Accordingly, climate resilience stands out as an increasingly decisive factor in İş GYO's strategic orientation and portfolio optimization decisions.

While financial impact calculations are performed based on the risk probability-impact matrix and specific scenarios as part of quantitative analyses; trends in the real estate sector, legislation, regulatory developments, and stakeholder expectations are taken into account in qualitative assessments. İş GYO plans to increase the allocation of resources across its entire portfolio for energy efficiency investments, building modernizations, and technical infrastructure improvements. Along with CAPEX (Capital Expenditure) plans aimed at improving the performance of existing assets, efforts are planned to systematically integrate sustainability criteria into investment decision-making processes for new investments.

In order to be prepared for climate risks, climate-related in the relevant period are added to the Risk Catalog and integrated into the business model. Accordingly, it is aimed to take climate-related factors into account, particularly in real estate investment decisions, portfolio management, and asset valuation processes. While this approach enhances the ability of İş GYO to adapt to changing market conditions and regulatory requirements, it also aims to strengthen the long-term resilience of the portfolio.

Furthermore, stakeholder expectations, sectoral and regulatory developments are regularly monitored, and climate change-related policy and legislation changes are incorporated into strategic planning and investment decisions.

Assessment of Climate-Related Risks and Opportunities

In the real estate sector, the preservation of asset values and long-term return performance are increasingly influenced not only by macroeconomic conditions, access to financing, and the regulatory framework, but also by the physical and structural impacts of climate change.

Physical risks are considered to be concentrated particularly in assets located in certain geographic regions, while transition risks may have a greater impact on real estate in line with the sector.

İş GYO closely monitors structural changes in the sector, regulatory trends, and shifts in investor expectations as it conducts these assessments. A broad range of impacts is

taken into consideration, spanning from the effects of extreme weather events on assets to the investment requirements of the low-carbon transition process.

Climate-related risks and opportunities are prioritized in line with impact assessments, and areas likely to have a greater impact on the real estate portfolio's physical resilience, technical adequacy, and long-term value preservation potential are addressed first.

Accordingly, climate-related risks and opportunities are analyzed, and efforts are planned to integrate these assessments more comprehensively into future investment decisions, portfolio allocation, and asset management processes. Climate-related risks and opportunities are prioritized depending on the magnitude and likelihood of their impact. The results of these assessments are intended to be more strongly integrated into investment and portfolio management decision-making processes in the future.

Term Definitions

İş GYO defines and tracks its climate-related risks and opportunities within the scope of a structured risk management approach. The climate-related risks and opportunities identified by the Company are addressed in the short-term (0 to 3 years), medium-term (3 to 10 years) and long-term (10+ years and above), in line with the time horizons taken as basis in corporate risk management and strategic decision-making processes. These time horizons are included in the strategic planning efforts of İş GYO; each risk and opportunity is classified according to the relevant periods and subjected to the assessment process.

The defined time horizons are determined in line with the investment cycle, asset lives and strategic planning periods of İş GYO.

Table Number 1. İş GYO Strategic Terms

Short-term	0-3 Years
Medium-term	3-10 Years
Long-term	10 + Years and beyond

Risk Definitions

İş GYO address its climate change-related risks and opportunities by taking into account their potential impacts on the real estate portfolio, asset values and long-term investment performance. Accordingly, assessments are made within the framework of regulatory developments, market dynamics and climate-related physical impacts.

Physical risks are considered in the context of events such as extreme precipitation, floods, rising temperatures, and forest fires, whose frequency and intensity are increasing due to climate change, as well as the impacts of long-term climate trends. It is considered that these risks have potential to cause physical damage to real estate assets, loss of value and changes in insurability conditions, and it is projected that they may have indirect impacts on operational continuity and portfolio performance. These impacts can translate into portfolio performance through financial outcomes such as reduced rental income, impaired asset value, increased operating costs, and higher insurance premiums.

Transition risks are addressed through the impacts of stricter regulations on climate and energy performance, carbon pricing practices, and developments in the field of sustainable finance. Loss of demand and revenue in assets with low energy performance or technically non-compliant with current standards, the resulting decline in portfolio values, and rising costs associated with compliance investments are among the key elements of this risk group. Furthermore, in line with changes in customer and market preferences, the growing trend toward energy-efficient and environmentally high-performing buildings could potentially put pressure on occupancy rates and rental income for technically outdated properties.

Climate-related risks were assessed and prioritized in the current reporting period by taking into account the magnitude and likelihood of their impact. Accordingly, the focus is on areas of risk that have the potential to have a greater impact on portfolio value and operational continuity.

In terms of opportunities, it is considered that the growing demand for assets with high energy efficiency and strong environmental performance, together with investments in modernization and resource efficiency, offers the potential to reduce operating costs, improve carbon performance, and enhance access to sustainable financing sources. It is projected that the positive impact of green-certified and energy-efficient buildings on rental income and market value will support the portfolio's long-term competitiveness and financial resilience.

Furthermore, adaptation investments towards physical climate risks are expected to increase the resilience and operational continuity of buildings. These investments are intended to facilitate transformation investments by strengthening access to financing instruments such as green bonds and sustainability-related loans, and to support İş GYO's capacity for sustainable growth.

Risk and Opportunity Inventory

Table 2. Risk 1: Climate and Energy Performance-Related Regulatory Risk and Loss of Asset Value Risk

Type of Risk	Transition Risk - Policy and Regulatory Risk
Definition of Risk	Climate and Energy Performance-Related Regulatory Risk and Loss of Value Risk
Description of Risk	The risk of rising compliance costs for financial institutions, loss of demand and revenue for assets with low energy performance, and a resulting decline in portfolio values, stemming from increasingly stringent carbon pricing practices, sustainable finance regulations, and energy performance standards.
Country / Region where Risk has occurred	Throughout Türkiye.
Value Chain Impacted	Upstream and Own Operations
Concentration Area	Assets with high energy consumption and operational expense structure
Tracking Metric	Energy consumption (kWh/m²)

Term of Risk	Probability of Risk	Severity of Risk	Type of Impact	Impact of Risk upon Cash Flow, Access to Finance and Capital Cost		
				RCP 2.6	RCP 4.5	RCP 8.5
Current	-	Low	No impact	No material impact of the risk was identified in 2025. There is no risk of a material adjustment to book values.		
Short	Probable	Medium	Limited impact	Based on the scenario analyses, the expected impacts calculated for different terms remain below the financial materiality threshold.		
Medium	Probable	Medium	Limited impact			
Long	Highly Probable	Medium	Limited impact			

Exposure of İş GYO to Climate and Energy Performance-Related Regulatory Risk and Loss of Asset Value Risk

The real estate sector is going through a transformation process where the regulatory framework is becoming increasingly stringent, particularly with regard to the energy efficiency, carbon emissions, and environmental performance of buildings in the context of climate change. Accordingly, energy performance standards, carbon pricing practices and sustainable finance regulations are becoming more influential in determining the economic value and long-term return potential of real estate assets. For İş GYO, these developments highlight climate and energy performance-related regulatory risks as a structural transition risk area.

These regulatory developments are expected to increase the need for modernization and compliance investments for assets with high energy consumption or not compliant with current energy performance requirements. This situation is projected to potentially put pressure on additional investment costs and operating expenses, and may also have an impact on demand conditions, rental income and valuation assumptions for such assets. Particularly, the increased attention of financial institutions and investors to energy and environmental performance criteria is

enhancing the importance of assessments aimed at preserving portfolio value.

The scope and impact of climate and energy performance-related regulations are expected to increasingly continue in the medium- and long-term. Accordingly, İş GYO addresses its exposure to climate and energy-performance related regulatory risk and loss of value risk in line with its portfolio structure, investment plan and long-term value creation objectives, and places importance on monitoring the potential impact of these risks on portfolio performance.

Financial Impact Analysis Methodology

The financial impact analysis developed within the scope of climate and energy performance-related regulations and the associated loss of value risks is intended to quantitatively assess the potential financial impacts of carbon pricing mechanisms, energy performance requirements and sustainable finance regulations on the real estate portfolio. This analysis approach is based on the indirect carbon costs arising from energy consumption.

Accordingly, the analysis begins with the calculation of indirect carbon costs associated with electricity consumption. Annual electricity consumption data for each asset

is taken as basis and electricity emission factors are used. Such consumption and emissions data are assessed in conjunction with the carbon prices projected under the NGFS scenarios to calculate indirect carbon emissions on asset basis.

Following calculations related to electricity consumption, the analysis addresses indirect carbon costs arising from natural gas consumption within the same methodological pattern. The annual natural gas consumption of each asset is taken into account at this stage, and carbon emissions from natural gas are calculated using the relevant emission factors.

Following this step, the indirect carbon cost arising from the various components of energy consumption, as well as the total indirect carbon cost, are identified.

This is intended to assess the impact of these costs on the behavior of lessees and market demand. To this end, a carbon intensity metric is created for each asset. The carbon intensity values obtained are classified for each asset within the specified scale. These coefficients reflect the impact of an increase in carbon intensity on lessee preferences and occupancy rates, and this relationship is used to calculate occupancy decline rates

on asset basis. Declines in rental income are quantified based on NGFS scenarios by evaluating the calculated occupancy losses in conjunction with current occupancy and rent levels. This approach includes not only the direct cost impact of carbon pricing but also the risks of indirect revenue losses that may arise on the demand side in the financial impact analysis.

The impact of indirect carbon costs and the associated declines in occupancy rates on asset values in the long-term is addressed in the final stage of the analysis, and discount factors are calculated on asset basis, based on carbon intensity and occupancy rate changes. These factors are used to identify potential declines in asset value resulting from indirect carbon emissions within the scope of the NGFS scenarios.

