

AKFEN REIT



Sustainability Report 2022



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Dear Stakeholders,

As Akfen REIT, we are proud and happy to publish our second report explaining how we place sustainability at the center of our activities and showing our compliance with the 'Sustainability Principles Compliance Framework' published by the Capital Markets Board.

As Akfen REIT, we are aware of the role of the business world in achieving sustainable growth and Sustainable Development Goals. In the projects we have developed, we aim to create structures and systems that have a maximum compliance with the specifications, regulations and standards applicable in Turkey and the world, protect natural resources and reduce energy use, and support sustainability. Last year, we conducted a prioritization analysis based on the opinions of our stakeholders and conducted our activities along the axis of priority issues; this year, we continued our work along the same axis of priority issues. Based on this, we have further developed our sustainability approach. With a focus on sustainability, we continued our work in accordance with the policies and goals we established. We aim to place our Sustainability Policy in the corporate culture as our Compliance Policy with Sustainable Development Goals.

We aim to continuously improve our sustainability priorities and related performance that we have determined, and to continuously increase awareness regarding sustainability through the practices we carry out both in our company and in our value chain.

To be included in the Borsa Istanbul Sustainability Index, we registered with the Refinitiv System as Akfen REIT and proceeded to provide the required metrics. We goal to participate in the index with data entries in 2023.

In our second report, we present Akfen REIT's viewpoint on sustainability as well as its achievements with regard to these policies, priorities, and goals.

I would like to thank all our stakeholders, especially our employees, who contributed to our second Sustainability Report prepared in this context.

Sincerely,

Sertac F. Karaağaoğlu
Akfen REIT General Manager



Akfen REIT and Sustainability

Sustainability Priorities

Number of external stakeholders sent online surveys

26

Number of internal stakeholders sent online surveys

13

In 2021, sustainability issues were prioritized under the leadership of the Sustainability Working Group, taking into account both the employees and the stakeholders with whom Akfen REIT has established a relationship. Studies that are relevant to the priorities outlined last year have been carried out in 2022.

Economic, social, and universal issues, which are the main indicators of sustainability, were reviewed and 17 potential sustainability issues were identified with Akfen REIT Management.

An online impact assessment survey was conducted with internal and external stakeholders within the framework of the identified sustainability issues to better understand which issues affect sustainability performance - today and in the future - the most and should, therefore, have the highest priority.

The survey was sent to the stakeholders;

The impact of each of the sustainability issues in the sector where Akfen REIT operates on the corporate success of Akfen REIT has been queried.

13 internal stakeholders and 26 external stakeholders participated in the study conducted through an Online Survey.

It was aimed to ensure participation from all functions when determining Internal Stakeholders. Akfen Construction and Akfen Holding stakeholders were evaluated as internal stakeholders.

While determining the external stakeholders, strategically important stakeholders for Akfen REIT were taken into consideration.

The Akfen REIT Sustainability Priorities will be updated in 2023, with the participation of internal and external stakeholders.

The economic, social and environmental impacts of Akfen REIT; Akfen REIT's **sustainability approach** in line with the UN Sustainable Development Goals was determined by evaluating the risks and opportunities created by the priority sustainability issues determined together with the completion of the studies.

Akfen REIT Sustainability Approach

Since the beginning of its partnership, Akfen REIT has been working to enhance the social and economic environments in the areas where each of its projects has been completed. Furthermore, Akfen REIT's top goal has been to make sure that the projects are in harmony with the ecological system both during the building phase and throughout the project's operation, which forms the basis of these two major contributions.

Akfen REIT has a management approach that will allow its projects to comply with the main sustainability policies and objectives within the scope of its management and authority.

Sustainability in Management

UN.SDG 2, 4, 5, 8, 10 and 17



The basic principles adhered to in the management of the construction process of projects allow them to be carried out in accordance with egalitarian, inclusive and developing technology with an understanding of ethical corporate governance in such a way as to focus on improving the health and safety of employees and their well-being in these projects.

Projects in partnership with Akfen REIT are tracked to determine the adherence to the principles of;

- Main Quality Policy
- Sustainability Policy
- Global Compact Compliance Policy
- Business Continuity Policy
- Efficient Use of Resources Policy and
- Information Security Policy
- Investor Satisfaction Policy

Sustainability in Compliance

UN.SDG 6, 7, 9, 13, 14, 15 and 17



Akfen REIT attaches utmost importance to the realization of humanitarian activities in all projects in partnership in such a way as to reduce the negative impact of climate change and to be compatible and resistant to the climate change that is taking place and prioritizes all business goals.

Akfen REIT are tracked to determine the adherence to the principles of;

- Main Environmental Policy
- Main Climate Policy
- Basic Emissions Policy
- Water Conservation Policy
- Biodiversity Conservation Policy and
- Waste, Residue and Recycling Policy

Sustainability in Operation

UN.SDG 4, 5, 8, 10 and 17



Value creation at Akfen REIT is based on qualified employees. The basis of employment is the understanding of justice, which upholds basic liberties and rights; consequently, it is crucial to safeguard employees' health and safety as well as help them develop their individual skills.

The fundamental rights and welfare of all employees involved in Akfen REIT partnership processes primarily takes care to ensure that they are under the assurance of the frameworks of;

- Basic Human Resources Policy
- Human Rights Policy
- Gender Equality Policy
- Fair Remuneration Policy
- Occupational Health and Safety Policy and
- Employee Satisfaction Policy

and adopts an inclusive management approach that will enable its stakeholders, which make up the entire value chain, to benefit from the ecosystem formed by the principles specified in the policies in an equitable way.

Social Sustainability

UN.SDG 3, 8, 5, 10, 11 and 17



Akfen REIT makes sure that all projects realized in partnership are realized with an understanding that adds value to society from a social and economic point of view.

Akfen REIT ensures that its projects, which are managed with an ethical management approach, protect the resources of the planet and take care of all its stakeholders, are designed in accordance with the principles of projects, and leads the planning of projects in accordance with these principles.