Table 3. Risk 2: Climate Events Related Asset Value and Operational Continuity Risk

Type of Risk	Physical Risk - Acute and Chronic Risk
Definition of Risk	Asset Value and Operational Continuity Risk Related to Climate Events
Description of Risk	The risk that physical climate events associated with climate change, such as increasing excessive precipitation, floods, rising temperatures, and wildfires, may cause physical damage, loss of value, reduced insurability and declines in the usability or productivity of assets owned, financed or accepted as collateral by the institution, thereby leading to operational disruptions, increased costs, deteriorating cash flows and adverse impacts on portfolio and credit performance.
Country / Region where Risk has occurred	Throughout Türkiye.
Value Chain Impacted	Upstream and Own Operations
Concentration Area	Loss of Value in the Asset Structure, Operational Expense Structure, Revenue Structure
Tracking Metric	Change in insurance premium (%) number of damages/events

Term of Risk	Probability of Risk	Severity of Risk	Type of Impact	Impact of Risk upon Cash Flow, Access to Finance and Capital Cost (Million TRY)		
				RCP 2.6	RCP 4.5	RCP 8.5
Current	-	Low	No impact	No material impact of the risk was identified in 2025. There is no risk of a material adjustment to book values.		
Short	Probable	Medium	Limited impact	Based on the scenario analyses, the expected impacts calculated for different terms remain below the financial materiality threshold.		
Medium	Probable	Medium	Limited impact			
Long	Highly Probable	Medium	Limited impact			

Exposure of İŞ GYO to Climate Events Related Asset Value and Operational Continuity Risk

The real estate portfolio of İŞ GYO is located in an area where the impacts of climate change are becoming increasingly evident, and is exposed to a certain degree to physical climate events such as excessive precipitation, floods, rising temperatures, and forest fires. Accordingly, physical climate risks are addressed not only as temporary factors impacting the Company's operational processes, but also as an area of risk that could have medium- and long-term impacts on asset value and operational continuity.

Increasing extreme weather events are considered to cause uncertainty regarding the physical resilience of the real estate assets in the portfolio and may lead to changes in insurability conditions, along with varying levels of damage risk depending on the characteristics, location, and type of use of the real estate. These developments are projected to have indirect impacts on building usage continuity, maintenance and repair requirements, and the structure of operational expenses.

The impacts of physical climate risks are not limited to just the operational stage but can also be observed in the upstream value chain.

Delays and cost increases in construction and renovation activities due to extreme weather events can pose additional risks in terms of timing and budget management in investment processes. At the operational stage, on the other hand, the fact that physical impacts that may occur in the portfolio could affect insurance claims processes and policy renewal terms is taken into account.

Accordingly, insurance expenses and actual loss events are among important indicators used to monitor exposure to physical climate risks. Changes in insurance premiums and the number of damages/events assist in assessing the impact of risk on the portfolio and provide input for risk management processes.

Climate projections indicating that extreme weather events will continue in the medium- and long-term suggest that climate event-related asset value and operational continuity risks represent an area of risk that needs to be monitored by İŞ GYO. Accordingly, the Company manages its exposure to this risk through internal control mechanisms, insurance policies and risk monitoring metrics; and takes decisions aimed at mitigating the impacts within this framework.

Financial Impact Analysis Methodology

The Company used individual methodologies for each risk type in assessing the financial impacts of climate change-related physical risks. The methodologies used are designed to generate cumulative risk scores by aggregating risks calculated on property basis.

Extreme Precipitation

Within the scope of this framework, excessive precipitation-related financial impact analysis was conducted on asset basis for all real estate included in the İŞ GYO portfolio. The analysis assumes that excessive precipitation is financialized through two main transfer channels. These are potential decreases that may occur in asset values and declines that may arise in rental income. Combining these two impacts, the total financial impact attributed to the risk of excessive precipitation for each asset is calculated.

The impact analysis on asset value aims to quantitatively reveal the potential loss in real estate values that could result from physical risks associated with excessive precipitation. Accordingly, asset value was assessed by taking into account the risk level of excessive precipitation specific to the relevant location, financial impact coefficients specific to the real estate sector, and future climate projections. Furthermore, location-based

annual excessive precipitation increase rates projected for the years 2030, 2035 and 2040 within the scope of the NGFS scenarios were integrated into the model.

Following the analysis for asset value, the impact of excessive precipitation risk on rental income was addressed as a separate transfer channel. Accordingly, potential decline in occupancy rates and rental income were estimated on asset basis by taking into account the loss of use and decline in demand that excessive precipitation may cause in leasable properties. Literature-based excessive precipitation elasticities and location-based risk increases projected under the NGFS scenarios were used together in the calculations to financialize rental income losses.

All projections related to the risk of excessive precipitation were conducted under three different climate scenarios defined by the NGFS, namely Below 2°C, Delayed Transition, and Current Policies.

The operational data used in the analysis consists of current and verifiable information specific to the İŞ GYO portfolio. The current market values of assets, their weightings within the portfolio, current occupancy rates, rent levels per square meter, and geographic location data were included in the model as direct inputs.

Temperature Increase

Extreme temperature increases were considered an important factor for the properties in the İş GYO portfolio, particularly those located in the Aegean region. The financial impacts of this increase were addressed in line with the approach adopted for the risk of excessive precipitation and the analysis was based on two main transfer channels, namely loss of asset value and loss of rental income. Plots of land were excluded from the scope of the analysis as their operational and financial impacts related to temperature increase are limited.

The impact of temperature increase on asset values was modeled by combining regional physical risk indicators, sector-specific impact coefficients, and climate projections. The location-based annual high temperature increase rates projected under the NGFS scenarios were integrated into the model, and the potential loss in real estate values that temperature increases could cause in the long term was calculated quantitatively on asset basis.

The impact of extreme temperatures on rental income was addressed as a second transfer channel. Loss of rental income was modeled under the assumption that high temperatures could lead to increased

operating costs for lessees, particularly during the summer months. Accordingly, the current occupancy rates, unit rent levels, and elasticity coefficients representing sensitivity to temperature increases were used in conjunction for each asset.

All analyses related to temperature increase were conducted under three NGFS scenarios, namely Below 2°C, Delayed Transition, and Current Policies, and the scenarios were applied based on location for Istanbul, Izmir, and Muğla.

Within the scope of the temperature model, asset values, portfolio weights, occupancy rates, rental income, and geographic location data for the İş GYO portfolio were used directly as inputs. Taking into account the certificate status and building type information for eligible assets, the financial impacts related to temperature increases were measured with precision on asset basis.

Insurance Premium Increase

The financial impacts calculated for excessive precipitation, temperature increase and rise in sea level in relation to physical risks were considered together in assessing their potential impacts on insurance premiums. The analysis of insurance premium increases is based on the assumption that pricing behavior

of insurance companies may be reshaped due to the increasing severity of physical climate risks over time. Insurance premium increases are calculated on asset basis in line with other physical risk models.

Using this approach, a consistent relationship was established between the physical risk exposure of each real estate property and the insurance sector's risk perception and pricing behavior. The insurance premium increase model is directly based on calculations of financial impacts of physical risks; and the current values of the real estate properties under coverage, risk-based financial impact ratios, probability and impact scores from the risk inventory, current insurance premiums, geographic risk projections, and risk increase rates based on climate scenarios were used as inputs in the analysis.

Portfolio-Based Results of the Financial Impacts of Consolidated Risks on Climate Events Related Asset Value and Operational Continuity Risks

The excessive precipitation scenario analyses conducted on the İŞ GYO portfolio were evaluated under three different NGFS emission scenarios by combining the impacts of impairment and loss of rental income calculated for each asset to determine the total portfolio impact.

Analysis results indicate that the financial impact of the increase in the frequency and intensity of excessive precipitation on the portfolio remained below the financial materiality threshold for all terms examined.

These findings indicate that excessive precipitation has limited financial impacts on loss of value and rental income within İŞ GYO's real estate portfolio. This trend

in physical risks will be among the factors taken into account in terms of the company's long-term asset resilience, capital expenditure planning, operational continuity strategies, and insurance costs.

The outputs of the extreme temperature increase model indicate that exposure to high temperature in the İŞ GYO portfolio may change over time. The analysis in this context

was conducted under the NGFS scenarios across different time horizons, and the potential impacts of temperature increase on asset values and rental income were assessed together.

The results indicate that the financial impact of temperature increase may vary over time and may show an upward trend.

Financial Impact Items	Low Emission (NGFS Below 2°) 2030	Medium Emission (NGFS Delayed Transition) 2030	High Emission (NGFS Current Policies) 2030	Low Emission (NGFS Below 2°) 2035	Medium Emission (NGFS Delayed Transition) 2035	High Emission (NGFS Current Policies) 2035	Low Emission (NGFS Below 2°) 2040	Medium Emission (NGFS Delayed Transition) 2040	High Emission (NGFS Current Policies) 2040
Excessive Precipitation									
Impairment Due to Damage	Based on the scenario analyses, the expected impacts calculated for different terms remain well below the financial materiality threshold.								
Impairment of Inventory Due to Damage									
Rental Income Loss									
Temperature Increase									
Impairment Due to Damage	Based on the scenario analyses, the expected impacts calculated for different terms remain well below the financial materiality threshold.								
Impairment of Inventory Due to Damage									
Rental Income Loss									
Insurance Premium Increase									
Total Value of Insurance Premiums Exposed to Risk	Based on the scenario analyses, the expected impacts calculated for different terms remain well below the financial materiality threshold.								
Financial Impact									

However, it is seen that these impacts remain below the financial materiality threshold as of all terms throughout the portfolio. This upward trend becomes more pronounced particularly in the medium- and high-emission scenarios. It is considered that these impacts may have limited financial implications on rental income, asset values, and operational costs; on the other hand, investments in energy efficiency and sustainable portfolio transformation may support income stability and asset values in the medium- and long-term.