- Employment Contribution Policy and
- Taxation Policy

Akfen REIT Sustainability Policy

The Sustainable Development Goals Compliance Policy at Akfen REIT was developed with the intention of establishing the connection between the objectives in the corporate culture. In this context;

Sustainability Policy in Line with Sustainable Development Goals:

Human Development Goals

UN.SDG 1, 2, 3, 4, 5 and 6



Akfen REIT has embraced the idea of acting in a manner that protects human health, receives an egalitarian education based on gender equality, and lives in a clean and healthy environment while conducting its business, both institutionally and with all of its employees.

Akfen REIT's production approach based on research, development and innovation has been adopted with all its employees in order to enable humanity to live in a more sustainable environment and conditions.

Goals of Welfare Development and Expansion

UN.SDG 7, 8, 9, 10 and 11



Akfen REIT operates in the field of business so that humanity can have sustainable living spaces while protecting all the environmental conditions of the world, as well as establish an innovative business environment infrastructure that will ensure its economic growth and energy conservation.

All employees of Akfen REIT, while carrying out all their business activities, work in accordance with the principle goal of spreading prosperity to all individuals of humanity without discrimination.

Climate and Environmental Goals

UN.SDG 12, 13, 14 and 15



Akfen REIT works in its business field in accordance with the requirements of climate action and biodiversity conservation in all project development processes, and together with all its employees, is making improvements towards this goal.

Akfen REIT has adopted the principle of taking encouraging measures that will allow the dissemination of responsible production and consumption understanding both in the conduct of corporate activities and in the actions of its external stakeholders, including its suppliers and customers.

Peace and Partnership Goals

UN.SDG 16 and 17



Akfen REIT has a keen understanding of working towards the establishment of a peaceful environment inside and outside the institution and the development of partnerships as the law deems appropriate in order to achieve these goals in all its activities aimed at protecting Ethical Codes, human development, spreading prosperity and protecting the planet.

Akfen REIT employees carry out work on developing cooperation with legal entities and individuals with all kinds of legal platforms developed to achieve global goals, subject to adherence to Ethical Codes.

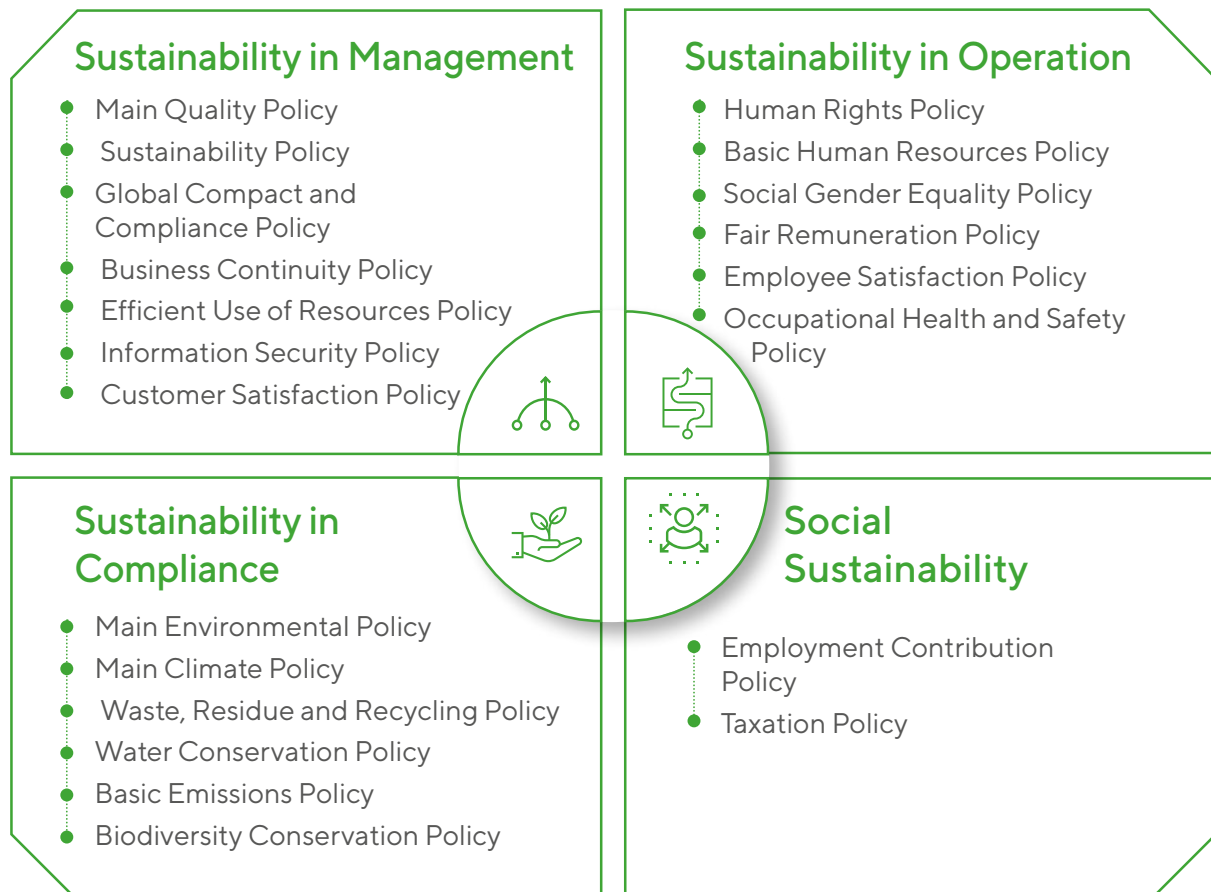
Sustainability Management

At Akfen REIT, ESG policies are carried out by the Corporate Governance Committee under the Board of Directors and the Sustainability Working Group established within the framework of the main policies. Akfen REIT Sustainability Working Group consists of General Manager, Deputy General Managers, Investor Relations Management, and Legal Advisor. The Working Group acts in cooperation with the Board of Directors of Akfen REIT, including all areas of responsibility. The Working Group reports its activities to the Board of Directors and the Corporate Governance Committee of the Board of Directors prior to the public disclosure of the annual report.

As a result of the evaluations of the Board of Directors and other relevant governance boards, opinions of internal and external stakeholders, and the outputs of risk and opportunity analyses by the Sustainable Working Group in 2021, environmental, social and governance policies have been determined and it has been decided to carry out all works within the scope of corporate sustainability in accordance with these policies. All policies at Akfen REIT are approved at the Board of Directors level and the need for additional policies or procedures of the Sustainability Working Group will be re-evaluated in 2023.

Akfen REIT conducts its corporate sustainability studies with the policies it has determined under 4 main approach topics.


SUSTAINABILITY REPORT AT AKFEN REIT



Strategic Sustainability Goals

Akfen REIT's short-term and long-term goal studies in line with the ESG policies were completed by the Sustainability Working Group chaired by General Manager in 2021 and announced to the entire organization under the main sustainability approach of Sustainability in Management, **Sustainability in Compliance, Sustainability in Operation, Social Sustainability**. Akfen REIT's existing short- and long-term goals set by Akfen Holding are shared under the heading Strategic Sustainability Goals.

| | Sustainability Goal | Current Status |
|-------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  Sustainability in Management | For sustainable income and business continuity, long-term lease agreements were signed with expert and experienced tenants in 2022. | The same goal continues in 2023. |
| | Creating key performance indicators and action plans for goals | It was completed for 2022 and new performance indicators were determined for 2023. |
| | Preparation of plans for the digital transformation of business processes | The paperwork (PW) digital power of attorney system was planned and implemented for 2022, and an e-reconciliation business process system is planned for 2023. |
| | Measurement and development of customer (Tenant) satisfaction score | Ongoing |
| | Updating the Risk and Opportunity analysis | It has been completed for 2022 and the goal for 2023 continues. |
| | Transferring ethical business approach and new sustainability approach to the entire value chain | It has been completed for 2022 and the goal for 2023 continues. |
| | Using sustainable finance resources in projects | Financing from outside of our shareholders until 2030 |

| | Sustainability Goal | Current Status |
|---------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|
|  Sustainability in Compliance | Monitoring of performance data on energy, water, emissions and waste management in enterprises (Tenants) under the responsibility of Akfen REIT | It has been completed for 2022 and the goal for 2023 continues. |
| | Determination of all mandatory /voluntary platforms where environmental information will be disclosed | It has been completed for 2022 and the goal for 2023 continues. |
| | Supporting public works related to the environment in the regions where activities are carried out | It has been completed for 2022 and the goal for 2023 continues. |
| | Researching and planning for sustainable energy production investments | Studies were carried out in 2022 and the goal continues in 2023. |
| | Placing recycling information on trash cans, raising awareness on this issue by displaying numerical data about water scarcity (in bathrooms, kitchen sinks, and so on), and monitoring and reducing electricity consumption are all examples of actions that can be taken. | Studies were carried out in 2022 and the goal continues in 2023. |
| | Reducing and/or financially supporting a climate action project to reduce plastic waste | Akfen REIT will contribute to the work of Akfen Holding. |
| | 5% energy consumption reduction in Bodrum Loft facility | It is goaled to be realized in 2024. |
| | Reducing the water density from 0.5 m ³ to 0.4 m ³ in Bodrum Loft facility | The goal year for completion is 2024. |

| Sustainability Goal | Current Status |
|-------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Keeping the female employment rate above 40% at all levels and periods | Our female staff percentage will reach 33% by the end of 2022. Within three years, it is intended to guarantee that the applicable rate will be at least 40%. |
| Cooperation with relevant NGOs on at least 2 projects in social projects every year | Studies were carried out in 2022 and the goal continues in 2023. |
| Employees have goals in their performance reports under the heading of sustainability | Goaled for 2023. |
| Providing support to educational projects for young people | It will be supported through TIKAV in 2023. |
| Providing its employees with a training program consisting of sustainability, climate change and corporate climate adaptation | Akfen Holding participated in training activities in 2022, and the goal continues in 2023. |



Sustainability
in Operation



Sustainability Communication with Stakeholders

Akfen REIT carries out the necessary communication with all its stakeholders who are required to establish relations within its field of activity in the maximum possible way. In order to better manage the wishes and expectations of stakeholders, key stakeholders were listed and communication platforms with these stakeholder groups were also identified.

Reporting on sustainability performance, goals and actions related to activities in the field of sustainability are described in the Akfen REIT Annual reports.

In addition, Public Disclosure Platform (PDP) notifications, material disclosures, general assembly information, and prospectus are regularly shared with all stakeholders on the "Investor Relations" tab of the website (www.akfengyo.com.tr).

In particular, Akfen REIT has determined that one of the sustainability objectives should be to create employment for women, as their places in public and business life should be equal. In order to support the activities carried out within this scope, Pelin Akın Özalp, Deputy Chairman of the Board of Directors, is a Member of the Board of Directors of TIKAD and a Member of the Board of Trustees and Board of Directors at TIKAV.

In addition, two people in the Sustainability Working Group are actively participating in activities in the Business World and Sustainability Development Association (SKD Turkey) and passing on the developments related to Akfen REIT to their stakeholders.





Sustainability in Management

UN.SDG
2, 4, 5, 8, 10
and 17



2 ZERO HUNGER



4 QUALITY EDUCATION



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES



17 PARTNERSHIPS FOR THE GOALS

The basic principles adhered to in the management of the construction process of projects allow them to be carried out in accordance with egalitarian, inclusive and developing technology with an understanding of ethical corporate governance in such a way as to focus on improving the health and safety of employees and their well-being in these projects.