It is considered that the limited increase observed in the financial impact may stem from the effects of high temperatures on operational efficiency, energy consumption, lessee behavior, and asset performance. Particularly in the high-emission scenario, while a relative increase in these impacts is observed as of 2040, it is seen that these impacts remain below the financial materiality threshold.

Accordingly, extreme temperature increase is considered as a material physical risk in terms of İş GYO's long-term investment strategies, capital expenditure planning, and value preservation approach. Analysis results suggest that investment decisions focused on adaptive building investments,

energy efficiency improvements, and climate resilience are of strategic importance for preserving portfolio value and supporting long-term performance.

Climate event-related increase in asset value and operational continuity risks is expected to cause insurance companies to adopt a more risk-focused and selective approach to pricing in the medium- and long-term. As part of the analysis of insurance premium increases conducted within this scope, the effects of asset-based exposures to physical climate risks such as excessive precipitation, temperature increases, floods, and coastal risks, as well as normalized probability-impact coefficients, on insurance premiums were quantitatively calculated.

The results suggest that insurance premium increases were nominally limited across the portfolio but showed an upward trend over time. The upward trend becomes more pronounced particularly in the medium- and high-emission scenarios. However, it is seen that the financial impacts of these increases remain below the financial materiality threshold as of all terms.

While the increases in insurance premiums may appear limited when compared to the portfolio's total financial size, it is

considered that these increases could have a cumulative impact on operational expenses, Net Operating Income, and, indirectly, valuation multiples. Therefore, the increase in insurance premiums is considered one of the indirect financial impacts of physical climate risks and is taken into account in forward-looking risk management and cost planning.

Table 4. Risk 3: Shifts in Customer and Market Preferences Risk

Type of Risk	Transition Risk - Market Risk
Definition of Risk	Risk of Change in Customer and Market Preferences
Description of Risk	The risk of the climate transition driving a shift toward low-carbon products, services, and technologies, together with the widespread adoption of remote working models, the growth of e-commerce, and lessees' preference for green, energy-efficient buildings, resulting in a decline in the economic value, demand, and utilization rates of high-emission or technologically obsolete assets, thereby causing portfolio inactivity, reduced rental income, asset value erosion, repricing pressures, and weakening of income-generating capacity.
Country / Region where Risk has occurred	Throughout Türkiye.
Value Chain Impacted	Downstream
Concentration Area	Loss of Value in the Asset Structure, Operational Expense Structure, Revenue Structure
Tracking Metric	- Occupancy and vacancy rate in the Real Estate Portfolio - Number of Green Buildings

Term of Risk	Probability of Risk	Severity of Risk	Type of Impact	Impact of Risk upon Cash Flow, Access to Finance and Capital Cost (Million TRY)		
				RCP 2.6	RCP 4.5	RCP 8.5
Current	-	Low	No impact	No significant impact of the risk was identified in 2025. There is no risk of a significant adjustment to carrying amounts.		
Short	Probable	Medium	Limited impact	Within the framework of the scenario analyses conducted, the expected impacts calculated across different time horizons remain below the financial materiality threshold.		
Medium	Probable	Medium	Limited impact			
Long	Highly Probable	Medium	Limited impact			

Exposure of İş GYO to Risk of Change in Customer and Market Preferences

Given that the change in customer and market preferences in the real estate sector is taking on a structural form with the climate transition, this could have an impact on İş GYO's leasable portfolio that becomes increasingly noticeable over time. The widespread adoption of remote work models, the growth of e-commerce, and lessees' preference for buildings with high energy efficiency and strong environmental performance are impacting demand conditions for assets with conventional features or those requiring technical upgrades.

It is considered that this change may pose a risk of declining occupancy rates, pressure on rental income, and a weakening of asset valuation assumptions for certain real estate properties. These impacts, which arise within the scope of the downstream trending value chain, can increase the risk of portfolio inactivity and lead to fluctuations in revenue-generating capacity. Furthermore, the modernization and improvement efforts required to meet customer expectations have the potential to put additional cost pressure on the operational expense structure.

Rapid changes in market dynamics make the risk of change in customer and market preferences more than just a temporary trend, turning it into an area of risk that must be monitored in the medium- and long-term. Accordingly, İş GYO assesses its exposure to this risk within the framework of the portfolio's sectoral distribution and general market developments, using occupancy rates and the number of lessees as key monitoring indicators.

This approach supports adaptation to the risk of change in customer and market preferences, the preservation of the portfolio's competitiveness, and the sustainability of asset values and rental income.

Financial Impact Analysis Methodology

The financial impact analysis conducted within the scope of the risk of change in customer and market preferences evaluates, on a scenario basis, the impacts of cost increases resulting from water stress and the associated customer dissatisfaction on both short-term rental income and long-term asset values.

Accordingly, the analysis is structured around three main transfer channels:

1. Direct cost impact resulting from water stress,

2. Loss of rental income due to customer dissatisfaction,
3. Impairment of assets due to water stress.

Water consumption data for each asset was obtained on asset basis for the analysis, and it was assumed that the impact of water stress would occur only in regions where the water stress index is above 1 and that water stress would last for 4 months on an annual basis. Based on this assumption, a foundation was established for calculating the factor of customer dissatisfaction resulting from water stress.

Analysis of Rental Income Loss Due to Water Stress

It was established to measure the impact of water stress-related costs on lessee behavior and rental income. The analysis was modeled on the assumption that water stress creates a gradual pressure on rental income rather than an immediate and complete loss, and this risk was included in the financial impact analysis along with any indirect income impacts that may arise from lessee behavior.

Analysis of Impairment of Assets Due to Water Stress

The analysis was established to measure the long-term impact of water stress-related customer dissatisfaction on asset values and

was conducted based on the assumption that chronic physical risks, such as water stress, could create gradual pressure on long-term market perceptions and valuation dynamics.

The results reveal that, under both low- and high-emission scenarios, rental income losses may trend upward over time, accompanied by customer dissatisfaction caused by water stress and changes in market preferences. However, it is considered that these financial impact of these influences remain below the financial materiality threshold as of all terms throughout the portfolio.

Results of Analysis of Impairment of Assets Due to Water Stress

These findings indicate that the risk of change in customer and market preferences could have a growing impact on the economic value and income-generating capacity of portfolios, particularly through chronic physical conditions such as climate change-related water stress. Accordingly, the risk of change in customer and market preferences is viewed by İş GYO not merely as an operational risk factor, but as a transition risk area that directly impacts decisions regarding portfolio strategy, asset location choices, infrastructure investments, and sustainability-focused transformation.

Table 5. Opportunity 1: Value Creation in a Green and Energy-Efficient Portfolio

Opportunity Definition	Opportunity to Create Value in a Green and Energy-Efficient Portfolio
Opportunity Description	The opportunity to support sustainable growth by enhancing the portfolio's long-term competitiveness and financial resilience through the growing demand for energy-efficient, low-carbon buildings with international green certificates, which, together with modernization and resource efficiency investments, reduce operating costs, improve carbon performance, strengthen access to sustainable finance, and generate rental income and market value premiums for green assets.
Country / Region where Opportunity has occurred	Throughout Türkiye.
Value Chain Impacted	Own Operations
Concentration Area	Increase in Asset Value Increase in Revenue
Tracking Metric	- Assets with improved Resource Efficiency in Real Estate Held for Investment (Yes/No) - New investment projects (quantity/amount) - Annual rate of decline in energy consumption (%)

Term of Opportunity	Probability of Opportunity	Severity of Opportunity	Type of Impact
Current	-	Low	No impact
Short	Probable	Medium	Limited Impact
Medium	Highly Probable	Medium	Limited Impact
Long	Highly Probable	High	High Impact

İş GYO's Solutions for Opportunity to Create Value in a Green and Energy-Efficient Portfolio

İş GYO considers the growing demand for energy efficiency, environmental performance, and sustainability criteria in the real estate sector as a strategic opportunity area that strengthens portfolio value and long-term financial resilience. Accordingly, the Company is prioritizing its plans to increase the share of real estate properties within its portfolio that are energy-efficient, low-carbon, and hold international green certificates.

İş GYO monitors the opportunity to create value in a green and energy-efficient portfolio through indicators such as the number and size of assets with improved resource efficiency and the annual rates of decline in energy consumption.

Accordingly, modernization and improvement investments aimed at increasing energy, water and resource efficiency in the assets within the current portfolio are evaluated. It is projected that these investments have the potential to reduce operating costs, improve carbon performance, and increase the operational efficiency of assets. Furthermore, it is intended to create a premium effect on the market values and rental income of real estate properties through green building certification processes and technical improvements.

İş GYO also evaluates sustainability-focused financing sources to support its green and energy-efficient portfolio approach. The advantages of green loans, sustainability-linked financing instruments, and similar structures are analyzed; accordingly, plans

are made to establish appropriate criteria and ensure compliance with them. Thus, it is intended to provide more effective financial support for portfolio transformation investments.

It is intended to increase the share of green and energy-efficient real estate within the portfolio, ensure the sustainability of rental income, and improve occupancy rates through these solutions. Thanks to the growing preference of green assets among lessees and investors, İş GYO's portfolio competitiveness and long-term financial performance are expected to be supported.

Table 6. Opportunity 2: Climate Resilience and Sustainable Transformation Financing Opportunity

Opportunity Definition	Climate Resilience and Sustainable Transformation Financing Opportunity
Opportunity Description	The opportunity to support the portfolio's climate resilience, facilitate transformation investments, and enhance sustainable growth capacity as a result of strengthening access to green bonds, sustainability-linked loans, and other sustainable financing sources, with adaptation investments against physical climate risks increasing the resilience, operational continuity, and long-term value of buildings.
Country / Region where Opportunity has occurred	Throughout Türkiye.
Value Chain Impacted	Upstream and Own Operations
Concentration Area	Increase in Asset Value Increase in Rental Income Increase in Revenue Decrease in Financing Expenses
Tracking Metric	- Assets with improved resource efficiency - New investment projects in this field - Share of sustainable financing portfolio in total debt

Term of Opportunity	Probability of Opportunity	Severity of Opportunity	Type of Impact
Current	-	Low	No impact
Short	Probable	Medium	Limited Impact
Medium	Highly Probable	Medium	Limited Impact
Long	Highly Probable	High	High Impact

İş GYO's Solutions for Climate Resilience and Sustainable Transformation Financing Opportunity

The Company's current real estate portfolio includes the Tuzla Technology and Operations Center, Tuzla Square Mall and Kanyon Shopping Mall green building certifications, and green building certification is aimed at new projects planned to be developed. This approach reflects a long-term orientation towards systematically strengthening the portfolio's environmental performance and enhancing its climate resilience.