Projects in partnership with Akfen REIT are tracked to determine the adherence to the principles of;

- Main Quality Policy
- Sustainable Policy
- Business Continuity Policy
- Efficient Use of Resources Policy
- Information Security Policy
- Customer Satisfaction Policy

Akfen REIT is a public company under CMB legislation and supervision, and it does not operate the assets in its portfolio under REIT legislation. It earns rental income through long-term lease contracts with world-class companies that are experts in their fields. The Akfen Group runs only one of the 24 properties in its portfolio of legal entities and subsidiaries, whereas the Accor group, one of the biggest hotel operators in the world and the industry leader in sustainability, operates 19 of them (5-star Bodrum Loft Holiday Village). With the exception of the Bodrum Loft Holiday Village, Akfen REIT has no influence or control over the operation and management of all the assets from which it generates rental income; it only monitors the environmental performance of these assets in terms of waste, water, energy efficiency, and emission reduction, and repairs the buildings as needed. Bodrum Loft has a Safe Tourism Certificate. Akfen Holding signed the United Nations Global Compact on July 2, 2002. Akfen Holding provides these principles-related services to Akfen REIT.

Main Quality Policy

Akfen REIT's quality policy covers compliance with laws and regulations, high-standard service, transparency, continuity of work with the satisfaction of stakeholders.

- All employees are responsible for establishing a suitable quality management system, adhering to sectoral quality standards, and maintaining its continuity.
- Within the quality management system, each employee has responsibility within the scope of his/her duty.
- A service is provided in accordance with international standards, and fair and transparent market conditions are provided by effective and healthy management of quality management. These goals include economic development, continuous improvement of product and service quality to ensure business continuity, and provision of a service.
- It is important for the continuity of our operations to closely monitor technological developments and to train our employees regularly.
- Information about the qualities of our services is shared openly and transparently with our customers.

In our understanding of quality management, the situation at all levels is regularly evaluated, reported and communicated with the relevant departments within the organization.

Akfen REIT Sustainability Policy

The Sustainability Policy at Akfen REIT was created as a Policy of Compliance with Sustainable Development Goals and it was aimed to establish the relationship between the goals in the corporate culture. In this context;

Sustainability Policy in Line with Sustainable Development Goals:



UN.SDG 1, 2, 3, 4, 5 and 6**Human Development Goals**

Akfen REIT has embraced the idea of acting in a manner that protects human health, receives an egalitarian education based on gender equality, and lives in a clean and healthy environment while conducting its business, both institutionally and with all of its employees.

Akfen REIT's activity approach based on research, development and innovation has been adopted with all its employees in order to enable humanity to live in a more sustainable environment and conditions.

UN.SDG 7, 8, 9, 10 and 11**Expansion and Welfare Development Goals**

Akfen REIT operates in the field of business so that humanity can have sustainable living spaces, create an innovative business environment infrastructure that will also ensure its economic growth and energy conservation, while protecting all the environmental conditions of the world.

All of Akfen REIT's employees conduct all of their company operations with the overarching objective of bringing prosperity to all people without discrimination.

UN.SDG 12, 13, 14 and 15**Climate and Environmental Goals**

Akfen REIT works in its business field in accordance with the requirements of climate action and biodiversity conservation in all project development processes, and together with all its employees, is making improvements towards this goal.

The Akfen REIT has embraced the idea of taking proactive steps to support the dissemination of responsible production and consumption knowledge in the conduct of its business operations.

UN.SDG 16 and 17**Peace and Partnership Goals**

Akfen Akfen REIT has a keen understanding of working towards the establishment of a peaceful environment inside and outside the institution and the development of partnerships as the law deems appropriate in order to achieve these goals in all its activities aimed at protecting Ethical Codes, human development, spreading prosperity and protecting the planet.

Akfen REIT employees carry out work on developing cooperation with legal entities and individuals with all kinds of legal platforms developed to achieve global goals, subject to adherence to Ethical Codes.

Global Compact and Compliance Policy

Human Rights Approach

PRINCIPLE 1: In accordance with all legal guidelines, framework texts, and affirmative cross-application policy documents, Akfen REIT deems it suitable to demonstrate a human rights perspective on a local and global level.

PRINCIPLE 2: Akfen REIT observes that all of its business partners have human rights practices in line with the same framework as it does within the company, and monitors them within the limits of its possibilities.



Improvement of Working Standards

PRINCIPLE 3: The employees of Akfen REIT are encouraged to openly discuss any issues and job roles with the firm.

PRINCIPLE 4: Akfen REIT does not allow the creation or development of an application that will cause forced labor of employees within the organization and none of its suppliers. In addition, the exposure of employees outside the practice to practices that can be interpreted as forced labor with individual written or verbal decisions or behaviors is also unacceptable within the framework of the Ethical Codes.

PRINCIPLE 5: Akfen REIT does not allow child labor to be employed within the company and all other business partners and suppliers. Akfen REIT takes the highest standards in all geographies in which it operates as a criterion for the definition of child labor and accepts to apply the same standard in other low-standard regions as a basis.

PRINCIPLE 6: Akfen REIT rejects all kinds of discrimination in the recruitment and placement and business activity processes. No one may be discriminated against because of their gender, race, religion, language and other material and spiritual differences. No practices and behaviors that would foster discrimination, even at the level of connotation, are acceptable.



Commitment to Environmental Policy

PRINCIPLE 7: Akfen REIT supports its employees to make sensitive decisions about environmental problems in all its activities. The development of the employee's initiative to prioritize the environmental impact in decision-making is supported, and decisions made within this framework are given priority. This pertains to all decision-making processes that will have an impact on the environment, regardless of the region or the topic of the activity.

PRINCIPLE 8: In all kinds of business activities and platforms in which employees take part individually, both as an organization and as a representative of the institution, Akfen REIT places the utmost importance on demonstrating an understanding that will increase and support environmental responsibility.

PRINCIPLE 9: Akfen REIT has an institutional commitment to the development of environmentally friendly technologies for the establishment of a more liveable world. In the same way, employee participation is supported by all kinds of facilitators who will enable the development of environmentally friendly applications at all stages of their activities together with all their employees.