Accordingly, it is intended to improve the environmental performance of assets, strengthen compliance with regulatory expectations, and make the portfolio more resilient to climate change through green building certification and sustainable design practices. Furthermore, sustainability-focused finance instruments and green financing opportunities have a strategic impact on supporting this transformation process.

Climate Resilience in Long-Term Value Creation

General Approach to Climate Resilience

İş GYO addresses the impacts of climate change on the real estate sector as a key area of assessment for the protection of the long-term performance and value of the portfolio. For the Company, climate resilience represents not only the protection of existing assets against physical risks, but also an approach that combines investment decisions, portfolio management, project development, and financial planning processes. Accordingly, depending on the development of the relevant analysis and evaluation processes, it is planned to take into account in the future the impact of national and international climate policies, macroeconomic trends, and climatic and environmental variables in operating regions on the portfolio.

İş GYO assesses climate-related areas of uncertainty and potential impacts, and in this context, it is projected that more comprehensive climate resilience assessment processes will be developed in the future.

The potential impacts of extreme weather events, long-term climate trends, regulatory developments, and market changes on the portfolio will be addressed in the future. Accordingly, it is planned to systematically analyze the impacts of these factors on asset resilience, value profile and income stability.

The strong liquidity structure of İş GYO, its access to sufficient financial resources, and its flexible resource allocation capabilities are considered key resilience factors in addressing the risks and opportunities identified in climate-related scenario analyses. Prioritizing environmental sustainability in investment budgets is intended to support investments related to adapting to climate-related physical and transition risks. The relationship between the specific impacts identified in scenario analyses and the adequacy of current financial capacity is assessed across the portfolio and provides input for climate resilience-related decision-making processes.

The company, as part of practices that support climate resilience, closely monitors general trends in technological developments in

the real estate sector, in addition to energy efficiency, renewable energy solutions, building automation systems, and green building technologies. The impacts of digitalization and smart building systems on business operations and portfolio performance are evaluated, and attention is paid to integrating these developments into investment and management processes to strengthen climate resilience.

Consequently, İş GYO considers climate resilience to be a dynamic area of management that takes into account areas of uncertainty, is supported by financial and operational capacity, and is strengthened by evolving practices, and positions it as an integral part of long-term value creation.

Resilience Assessment within the Framework of Climate Scenarios

The strategic resilience of İş GYO against climate-related risks was assessed through quantitative and qualitative analyses conducted within the framework of internationally recognized climate scenarios. Accordingly, Asset Value and Operational Continuity Risks Related to Climate Events were examined by taking into account their impacts on the portfolio's financial performance, cash flows, and long-term value creation capacity under different emission pathways.

Below 2°C, Delayed Transition, and Current Policies scenarios published by the NGFS were used as the basis for the resilience assessment; the financial impacts that risk could have across the portfolio were projected on scenario basis for the 2030, 2035, and 2040 time horizons. This approach is intended to identify potential areas of vulnerability that İş GYO's real estate properties held for investment and income-generating assets may face if climate change occurs at different rates and severities.

The analyses conducted in relation to this risk indicate that physical climate events such as excessive precipitation, temperature increases, and rising sea levels / floods could lead to a decline in asset values, a decrease in rental income, and limited pressure on operational continuity. These impacts were financialized using quantitative models on asset basis and aggregated at the portfolio level. Analysis results indicate that the total financial impact related to physical climate risks has increased gradually over time and suggest an impact that tends to rise, particularly in the long term, on portfolio returns.

Scenario analyses conducted show that physical risks remain more limited under a low-emission scenario; whereas in scenarios where the transition is delayed or current policies continue, losses in asset value, declines in rental income, and increases in insurance-related costs become more pronounced as the severity of physical risks increases. Accordingly, it is observed that the impact of risks on portfolio resilience is getting stronger, particularly for the 2035 and 2040 time horizons.

The overall results of the resilience assessment indicate that İş GYO's current portfolio structure is relatively resilient to climate-related shocks in the short-, medium-, and long-term. It indicates that climate-related risks arising from relative impact should be addressed not only through short-term financial impacts but also through long-term valuation, portfolio transformation, and capital allocation decisions.

Accordingly, the quantitative outputs obtained under climate scenarios provide input for assessments aimed at enhancing resilience in İş GYO's risk management, investment planning, and portfolio optimization processes. Taking into account the increasing impacts of climate-related risks over time, the strategy is designed to strengthen its adaptability and safeguard the portfolio's long-term sustainability. Scenario analyses were conducted during the current reporting period.

Key Assumptions Used in Resilience and Scenario Analyses

Resilience and scenario analyses conducted within the framework of climate scenarios are based on a set of model assumptions defined for each analysis, in order to measure the portfolio's exposure to climate-related risks

in a consistent, comparable, and traceable manner. The following assumptions were evaluated in line with the data sources and methodological approaches used in the relevant risk models.

Model Assumptions for Extreme Precipitation Risk

- It was assumed that the rates of increase in extreme precipitation were taken from the NGFS projections.
- It was assumed that the elasticity coefficient was taken from studies published on a global scale and used in the low-medium-high categories.
- It was considered that occupancy rates, rent, and asset values were included in the model as fixed operational inputs throughout the analysis.
- It was assumed that the decline in asset value and the loss of rental income were treated as independent transfer channels, and that the cumulative impact was calculated as the sum of these two channels.
- It was assumed that the probability of severe excessive precipitation causing physical damage is indirectly represented within the asset value model through the ThinkHazard risk score.

Model Assumptions for Risk of Temperature Increase

- It was assumed that the temperature increase rates in the NGFS scenarios were directly reflected in the model.
- It was assumed that the elasticity coefficient was taken from global studies.
- It was assumed that losses in value and rental income are treated as two independent channels, and that the total impact is calculated cumulatively.
- It was assumed that plots of land are not included in the model's scope because, given their usage characteristics, their sensitivity to temperature risk is limited.

Model Assumptions for Insurance Premium Increase

Insurance premium increase was considered as a cost factor reflecting the cumulative impact of increases in physical risks such as excessive precipitation, temperature increase, and floods, and was addressed as one of the financial impact items under "Asset Value and Operational Continuity Risks Related to Climate Events". Model assumptions used in this scope were structured as follows:

- It was assumed that the scope of the insurance policy and coverage structure were considered fixed.
- The projection that insurance companies will become increasingly more aggressive

in pricing climate risks in the future was reflected in the model as a key assumption.

- It was assumed that premium increases were calculated solely based on factors related to an increase in physical risk, and that pricing dynamics other than physical risk were excluded from the scope.
- It was assumed that assets not included in the portfolio or considered unsecured (for instance, certain plots of land/unused areas) were not included in the calculation.
- It was assumed that the magnitude of the risk was modeled based on the proportional impact calculated based on the asset value.

Model Assumptions for Climate and Energy Performance-Related Regulatory Risk and Loss of Value Risk

- It was assumed that carbon prices were based on the NGFS scenarios.
- It was assumed that emissions factors for electricity and natural gas were taken from official national sources.
- It was assumed that the fixed exchange rate for 2025 was used to ensure financial comparability.
- It was assumed that lessee behavior was modeled with a carbon intensity-based elasticity approach.

- It was assumed that all assets were assessed under the "prime-standardized asset" assumption and that the value pass-through coefficient was taken as $\beta = 0.3$.

Model Assumptions for Risk of Change in Customer and Market Preferences

- It was assumed that the region-based water stress data were obtained from WRI Aqueduct.
- It was assumed that changes in the unit price of water were based on CPI Fuel change rates.

Long-Term Value Creation Through Climate Resilience

İş GYO considers climate change as one of the key factors that directly impact the long-term value creation capacity of its real estate portfolio. The useful lives of real estate assets, the continuity of rental income, and their market values may be impacted by changes in climatic conditions over time. Therefore, the Company considers climate resilience not only as a means of managing short-term risks, but also as a way to prepare its portfolio for the future and maintain its financial performance.

The Company's portfolio consists of offices, shopping malls, and residential projects, and this diversity provides a balanced structure that limits the spread of climate-related impacts across the portfolio. Office-quality assets such as the Tuzla Technology and Operations Center, Istanbul İş Towers Complex, and Maslak Office Building; retail assets such as Istanbul Kanyon Shopping Mall, Izmir Ege Perla Shopping Mall, and Marmaris Mallmarine Shopping Mall; and residential projects such as Litus Istanbul and Kasaba Modern contribute to the portfolio's resilience through their diverse usage scenarios and operational dynamics. The structure is intended to prevent changes in climatic conditions from concentrating on a single asset type or revenue item.

Accordingly, İş GYO considers climate resilience not only as a means of mitigating risks, but also as a strategic area for value creation in terms of maintaining asset value, ensuring the sustainability of rental income, and supporting the portfolio's long-term competitiveness. It is considered that maintaining the appeal of highly resilient assets among investors and lessees reflects positively on long-term financial performance.

Portfolio Management from a Climate Resilience Perspective

İş GYO addresses climate resilience in portfolio management through asset-based assessments. Real estate properties of different qualities may have different levels of sensitivity to changes in climatic conditions, and this requires asset-specific assessments rather than a standardized approach. Accordingly, office-quality assets, shopping malls, and residential projects are evaluated independently.