Combating Corruption

PRINCIPLE 10: Akfen REIT has adopted the principle of avoiding practices and behaviors that can be interpreted as corruption within the framework of global understanding and acceptance in general and the special laws and cultural codes of all geographies in which it operates. Any requests that may be interpreted as bribery, concession, abuse of power, discrimination and conflict of interest are rejected by reporting and any such applications are prevented by applications that will lead to termination of the contract without exception.



Business Continuity Policy

Akfen REIT disciplines itself to ensure business continuity by taking into consideration national and international standards, practices, and legal laws. Akfen REIT adopts all phases of sustainable service as a way of doing business.

- Within the scope of the Business Continuity Management System, risks that may occur in all business activities are determined, risk analyses are carried out and necessary regulations and measures are taken.
- Necessary infrastructure is prepared in business activities in order to ensure continuity with the least impact or no impact by situations that may occur out of control.
- Crisis and emergency management is centrally coordinated.
- Planning, training, tests, and exercises are carried out to ensure business continuity. Obtained data is reported.
- The health and safety of employees is a priority, and in a possible incident, business activities will not begin until the conditions of the working environment are made healthy and safe.
- Determining the share of innovative works in our production processes in total income and observing the continuity of the works form the basis of our innovation studies.

Efficient Use of Resources Policy

We are aware that environmental problems on a global scale are most fundamentally caused by the lack of efficient and proper use of natural resources. Therefore;

- We take care to use our resources wisely in all processes that fall under our management, taking into consideration the effectiveness of raw materials, energy, and water.
- Needs and risk analysis are carried out within the context of resource efficiency understanding, and scarce and exhaustible resources are used more effectively.
- Awareness raising activities are carried out together with technological infrastructure in order to use the planet and water efficiently, which is the most important element of our ability to perform our service.
- Within the scope of our management, it is prevented to waste the inputs of our projects by using them fully and completely.
- Akfen REIT concerns that the projects are made in accordance with recycling and are an input of the circular economy in addition to evaluating the residual and waste of projects within the recycling system.

Information Security Policy

This policy also covers all units of Akfen REIT that use the information technology infrastructure, users who access information systems as third parties, and service, software or hardware providers that provide technical support to information systems.

Within the scope of the Personal Data Protection Law No. 6698 (KVKK) and other relevant legislation, all necessary responsibilities regarding the collection, processing, protection and destruction of personal information belonging to employees, customers, visitors, suppliers, business partners and other relevant third parties are met.

Customer Satisfaction Policy

Accordingly;

- The information security system is configured in accordance with industry standards.
- All stakeholder requirements and legal obligations are complied with.
- These risks are managed by being aware of the risks on the confidentiality, accessibility and integrity of all types of information assets belonging to investors, suppliers and business partners.
- Meeting the obligations arising from all agreements involved, meeting the information security requirements of all internal and external stakeholders, compliance with national, international and sectoral regulations, fulfilling legal and relevant legislation requirements are among the responsibilities.
- Continuous improvement of the information security system is ensured, these works are reviewed by the administration.
- Undertakes that all elements in the Information Security Policy are within its responsibility.
- Personnel are informed about compliance with legal regulations and necessary practices.

At Akfen REIT, the understanding of "Customer Satisfaction" is that the experience of investors and tenants is constantly getting better and the value we offer is constantly increasing. Akfen REIT does not operate the assets in its portfolio, but instead generates rental income by entering into long-term rental contracts with world-class, industry-leading companies. In this context, the company's clients are also its tenants. On the other hand, as a publicly traded company, it attempts to satisfy thousands of investors.

Within the framework of the Customer Satisfaction Policy, Akfen REIT commits;

- To provide full and comprehensive investor notifications on time,
- To fully respond to customer information requests, both verbally and in writing, at General Assemblies and at all times,
- In case of an investor complaint, to take the necessary action within 24 hours and provide information,
- To constantly improve the channels for receiving their feedback,
- To evaluate the feedback of investors fairly, impartially and objectively within the framework of legal legislation,
- To address the requests, complaints and suggestions of investors in accordance with the principles of openness, accessibility, integrity, sensitivity, adhering to the principle of "Confidentiality of investor information,
- To establish a long-term and continuous cooperation with investors that creates mutual value.
- To provide products and services in accordance with the standards and legal regulations within the scope of our activities, in accordance with the ethical rules, our core values and the conditions we promised to our investors.

All guests who stayed in Bodrum Loft's 36 villas in 2021 also stayed in 2022, and customer satisfaction is 100 percent.

Ethical Business Approach at Akfen REIT

Ethical Principles and Standards Document Fundamentals and Compliance

Inclusivity

All workers of Akfen REIT should conform to its ethical codes. Moral Principles The fundamental principles and standards of doing business that will be upheld consistently by the organization's management, employees, and contracted business partners are prevalent in all of Akfen REIT's operations. The principle has been adopted to determine the articles contained in all contracts of Akfen REIT for an indefinite period in accordance with Ethical Codes. Akfen REIT is a supplier party to the contract and in contracts that do not contain Ethical Codes, Akfen REIT declares that it will continue its practices in accordance with these Ethical Codes again.

Integrity and Responsibility

Akfen REIT establishes a relationship based on honesty in all its processes and with all its stakeholders. Akfen REIT has adopted the principle of sharing its goals and objectives and the path to be followed throughout the activity and process with clarity and honesty in all its activities and processes, both in its internal and external relations, as well as in relation to the activity and process in question.

Akfen REIT is responsible for all business activities. Akfen REIT accepts that it will take the necessary measures within the framework of the law in case of conduct contrary to the Ethical Codes in internal and external activities, and that it will take responsibility for any nonconformities arising from it.

Respect and Justice

In all activities of Akfen REIT, it is essential that all kinds of individuals and legal entities involved in these activities have a business relationship on the basis of mutual respect without any discrimination. Akfen REIT's concept of respect does not include the concepts of superiority and superior vision, but expresses an egalitarian understanding of respect.

Akfen REIT is a global legal entity with activities in various geographies. Akfen REIT declares that it will adhere to the legal system of the countries in which it is located, recognize the rule of global conventions and local law first of all, and work accordingly while carrying out its activities.

Internal Ethical Codes

Individual Responsibility Understanding

Akfen REIT employees at all functions and at all levels are the corporate representative of the institution with their professional identities. Written and oral statements of all employees and their behavior are directly or indirectly related to the corporate reputation of Akfen REIT.

Akfen REIT employees agree in principle to act in accordance with the Ethical Codes established within the framework of global admissions. All employees know that their behavior of any kind has an impact on corporate reputation and business stakeholders, and they prefer to behave accordingly. Employees can apply to anyone, regardless of their position within the company, and request an opinion in a manner that demands the protection of their personal privacy, despite any reluctance they may have about doing so.

Respect For People

At Akfen REIT, it is essential that every person in every function and position and everyone outside the institution who is in a business relationship is respected primarily as human being. Respect is the basis of Akfen REIT's efforts to create a working environment where human and personal development is valued, equal opportunities are provided, and employee satisfaction is a priority. Everyone agrees and declares that he will adhere to the principle of respect in all material and verbal communication and relations.

Safety, Health and Environment

At Akfen REIT, the principles of human health and safety, environmental compliance and environmental protection are an issue that is taken into account prior to production understanding. No business decision can be taken in a way that threatens human and environmental health and safety. Starting from the working environment, in order for all employees and external stakeholders to live in a safe and healthy environment, all necessary measures can be taken at the level of corporate and individual initiative.

Information Protection and Confidentiality

All employees and stakeholders with internal information are obliged to protect any information related to Akfen REIT that has not been approved in writing for public disclosure.

Employers, although also legally regulated, have adopted the basic principle of keeping confidential the legal/real personal information of its employees and tenants, as well as all kinds of market information and strategies, which are accepted as corporate trade secrets by Akfen REIT. Regardless of its purpose and platform, this information cannot be shared even partially.

In cases where the employees represent the company as corporate or individual, if a request is received from employees at all levels to disclose corporate secrets or a portion of them, this request cannot be met without applying to the internal authorities.

Notification of Nonconformities

All employees have the right to notify the authorized bodies by reporting the practices that they think are not in accordance with the Ethical Codes. When a circumstance that violates the Ethical Codes is reported, it is crucial and guaranteed that the notifier's personal information is kept private and that all of his rights are upheld.

External Ethical Codes

Corporate Citizenship

In cases where Akfen REIT employees represent the Company individually, they naturally have the status of corporate citizens of the geography in which they are located. As a requirement of corporate citizenship, it is encouraged and supported to propose and implement studies that will support the economic, social and environmental development of the current geography.

All kinds of corporate social responsibility practices of Akfen REIT are open for voluntary participation of employees of all levels within the framework of their competencies and competencies. As a corporate citizen, Akfen REIT supports the individual volunteering activities of all its employees, including non-corporate projects, within the framework of its opportunities.

Relations with Business Partners

The understanding of fairness, openness and transparency in relations with unions, associations and other organizations operating in the field of business and outside, especially suppliers of goods and services, is essential.

It is essential to avoid all types of relationships and practices that will provide concessions to suppliers in a way that prevents fair competition and may cause a conflict of interest. Likewise, adherence to the principle of openness is essential in relations with legal/real entities, including unions within the corporate business field and non-governmental organizations that have interests and activities in this field.

Tenant Relations

Akfen REIT pays attention to establishing a fair, law-abiding, openness and transparent business relationship with legal / natural entities who use all its products and services. It is the basic principle that the institution or its employees should avoid practices that can be interpreted as discrimination and provide services in an egalitarian and value-adding manner.

Carrying out studies that will enable the protection and development of the health and safety of the tenants together with their entire environment and informing the tenant about these studies; and in the event of the detection of elements that will threaten health and safety, it is essential to inform the tenant about this issue.

Understanding of Competition

Akfen REIT, together with all its employees, adopts and supports the understanding of fair competition in all its activities and relations with its business partners, especially in its main line of business. Takes a stance against practices that may cause unfair competition both in its own business area and in the business areas and sectors where it receives and provides services, and takes precautions when necessary.

Beyond the competitive advantages permitted by law, practices that will cause monopolization, an imbalance in the market by collaborating with competitors, and abuse of power and competitive advantage are unacceptable.



Sustainability in Compliance

Akfen REIT attaches utmost importance to the realization of humanitarian activities in all projects in partnership in such a way as to reduce the negative impact of climate change and to be compatible and resistant to the climate change that is taking place and prioritizes all business goals.

Akfen REIT are tracked to determine the adherence to the principles of;

- Main Environmental Policy
- Main Climate Policy
- Basic Emissions Policy
- Water Conservation Policy
- Biodiversity Conservation Policy
- Waste, Residue and Recycling Management Policy

Akfen REIT Planet Policies

Main Environmental Policy

Respect for the environment is included in corporate values. During the planning and implementation of all processes of operations, its impact on the environment is evaluated and the necessary planning and measures are taken. Environmental regulations are determined and disciplined according to international agreements and standards.

Among Akfen REIT's environmental priorities are;

- The entire value chain adopting respect for the environment and making the necessary arrangements and informing the suppliers
- Implementation of an environmental assessment system that allows reducing environmental risks, managing resources and ensuring their efficiency, reducing the costs of investments
- Determination of strategic priorities and issues related to the environment, updating them periodically
- Training of employees and suppliers
- Setting verifiable, real environmental goals
- Compliance with international and national environmental standards and participation in initiatives
- Compliance with environmental laws and regulations in the countries where operations are carried out
- Establishing a responsible balance of production and consumption
- Meeting energy needs that will contribute to a sustainable and responsible environment, creating value with new technologies, innovative and eco-efficient practices
- Identification, continuous and regular monitoring, measurement and reporting of environmental risks in project development processes
- Reduction of risks and minimization of negative environmental effects, elimination
- Making arrangements and taking measures for the protection of water, air, soil, biodiversity, efficient and economical use of energy, reduction of emissions, waste and waste management, resource efficiency, chemical waste management
- Supporting environmental policy with sub-policies related to water, air, soil, biodiversity, energy efficiency, emissions, waste and residual, resource efficiency, chemical waste
- Supporting public works related to the environment in the regions where Akfen REIT is located.