For instance, in high-density office projects such as the Istanbul İş Towers Complex, energy consumption, interior comfort, and uninterrupted operations are paramount. In such assets, it is possible that climate-related impacts are reflected in portfolio performance through direct operating costs. On the other hand, visitor comfort, prevention of operational disruptions, and business continuity are more decisive in retail assets such as Kanyon Shopping Mall, Izmir Ege Perla Shopping Mall, and Istanbul Tuzla Square Mall.

As for residential projects, design in harmony with climatic conditions, management of common area expenses, and long-term living comfort are among the primary evaluation criteria for assets such as Kartal Manzara

Adalar and Kasaba Modern Residential Project. It is intended to monitor the portfolio within a balanced, diversified, and resilient structure, taking these differences into account, rather than a standardized risk profile.

Climate Compatible Investment and Project Development Approach

Newly developed projects are among the key factors that determine İş GYO's future portfolio structure, risk profile, and long-term value creation capacity. Accordingly, decisions on architecture, technique and infrastructure during the project development process are considered as strategic preferences affecting not only the construction phase but also the entire service life of the projects. These decisions have a direct impact on operational costs, resource efficiency, user satisfaction, and environmental performance. Accordingly, the Company includes climate compatible design principles and performance criteria in its assessment processes for new investments and development projects.

The concrete results of this approach are seen in the projects within the İş GYO portfolio that hold green building certifications. The Tuzla Technology and Operations Center, Tuzla Square Mall, Istanbul Kanyon Shopping Mall are among the assets where

a climate compatible and sustainable project development approach is implemented. It is considered that practices related to energy efficiency, water management, and resource optimization adopted in these projects contribute to keeping operating costs under control and, at the same time, support lessee and user demand.

This experience gained from the current portfolio also provides guidance for ongoing and planned investments. It reflects the Company's determination to continue its climate compatible design and sustainable performance approach in its new investments as well. The investments implemented and planned under the project in 2025 include concrete practices aimed at improving water and energy efficiency, strengthening resilience against climate-related physical risks, and reducing long-term operating costs.

Wastewater recovery systems, rainwater harvesting infrastructure, landscape designs with low water consumption, solar energy systems and LED lighting investments developed in this context are considered not only as practices that enhance environmental performance, but also as climate compatible investments that reduce operational costs and support the portfolio's

financial resilience. These investments are implemented as part of the Company's approach to addressing climate risks during the project development stage and strengthening long-term value creation.

Accordingly, İş GYO does not evaluate green building certification and a climate-compatible investment approach solely as elements for regulatory compliance. On the contrary, this approach is positioned as a strategic instrument that preserves asset value over the long term, supports financial performance, and enhances the portfolio's market appeal. Accordingly, the Company aims to continue integrating criteria related to climate compatibility, resource efficiency, and physical resilience into its new project development processes.

Supporting Operational Continuity and Physical Resilience

Climate change can have direct impacts on operational continuity, particularly in real estate properties with high user density. Extreme weather events and temperature increases can cause disruptions in business operations and result in additional costs. Therefore, operational continuity is considered an area of management directly linked to climate resilience for İş GYO.

Operational continuity, stable rental income, visitor satisfaction, and the preservation of brand value are of critical importance at shopping malls such as Kanyon Shopping Mall, Izmir Ege Perla Shopping Mall, and Marmaris Mallmarine Shopping Mall. Similarly, uninterrupted operation, sustainable lessee relationships, and the preservation of long-term lease structures are important in office projects such as the Istanbul İş Towers Complex.

Accordingly, İş GYO supports physical resilience by comprehensively addressing the technical infrastructure, maintenance plans, and insurance mechanisms of assets. While insurance coverage is used as a tool to limit the financial impacts of climate-related events, planned maintenance and technical improvement practices are aimed at preventing operational disruptions and maintaining asset performance.

Table 7. İş GYO Investments

İş GYO Investments in 2025	Amount (Million TRY)
Rainwater Collecting System	12.8
Solar Energy System	2.6
LED Lighting System	6.7
Other Climate-Related Investments	3.7

Reflection of Climate-Related Impacts on İş GYO's Operations

İş GYO's business model creates value within a broad value chain covering the processes of developing, acquiring, and operating real estate investments, and extending from suppliers to investors, from public authorities to customers, and to business partners. Changes in climate conditions and the resulting risks and opportunities have different impacts at various stages of this value chain and shape the Company's investment, business and portfolio management processes across the entire chain. Therefore, climate-related impacts are addressed by İş GYO not through a single area of activity, but from a value chain perspective that extends from upstream stakeholders to the Company's operations and downstream relationships.

Suppliers and contractors in the upstream value chain are indirectly impacted by changes in climatic conditions through the inputs and practices used in real estate projects. This issue is among the factors that must be taken into account at the stage when investment and project development decisions take shape. Investors and shareholders within the same value chain assess climate-related developments within the framework of maintaining the portfolio's long-term resilience and value, while public authorities and regulatory institutions determine the operating environment through regulations on energy efficiency and building standards. These factors form the external framework that guides İş GYO's investment processes.

These upstream impacts are reflected in the Company's operational structure, which encompasses its investment and business processes. In processes related to the feasibility of new investments and the operation of existing assets, it is projected that the impacts of changes in climatic conditions on asset performance, cost structure, and long-term portfolio balance will be assessed more comprehensively in future. Accordingly, the potential implications of these impacts on relationships with customers and business partners throughout

the value chain are also among the areas to be evaluated in the future.

The expectations of office, shopping mall, and residential users, as well as the operational processes carried out with business partners, stand out in the downstream stage of the value chain. The expectations of users regarding comfort, uninterrupted use, and service quality are generally significant in terms of the usage structure of real estate assets. However, specifically for the Company, there are not yet any comprehensive climate practices that directly link these factors to the attractiveness of assets, business performance, customer satisfaction, and income continuity.

Assessments suggest that climate-related risks and opportunities do not impact all stages of the value chain to the same extent, but rather have complementary impacts within the overall functioning of the chain. İş GYO addresses these impacts through a value chain approach that includes investment, business, and stakeholder relations, and assesses climate-related factors within this context.

Overview of the Journey Toward Climate Compatible Transformation

As of the Company’s reporting period, İş GYO does not yet possess a comprehensive climate transition plan containing defined time horizons, interim targets, and quantitative goals. Nevertheless, the Company projects that the impacts of climate change on the real estate sector will increase in the long term and handles portfolio management and investment decisions with a gradual transformation perspective in this direction. This approach is based on a prudent and

manageable progression, taking into account the current portfolio structure, regulatory developments, and data maturity. current portfolio structure, regulatory developments, and data maturity.

İş GYO considers climate compatible transformation not as a one-time goal, but as a journey that takes shape over time. Accordingly, the focus in the current period is on promoting the practices and strengthening the portfolio’s technical capacity. It is planned to create a more structured transformation approach and a climate transition plan in the future, based on the experience gained and the evolving data infrastructure.



04

Risk Management

iş GYO



Risk Management

The risk management approach of İş Gayrimenkul Yatırım Ortaklığı A.Ş. (İş GYO) is based on addressing the potential impacts of climate change on its real estate portfolio, rental income, asset values, and operational continuity within a holistic framework, in line with its goal of creating long-term value. Accordingly, climate-related risks and opportunities are integrated into the Company's general risk management system by taking into account the potential impacts of climate change on the real estate portfolio, rental income, asset values, and operational continuity.

The increasing frequency and severity of climate change-related physical risks, along with the regulatory and market transformations arising from the transition to a low-carbon economy, are leading to impacts such as increased insurance costs, pressure on asset values, and changes in customer preferences, making it necessary to address climate-related risks within corporate risk management processes. Accordingly, İş GYO incorporates the identification, assessment, prioritization, and monitoring of its climate change-related risks into its general risk management approach.

The management of climate-related risks is conducted within the framework of the Risk Policy approved by the Company's Board of Directors, and the principles for the identification and classification of risks are established through the Company's Risk Catalog. The Risk Policy was updated during the current reporting period with the approval of the Board of Directors. The Risk Catalog is the main document where the risks to which the company may be exposed in the course of its operations are identified and is reviewed annually in light of changing conditions, updated as necessary, and put into effect upon approval by the Board of Directors. Climate change-related risks are defined in the İş GYO Risk Catalog and are updated to reflect the increasing frequency and severity of climate events, as well as regulatory and market-driven transformations during the transition to a low-carbon economy and changes in customer preferences.

Within the scope of risk management processes, qualitative and quantitative methods are used in conjunction to measure and assess risks, based on internationally recognized methodologies and Key Risk Indicators. Risk limits are regularly reviewed

and updated as necessary, and the workflows for these processes are established and documented by the Risk Management, Internal Control and Compliance Activities Unit, which operates under the Internal Systems Department. Furthermore, risk analysis and assessment activities are conducted prior to launching new products, services, and practices that could significantly impact the Company's risk profile, and these processes are supervised by the Board of Directors.

The risk assessment outputs obtained accordingly provide input into the Company's strategic decision-making processes, and climate-related risks are addressed as an integral part of investment decisions, portfolio management, and operational planning processes.

İş GYO's climate-related risk management approach is aimed at strengthening the physical resilience of its real estate portfolio, maintaining operational continuity, reducing financial vulnerabilities in rental income and asset values, and preventing long-term value losses.

Risk Catalog

The risks to which İş GYO may be exposed in the course of its operations are identified, classified, and monitored through the Risk Catalog developed as part of the Corporate Risk Management approach. The Risk Catalog provides a holistic structure that covers financial and non-financial risks, taking into account the Company's business model, investment activities, portfolio structure, and value chain.