Main Climate Policy

As an element of the real estate sector, a corporate culture is created that creates solutions for climate variability in all business processes, focuses on raising awareness, and its continuity is ensured.

In this context, Akfen REIT;

- Is determined to produce realistic solutions in line with its policies regarding all issues within the scope of climate variability in order to contribute proactively to a sustainable future.
- Efforts are made to raise awareness among all stakeholders, especially employees and suppliers, about climate variability.
- All kinds of tasks, both sectoral and institutional, are perceived as responsibilities for climate variability in order to ensure and maintain economic and social well-being.
- It is based on the fact that the goals and actions set are in accordance with and support international standards on climate variability.

Value Chain Performance

The real estate portfolio of Akfen REIT, which is held by its own legal entity, consists of 14 hotels run by Accor, 2 dorm complexes run by Kredi Yurtlar Kurumu and Bodrum Loft Holiday Village, and land at Bodrum Yalikavak run by Akfen Turizm. Akfen REIT's main responsibility is to ensure that the entire value chain has respect for the environment in accordance with its sustainability policies, to make the necessary arrangements, and to inform all business partners.

The Akfen REIT Sustainability Working Group completed studies on the monitoring of performance data on energy, water, emission, and waste management in enterprises under Akfen REIT's responsibility in 2022, which are shared in the Appendices under the heading Performance Indicators.

"Akfen REIT Sustainability Working Group" continues its efforts to ensure that Akfen REIT goals are processed into Key Performance Indicators and followed up to individual performance.

While the integration studies continue, different application examples are still continuing in order to contribute to the solution of environmental problems.

In this context;

- Akfen REIT has the projects that they have developed by Akfen Construction Tourism and Trade Inc., which has certification in "ISO 9001: 2015 Quality Management System", "ISO 14001:2015 Environmental Management System" ve "OHSAS 18001:2007 Occupational Health and Safety Management System".
- The assets in the portfolio have been harmonized with the highest level of hygienic requirements against epidemics, and safe tourism certificates have been obtained for hotels.
- Reducing the carbon footprint, which is the main indicator of Akfen REIT's environmental policy, and reducing energy and water consumption with new equipment released to the market through technological innovations is the main goal shared with all suppliers.
- In new (and to be developed) projects, care is taken to ensure that green space is plentiful and low-rise buildings are constructed without using the full legal construction permit.

Curtains, carpets, and beds in Akfen REIT hotels are made from internationally certified materials. In renovations and new projects, the use of environmentally friendly paint and flooring will be prioritized.

In light of the growing population, addressing the housing crisis and averting further housing issues should be the top priority for a healthy future. With a focus on the buildings being "Commercial and Visionary" rather than "Commercial Only," it seeks to strengthen the horizontal architecture-oriented urban strategy while increasing the use of domestic materials in the sector and decreasing the use of imported materials.

This motivates them to build the homes of the future using current design and production techniques. By doing this, the carbon impact will be smaller and the nation's resources will be used more effectively.

The total amount of environmental expenditure in Bodrum Loft facility was realized as 739,382 TL for 2022. No environmental penalties were incurred in both 2022 and 2021.

Accor hotels have small gardens, and the products of these gardens are

Waste Management

used in guest buffets to raise environmental awareness among guests. In Accor's guest rooms, towels and bed linen are not changed daily. Calculations are made on a daily basis and with the profit obtained from this, trees are planted directly in the places determined by Accor to form the forest of each hotel. All chemicals used have biocidal product permits. In addition, the paints used in hotel renovations do not contain toxic substances.

Reporting on sustainability performance, goals and actions related to activities in the field of sustainability are described in the Akfen REIT Annual reports.

In addition, Public Disclosure Platform (PDP) notifications, material disclosures, general assembly information, and prospectus are regularly shared with all stakeholders on the "Investor Relations" tab of the website (www.akfengyo.com.tr). Akfen REIT monitors its environmental performances with its tenants within the scope specified below in accordance with the contracts it has concluded:

Waste, Residue and Recycling Management Policy

Waste and Waste Policy and Planning at Akfen REIT provide the basis for creating "value". Waste should be managed in such a way that it does not lead to an imbalance in the environment, or impact on a healthy life of society, and an economic imbalance. Residues, on the other hand, are the most important element of a cyclical economy. The main purpose of the waste and residue policy is to reduce the harmful effects of waste on health and the environment.

Akfen REIT, within the scope of its management and authority in its projects, makes recommendations regarding;