Climate change-related risks are classified as strategic risks within the framework of the İş GYO Risk Catalog, and these risks are addressed under two main categories, namely physical risks and transition risks. The definition, mechanism of occurrence, and potential impacts of each type of risk are assessed.

İş GYO considers climate change-related risks not only as a separate risk category but also as one that interacts with other risk categories, such as operational risk, financial risk, and reputational risk. Therefore, climate risks are addressed as a horizontal risk area in the Risk Tracking File, and the indirect impacts of these risks on other types of risks are analyzed.

In the current reporting period, the Risk Catalog was reviewed to ensure that climate change-related risks are addressed more comprehensively and was updated as per a resolution of the Board of Directors.

Impact of Climate Risks and Opportunities on Business Strategy

Climate change-related developments have various impacts on the Company's operations and portfolio structure. The increase in the frequency and severity of extreme weather events can increase the risk of physical damage to assets and operational disruptions, which can impact insurance costs, maintenance and repair expenses, and operational continuity. Furthermore, long-term changes in climatic conditions have gradual impacts on energy consumption, technical performance, and the economic useful life of assets. However, the regulatory requirements and changes in market

dynamics arising from the transition to a low-carbon economy can lead to additional compliance costs and the risk of value loss, particularly for assets with low energy efficiency.

The process of adapting to climate change and transitioning to a low-carbon economy also presents new opportunities for the Company. Growing demand for assets with high energy efficiency and sustainable characteristics can support the portfolio's long-term performance, while access to sustainable financing sources and resource efficiency practices can have positive impacts on the cost structure. Accordingly, climate change-related risks and opportunities are assessed as part of the Company's investment decisions, portfolio management priorities, and long-term strategic planning processes, and actions are developed to enhance the portfolio's climate resilience.

Impact of Climate Risks on Portfolio Structure and Investment Decisions

The results of İş GYO's climate risk assessment of its portfolio indicate that the portfolio has a low risk profile in general. According to scenario-based analyses, the risk scores of projects included in the RCP 8.5 scenario, which involves a high-emission assumption, remain below the high risk threshold. Potential rental income losses due to climate risks are projected to range between 8.37% and 11.11%, and insurance practices and energy efficiency investments play a role in mitigating these impacts.

Materiality Assessment and Prioritization of Risks and Opportunities

Climate-related risks and opportunities are assessed within a holistic framework, taking into account their potential impacts on the Company's business model, investment portfolio, and operational processes. Analyses conducted within this scope collectively address the financial impacts that could arise if the relevant risk or opportunity materializes, the implications for operational continuity, and the impacts on long-term asset values.

Asset-based analyses, scenario-based projections, qualitative and quantitative financial impact modeling are used in conjunction in assessing climate risks. In addition to potential financial impacts, impacts on operational continuity and long-term asset values are also taken into account in assessing the materiality of risks.

Table 8: Scenario Analysis Evaluation based on Type of Real Estate

Asset Type	Risk Score			
	Current	RCP4.5	RCP8.5	NZE2050
SHOOPING MALL	Low	Low	Low	Low
RESIDENCE	Low	Medium	Medium	Low
OFFICE	Low	Low	Medium	Low

Accordingly, physical risks are assessed on asset basis, taking into account the geographic distribution of the real estate portfolio and the characteristics of assets, and the impact mechanisms, financial impacts, and scenario-based projections for the identified risks are presented analytically. The financial impacts of physical risks are modeled through transfer channels such as loss of asset value, loss of rental income, and increases in insurance costs. Transition risks, on the other hand, are addressed within the framework of the

policy, regulatory, and market dynamics arising during the transition to a low-carbon economy, and the financial impacts of these risks are analyzed by taking into account indirect carbon costs, changes in demand and occupancy rates, and their impacts on long-term asset values.

Climate-related risks and opportunities are analyzed during the assessment process according to impact and probability criteria and are classified accordingly based on their

level of materiality. Within the scope of impact analysis, the potential consequences for the Company's financial performance, portfolio structure, and operational activities if a risk or opportunity materializes are taken into account, and the probability assessment is based on the likelihood of the event materializing. Based on the scores obtained, risks and opportunities are classified into three different levels of materiality, namely low, medium, and high, and the prioritization process is conducted based on this classification.

Climate-related risks and opportunities are placed on a 5x5 risk matrix, taking into account the determined probability and impact scores. The scope, responsibilities and fundamental principles of the Company's risk management are implemented in line with the consolidated risk management approach of Türkiye İş Bankası A.Ş. Within the scope of İŞ GYO's risk scoring approach, risks and opportunities with a total score in the range of 1-8 are classified as "low", those in the range of 9-14 as "medium", and those in the range of 15-25 as "high" in terms of materiality.

Table 9. Risk and Opportunity Calculation Methodology

Score	Impact Level	Impact Description	Probability Level	Probability Description
1	No Impact	The risk will have no financial, operational, or reputational impact within the relevant term if it materializes.	Not Probable	It is not expected to materialize within the relevant term.
2	Insignificant Impact	The risk will have small and tolerable impact within the relevant term if it materializes, requiring no additional action.	Low Probability	It is unlikely to materialize within the relevant term.
3	Limited Impact	The risk will have limited and manageable impact within the relevant term if it materializes.	Probable	It is likely to materialize within the relevant term.
4	High Impact	The risk will have a significant negative impact on financial performance, operations or goals within the relevant term if it materializes.	Highly Probable	It is highly likely to materialize within the relevant term.
5	Very High Impact	The risk will have a serious impact on critical goals, financial condition or operational continuity within the relevant term if it materializes.	Almost Certain	It is expected to materialize within the relevant term.

Tablo 10. Risk and Opportunity Scoring Matrix

Probability / Impact	1. No Impact	2. Insignificant Impact	3. Limited Impact	4. High Impact	5. Very High Impact
5. Almost Certain	Low (5)	Medium (10)	High (15)	High (20)	High (25)
4. Highly Probable	Low (4)	Low (8)	Medium (12)	High (16)	High (20)
3. Probable	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
2. Low Probability	Low (2)	Low (4)	Low (6)	Low (8)	Medium (10)
1. Not Probable	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)

In the process of prioritizing climate-related risks, the likelihood of their materialization, the magnitude of potential financial impact, their impacts on operational continuity, and their alignment with the Company's long-term strategy are assessed collectively. Accordingly, risks are analyzed within the framework of impact and probability criteria and, based on the results obtained, are classified and prioritized according to their level of materiality.

The impact analyses of risks and opportunities identified as priorities and deemed to be of high materiality are described in detail in the [“Strategy”](#) section of the report.

Within the scope of the risk inventory updated in the current reporting period, sector-based analyses were utilized, taking into account the Company's sector, business model, and portfolio structure. Accordingly, relevant sectors were examined in light of TSRS guidelines on sector practices, SASB sector classifications, and the S&P Global ESG Materiality Map; furthermore, reports from companies with similar fields of activity to İş GYO, as well as the risk inventory from the previous period, were included in the assessment process.

Accordingly, a total of 10 climate-related risks were identified for the Company; 5 were classified as physical risks (1 acute, 2 chronic and 2 both acute and chronic), and 5 were classified as transition risks (2 policy and regulatory, 1 technology, 1 market

and 1 reputational risk). Probability and impact analyses were conducted for each risk identified, and the results were assessed according to their levels of materiality.

2 transition risks and 1 physical climate risk that remained above the financial materiality threshold as a result of the assessments are given below.

- Climate and Energy Performance-Related Regulatory Risk and Loss of Value Risk
- Asset Value and Operational Continuity Risk Related to Climate Events
- Risk of Change in Customer and Market Preferences

Compared to the previous period's report, the methodology for assessing climate-related risks and opportunities was updated in the current reporting period. Accordingly, while

the probability assessment was conducted on a six-point scale in the previous reporting period, a five-point scale is used in the current period. While the financial materiality assessment in the previous period was based on an EBITDA-based approach, an assessment approach based on total balance sheet assets was adopted in the current reporting period.

Detailed explanations regarding the factors that formed the basis of the assessment in terms of impact and probability in the previous period, as well as the financial impacts, could not be included due to changes in the assumptions used in the model. Therefore, it is not possible to make a direct comparison between the two periods. The assessments in the current period were conducted in accordance with the current methodology.

Monitoring, Controlling and Tracking Risks and Opportunities

The monitoring, control, and tracking of climate-related risks and opportunities at İş GYO are conducted with a holistic approach within the Company's corporate risk management structure.

Physical and transition risks, along with the opportunities related to these risks, are integrated into general risk management processes and are regularly reviewed and updated with the contribution of the relevant business units. The findings obtained within this scope are communicated to the Board of Directors through the Early Detection of Risks Committee and are evaluated at the Board of Directors level.

The materialization of climate-related risks identified in the risk tracking file, their impact levels, and the effectiveness of existing control mechanisms are monitored periodically. Accordingly, indicators related to physical and transition risks, as well as portfolio-based financial impact metrics and operational data, are used to track trends in these risks over time. Indicators related to extreme weather events, energy and water consumption, insurance costs, occupancy rates, and lessee behavior are among the key factors used in the monitoring process.

Findings obtained through monitoring and tracking activities are incorporated into risk reporting processes and presented to senior management, and where deemed necessary, control structures and action plans related to risk management are reviewed and updated. This enables climate-related risks and opportunities to be managed in a manner consistent with the Company's current risk profile and strategic priorities.

Scenario Analysis Approach in the Assessment of Risks and Opportunities

İş GYO uses scenario analysis approach as one of its key instruments to assess climate change-related risks and opportunities, with the aim of analyzing uncertainties and long-term impacts more accurately. Scenario analysis ensures a holistic evaluation of the potential impacts of physical and transition risks under distinct climate and transition pathways on the Company's real estate portfolio, rental income, asset values, and operational continuity. Within the scope of this approach, scenario analyses are designed to identify not only the current impacts of risks but also their dynamic and cumulative effects that may emerge in the short-, medium-, and long-term. Scenario analysis activities are structured to provide input for risk prioritization, strategic planning, and investment decision-making processes.

İş GYO's scenario analyses are based on internationally recognized scenario sets that represent the physical impacts of climate change and the transition to a low-carbon economy. The key NGFS scenarios used by İş GYO in this context are summarized below.

Physical and transition risks that may arise in the real estate portfolio under rising temperature levels were collectively evaluated in the analyses, based on the Below 2 Degree (SSP2.6), Delayed Transition (SSP4.5), and Current Policies (SSP8.5) scenarios developed by the NGFS and aligned with the IPCC SSP framework. Within the scope of physical risks, it was taken into account that rising temperatures suggested more frequent and severe extreme heat days and excessive precipitation events, and the implications of these changes on the physical condition of assets, continuity of use, rental income, and insurance costs were modeled for the 2030–2035 and 2040 time horizons. While the SSP2.6 scenario, in which more limited climate change impacts are projected, assumes that these impacts remain relatively limited, the SSP4.5 scenario is based on a climate outlook in which these impacts gradually increase, and the SSP8.5 scenario assumes that extreme weather events occur significantly more frequently and severely. For transition risks, electricity and natural

gas consumption were converted to carbon equivalents, and the impacts of rising carbon costs on building operating costs, rental performance, and asset values were financialized; in addition, water stress was addressed as a transition risk factor in the context of increasing resource pressures due to rising temperatures, and the potential impacts of declining water supply on rental income and asset values were analyzed using WRI Aqueduct data.

05

Metrics and Goals

İŞ GYO



Metrics and Goals

İş Gayrimenkul Yatırım Ortaklığı A.Ş. established various metrics to monitor climate change-related impacts and assess progress in managing these impacts.

İş GYO regularly monitors key metrics, primarily greenhouse gas emissions and energy consumption, to assess the climate impacts arising from the real estate properties in its portfolio. Furthermore, portfolio performance, asset efficiency, and operational indicators are also taken into account in assessing climate-related risks and opportunities.

Accordingly, climate performance is monitored regularly, and improvement areas are identified in line with the obtained data. Currently, progress is monitored in line with qualitative climate-related targets, and it is planned to establish quantitative targets aligned with these metrics in the upcoming periods to be established in the future.

Assumptions and Measurement Uncertainties Used in Emissions Calculations

İş Gayrimenkul Yatırım Ortaklığı A.Ş. uses emission factors published by the Intergovernmental Panel on Climate Change (IPCC) in calculating its greenhouse gas emissions, and the 2025 calculations are based on the coefficients included in the IPCC's 6th Assessment Report (AR6, 2021).

Default emission factors defined by the IPCC for stationary combustion in the commercial/institutional category are used to calculate emissions arising from fuel consumption such as natural gas, diesel, and gasoline. Emissions generated within the scope of company vehicles, generators, and building heating systems are calculated within this framework. In calculating greenhouse gas emissions, the Tier 1 approach is used in accordance with the IPCC methodology, while the Tier 2 methodology is applied to activity data for which national data are available. In calculating emissions from electricity consumption, electricity generation data specific to Turkey are taken into account, and national emission factors are used within this scope.

Country-specific lower calorific values and density data for fuels are taken into account in the calculations; furthermore, relevant national regulations and datasets are used as the basis for calculating emissions from electricity consumption.

İş GYO's greenhouse gas emissions are calculated by consolidating operational data related to the assets in its portfolio. Operational data is mainly based on meter data relating to energy and fuel consumption, as well as billing records provided by distribution companies.

Among the main factors that can affect data quality are the accuracy of measuring devices, the regular calibration of measuring devices, and variations in temperature and pressure conditions for certain types of fuel. The operational data and emission factors used within this scope may involve certain measurement uncertainties.

As a result of the analysis, which took into account the uncertainty levels determined for the activity data and emission factors (CO₂, CH₄ and N₂O) used in calculating greenhouse gas emissions, the total uncertainty rate for the 2025 greenhouse gas inventory was calculated to be 4.3%. The uncertainty analysis was conducted using the Gauss

method for the emission sources included in the reporting scope. Within the scope of the assessments, emissions from natural gas consumption at Kanyon Shopping Mall stand out as one of the emission sources with the highest level of uncertainty. Besides the emission factors, lower calorific values, and activity data used in calculating greenhouse gas emissions, the scope of energy consumption data for assets in the portfolio included in the emissions calculation and the assumptions regarding data availability can also influence the calculations. Accordingly, these uncertainties are regularly assessed.

Greenhouse Gas Emissions

The reporting scope is consistent with the financial consolidation approach and includes the assets under the financial control of İŞ GYO and its subsidiary included in the consolidation. 2025 greenhouse gas emissions of İŞ GYO were calculated in accordance with the financial control approach, based on fuel and electricity consumption in the areas where the Company operates. The Company conducts its emissions calculations for the 2025 reporting period in accordance with the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004), and the data and assumptions used in the calculations are derived from current sources consistent with the reporting period. Emissions are categorized as Scope 1 (direct emissions) and Scope 2 (indirect emissions resulting from purchased energy), in line with the Greenhouse Gas Protocol.

Scope 1 Emissions (Direct Emissions)

Scope 1 emissions include direct greenhouse gas emissions from activities conducted under the Company's financial control. Accordingly, natural gas consumption for

heating buildings, gasoline and diesel fuel used in the Company's vehicles, fuel consumption by generators used in emergencies, emissions from refrigerants in air conditioning systems, and CO₂ emissions from fire extinguishing equipment are taken into account. Consumption data for all of these sources for the year 2025 were consolidated, and the calculated Scope 1 emissions revealed the total carbon footprint directly resulting from the Company's activities under its financial control.

Scope 2 Emissions (Indirect Emissions)

Scope 2 emissions are calculated using both local and market-based approaches to include indirect emissions from electricity

consumption. Accordingly, the Company does not provide steam, heating, or cooling, and its Scope 2 emissions are solely from electricity consumption. Source of the electricity used and the corresponding emission factors are taken into account in the calculations. Thanks to the use of renewable energy supply certificates, the electricity needs of a large portion of the Company's fields of activity are met by clean energy sources.

I-REC and YEK-G certificates obtained for the Head Office, Kanyon A.Ş., Kanyon Shopping Mall, Kanyon Office, Tuzla Shopping Mall and Ofis Lamartine Building certify that all the energy consumed at these locations is derived from renewable energy sources.

Metrics Related to Greenhouse Gas Emissions and Climate Performance

Compared to the 2024 data taken as the base year, İŞ GYO's Scope 1 emissions increased by 2.76% in 2025. Location-based Scope 2 emissions based on electricity consumption, on the other hand, increased by 6.37% during the same period. Market-based Scope 2 emissions were calculated to be 222.20 tCO₂e in 2025. Accordingly, total Scope 1 and Scope 2 (location-based) emissions increased by 5.58% in 2025 compared to 2024. Total Scope 1 and Scope 2 (market-based) emissions were calculated at 1,046.12 tCO₂e in 2025, representing a 3.26% increase compared to the previous year.

Table 11. İŞ GYO Greenhouse Gas Emission Data

Greenhouse Gas Emissions (ton CO ₂ e)	2024	2025	Change (%)
Scope 1	801.81	823.91	2.76
Scope 2 (Location-based)	2,857.90	3,039.94	6.37
Scope 2 (Market-based)	211.25	222.20	5.18
Total (Scope 1 + Scope 2 location-based)	3,659.71	3,863.85	5.58
Total (Scope 1 + Scope 2 market-based)	1,013.07	1,046.12	3.26

The tightening of regulations regarding climate and energy performance, carbon pricing practices and sustainable finance requirements may pose risks to the Company’s compliance costs, as well as to the value and income performance of the assets in its portfolio. Furthermore, extreme weather events that are on the rise due to climate change can have negative impacts on the physical condition of assets, their continuity of use, and operational activities. In order to monitor the impacts of these risks on energy consumption, operational efficiency, and the cost structure, energy performance indicators are regularly tracked and evaluated. The relevant data are given in the table below.

Table 12. İş GYO Energy Consumption Data

Energy Consumption (GJ)	2024	2025	Change (%)
Buildings Fuel & Electricity	36,146.88	38,827.02	7.41
Electricity purchased from the mains	1,720.63	1,843.17	7.12
Renewable energy	21,556.44	23,372.99	8.43
Natural gas	12,721.09	13,537.36	6.42
Generator (diesel)	148.72	73.51	-50.57
Vehicle Fuels	1,032.19	781.00	-24.34
Diesel	320.60	246.63	-23.07
Gasoline	711.59	534.37	-24.90
Total Energy Consumption	37,179.07	39,608.03	6.53

Compared to the base year 2024, the Company’s total energy consumption increased by 6.53% in 2025. This increase is regularly monitored and evaluated as part of energy consumption indicators.

Metrics Related to Risks and Opportunities

İş GYO monitors not only operational metrics but also risk-focused metrics that reflect the impacts of climate change on its business activities as part of its climate management approach. Accordingly, climate and energy performance-related regulatory and loss of value risks, impacts of climate events

on asset value and operational continuity, and risks arising from changes in customer and market preferences are systematically tracked. Metrics related to these risks and opportunities are explained in the [“Strategy”](#) section of the report.

Vulnerable Assets with Respect to Climate-Related Risks and Opportunities

Taking into account the business model of İş Gayrimenkul Yatırım Ortaklığı A.Ş., its portfolio includes assets that may be exposed to climate change-related transition and physical risks.

Within the scope of physical risks, vulnerable assets were assessed within the framework of asset value and operational continuity risks related to climate events, and the potential impacts of these risks on the real estate portfolio were taken into account. Accordingly, quantitative analyses were conducted regarding the share of assets exposed to these risks within the total portfolio, and this ratio was calculated to be 92.76%.

Within the scope of transition risks, vulnerable assets were assessed within the framework of climate and energy performance-related regulations and changes in customer and market preferences, and the potential impacts of these risks on the value and income of the real estate portfolio were taken into account. Within this scope, quantitative analyses regarding the share of assets exposed to the relevant risks within the total portfolio have been conducted, and the respective ratio has been calculated as 73.99%.

Within the scope of the fight against climate change, opportunities arising from sustainable and energy-efficient real estate properties were evaluated; accordingly, the share of assets related to these opportunities within the total portfolio was calculated to be 35.59%.

In the 2024 reporting period, it was calculated that 6.6% of rental income-generating real estate properties were vulnerable to transition risks and 27% to physical climate risks. In the same period, due to the high level of uncertainty regarding climate-related opportunities, a quantitative calculation could not be made and, therefore, was not disclosed in the report.

Climate Investments and Their Financial Impacts

Climate change-related investments of İş Gayrimenkul Yatırım Ortaklığı A.Ş. are made within the scope of its real estate portfolio and project development activities. Accordingly, investments aimed at improving energy efficiency, promoting renewable energy use and green building practices are prioritized.

In 2025, practices aimed at improving energy efficiency in assets included in the portfolio, the use of centralized automation systems, the conversion of lighting systems to energy-efficient solutions, and efforts to increase the use of renewable energy were continued. Furthermore, investments in projects under development are planned by taking into account low-carbon design, energy-efficient systems, and building solutions with high environmental performance.

The total amount of climate-related investments made within this scope is approximately TRY 25.8 million as of 2025.

While these investments will increase capital expenditures in the short term, they are planned to contribute to financial performance in the long term by reducing energy costs, improving operational efficiency, and boosting the value of the assets in the portfolio.

Domestic Carbon Pricing and Carbon Credit Programs

İş Gayrimenkul Yatırım Ortaklığı A.Ş. did not use carbon credits or similar market mechanisms in the reporting period. Nevertheless, in line with goals for reducing greenhouse gas emissions, the use of carbon credits is planned to be considered in the future, depending on developments in relevant legislation and market conditions.

The Company does not implement internal carbon pricing in the reporting period. Accordingly, there is no internal carbon pricing mechanism used in decision-making processes, including investment decisions, transfer pricing, or scenario analyses. Furthermore, developments in the relevant regulations are monitored, and assessments regarding the applicability of internal carbon pricing are ongoing.

Climate Targets

İş Gayrimenkul Yatırım Ortaklığı A.Ş. conducts various initiatives aimed at improving energy efficiency, the use of renewable energy, and environmental performance as part of the fight against climate change. While these initiatives were implemented in the previous reporting period, they were not directly defined as part of the climate goals. These initiatives, on the other hand, are evaluated in relation to climate goals in the current reporting period.

Accordingly, issues related to energy efficiency, low-carbon practices, and environmental performance are taken into account in the Company's real estate portfolio. Accordingly, improvement works are carried out regarding energy use in existing properties, and issues related to energy efficiency and the reduction of environmental impacts are taken into account in projects under development.

Furthermore, practices aimed at increasing the use of renewable energy and promoting green building certifications are carried out within the scope of the Company's climate approach. Accordingly, the Company balances its market-based emissions related to electricity consumption at its work sites through renewable energy certificates (I-REC).

The share of the Company's real estate properties with green building certification within its portfolio is among the indicators used to monitor environmental performance. As of the 2025 operating period, it is estimated that approximately 21% of the Company's leasable portfolio holds green building certification. It is estimated that this rate could reach approximately 31.5% once the ongoing certification processes are completed.

However, these goals were not defined as measurable as of the current reporting period, and quantitative goals in this regard are planned to be established in the future. Furthermore, a quantitative goal for reducing direct greenhouse gas emissions has not yet been set either, and it is planned to establish a goal in this area as well.

There is no third party verification of the Company's goals set in the current reporting period.

Sectoral Metrics

İş Gayrimenkul Yatırım Ortaklığı A.Ş. is subject to "Additional Volume 35 - Home Builders", "Additional Volume 36 - Real Estate" and "Additional Volume 37 - Real Estate Services" guidelines within the scope of the TSRS 2 Sector-Based Practices Guideline, and reporting is done based on climate-related metrics specific to the real estate sector in line with the Company's field of activity and portfolio structure. Furthermore, metrics included in the SASB standards are also taken into account in determining sector-specific indicators.

Volume 36—Real Estate					
Topic	Code	Metric	Category	2024 Report Response	2025 Report Response
Energy Management	IF-RE-130a.1	For the real estate sector, scope of energy consumption data as a percentage of total floor area	Quantitative	-	245.34%
	IF-RE-130a.2	For the real estate sector; (1) Total energy consumed by portfolio area with data coverage	Quantitative	254,760 GJ	274,615 GJ
	IF-RE-130a.2	For the real estate sector; (2) Percentage of mains electricity	Quantitative	70.48%	73.63%
	IF-RE-130a.2	For the real estate sector; (3) Percentage of renewable energy	Quantitative	70.48%	73.63%
	IF-RE-130a.3	For the real estate sector, similar percentage change in energy consumption for portfolio area with data coverage	Quantitative	-	7.31%
Lessee Management of Impacts of Sustainability	IF-RE-410a.1	For the real estate sector; (1) Percentage of new leases that contain a cost recovery clause for resource efficiency capital improvements and (2) Percentage of associated leased floor area	Quantitative	-	Total Floor Area: 111,431 m ² Scope of water withdrawal data as a percentage of the floor area in regions with High or Extremely High Water Stress: 77.19%
	IF-RE-410a.2	The percentage of tenants subject to a separate tariff or a sub-tariff; (1) mains electricity consumption by real estate sector and (2) water withdrawal	Quantitative	Total Water Withdrawn: 173,118 m ³	Total Water Withdrawn: 201,475 m ³ The percentage of water withdrawal in regions with High or Extremely High Water Stress: 100%
	IF-RE-410a.3	Discussing the approach towards measuring, encouraging, and improving the sustainability impacts of tenants	Discussion and Analysis	-	56.2%

06 Annexes

İŞ GYO



Annexes

Calculation Principles Related to Metrics

The information in this guide provides details on the methodologies used to prepare, calculate and report data related to the indicators included in the 2025 TSRS Compliant Sustainability Report of İş Gayrimenkul Yatırım Ortaklığı A.Ş., which are subject to limited assurance.

These indicators include environmental indicators. The Company's management is responsible for ensuring that appropriate procedures are in place to prepare the indicators listed below in accordance with the principles, from all financial perspectives.

The information in these principles covers the 2025 fiscal year ending on December 31, 2025 (January 1, 2025 - December 31, 2025) and, as detailed out in the "Basic Definitions and Reporting Scope" section, the real estate properties under the Company's responsibility as well as the relevant operations of the Head Office, Branches, and other offices under the responsibility of its subsidiaries:

Subsidiaries;
> Kanyon Yönetim İşletim ve Pazarlama A.Ş.

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:

Capital	Indicator	Scope
Environmental	İş Gayrimenkul Yatırım Ortaklığı A.Ş. Scope 1 Emissions (tCO ₂ e)	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. Emissions from biogenic sources are not included in the Scope 1 total and are reported separately.
	İş Gayrimenkul Yatırım Ortaklığı A.Ş. Scope 2 Emissions - Market Based (tCO ₂ e)	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.
	İş Gayrimenkul Yatırım Ortaklığı A.Ş. Scope 2 Emissions - Location Based (tCO ₂ e)	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.
	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.

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 the following calculations; The table below shows the references used in the calculation;

Energy Resource	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 TSRS.

Factors of conversion CO₂, CH₄, N₂O and HFC into 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 (It-m³-ton) *Emission factor (CO₂-CH₄-N₂O-HFC) (Kg/TJ)

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

Vehicle Fuel;

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	CO ₂ (kgCO ₂ /TJ)	CH ₄ (kgCH ₄ /TJ)	N ₂ O (kgN ₂ O/TJ)	Reference
Fuel (Natural Gas)	56,100	5.0	0.1	IPCC 2006, Volume2, Chapter 3
Generator (diesel)	74,100	10.0	1	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(kgCO ₂ e/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 into 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.

Emission Source – Scope 2	Emission Factor (tCO ₂ e/MWh)	Reference
Electric Energy of Türkiye (from the Mains)	0.434	ETKB-EVÇED-FRM-042 Rev.01

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.

Material Judgments and Measurement Uncertainties

İş GYO’s process for identifying financially material sustainability-related risks and opportunities, as well as determining the critical information to be reported, is based on forecasts and forward-looking data regarding short-, medium-, and long-term expectations for Profit Before Tax, which is considered a key performance indicator within the sector. However, these assessments require the use of forecast models for certain unmeasurable items.

While operational boundaries and assumptions related to emissions calculations are disclosed in the “[Assumptions and Measurement Uncertainties Used in Emissions Calculations](#)” section, detailed information on the metrics and emissions calculations, including the operational boundaries, is provided on pages 44 and 45 of the report.

The Company uses various transition and global climate scenarios in order to estimate the financial and physical impacts of sustainability-related risks and opportunities. Among these scenarios, it conducts analyses

under various low- and high-emission frameworks using the NGFS scenarios (Below 2°C, Delayed Transition, Current Policies).

These scenarios involve significant uncertainties as to how climate change might affect the frequency and severity of extreme weather events to which İş Yatırım may be exposed. These uncertainties originate from differences in climate projections, variations in climate models, and the unpredictability of natural and abnormal weather events.

The calculation steps for the financial impacts of physical climate risks, transition risks and opportunities and the changes that may occur in the Company’s financial performance in line with these impacts, as shown on pages 18 to 30 of this Report, are based on forecasts and forward-looking information that include short-, medium- and long-term expectations.

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 group level, re-opinion statement may be considered.

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