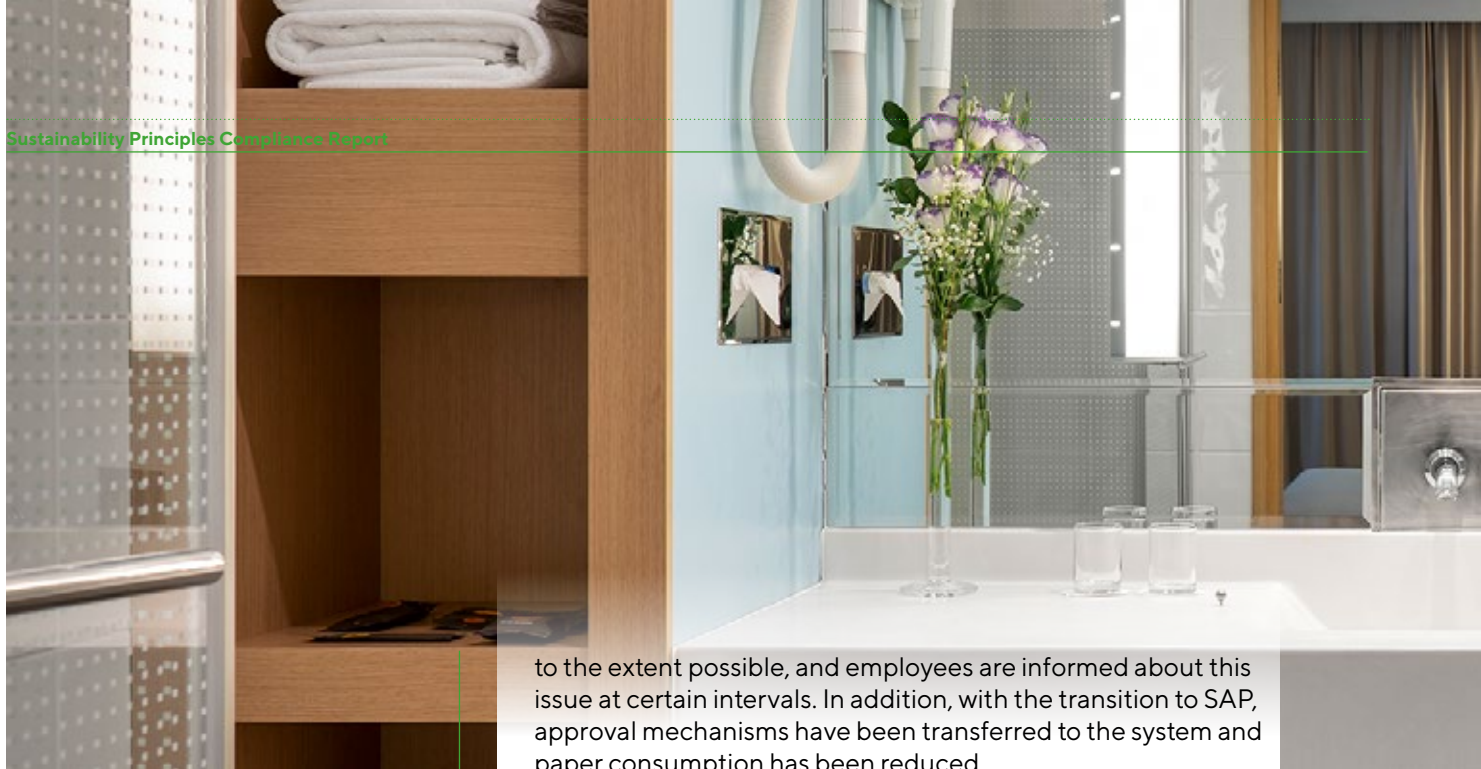
- Making the necessary arrangements to prevent waste generation, establishing the system
- Conducting informative activities for employees and suppliers that encourage the reuse of waste
- Establishing a system for the reuse of waste
- Informing employees and suppliers about materials that are suitable and unsuitable for recycling
- Recycling of residues to the economy as a new material, with or without certain processes
- Compliance with laws and regulations, and
- Contributing to the national economy by taking part in the circular economy
- Control of single-use plastic consumption
- Management of solid waste disposal and recovery systems
- Planning and managing cyclical resource use
- Promoting the use of materials made from recycled materials

and monitors the implementation of its recommendations.

The wastes are managed in accordance with the Zero Waste Regulation and the Waste Management Regulation. The obligations of municipalities and official institutions have been fulfilled.

To reduce waste:

- In correspondence where there is no legal obligation, the amount of paper printing is reduced by printing on both sides of the papers



to the extent possible, and employees are informed about this issue at certain intervals. In addition, with the transition to SAP, approval mechanisms have been transferred to the system and paper consumption has been reduced.

- SKD Turkey membership and participation in working groups.
- In all hotels, waste vegetable oils are sold to licensed biodiesel companies.

In Bodrum Loft facility; environmental legislation and activities within the scope of recycling are carried out with an environmental consultant. For example, wastes such as paper, waste oil, fluorescent light bulbs are given to authorized companies with documents and recycled. Trainings are organized for employees on recycling and waste management. Recycling information is available in all hotel waste bins. Employees receive environmental training from an environmental consultancy firm.

Within the scope of zero waste; Collection piggy banks and equipment were purchased for the collection of packaging waste, a hazardous waste warehouse was built for hazardous waste, and collection equipment was purchased. In restaurants and room services, fabric towels are used instead of disposable service packages for all customers, and fabric tablecloths are used instead of disposable services in restaurants, minimizing waste.

To support public works, Bodrum Loft workers cleaned the hotel road's environment rather than the general public in 2022 and donated regular saplings. Routine inspections are carried out by the environmental consultancy firm, and the waste management is reported by the consultant firm to be submitted to the Ministry of Environment, Urbanization and Climate Change.

The products procured within the scope of zero waste from the supply chains of the enterprise are supplied in large packages instead of single packaging, thus reducing the amount of waste. The products supplied are requested according to the needs and waste is prevented. The products to be supplied from the same company are requested at once, and the carbon footprint is reduced by preventing the sending of a second vehicle.

In all Accor hotels, single-use plastics are prohibited in all hotel areas. In many areas, such as laundry bags cardboard, straws cardboard or bamboo, mixers wood, slippers interlining, alternative materials have been used. No single-use plastic packaged foodstuffs are used in all food and beverage areas.

Old materials are collected in a common pool and used in other hotels where needed.

Water Management

Water Conservation Policy

One of the most crucial resources for assuring the survival of the planet and all life on it is water. Akfen REIT is aware of the vulnerability of water, which is critical for all activities of life, in the face of the needs of the entire ecosystem. It is aware of the necessity of giving priority and importance to the efficient use of water directly or indirectly in the protection of environmental and natural resources.

Akfen REIT, within the scope of its management and authority in its projects, makes recommendations regarding:

- Reducing water footprint and ensuring water efficiency
- Creation of action plans by conducting qualitative and quantitative studies on water efficiency in the supply chain
- Creation of a system for monitoring and reporting water pollution in the entire supply chain
- Taking the necessary measures and precautions by evaluating the potential effects of my direct or indirect operations, possible risks and monitors the implementation of its recommendations.
- In addition, necessary studies are carried out to increase the awareness of Akfen REIT employees about the protection of water resources and consumer awareness.
- Studies are carried out to control and improve the consumption of fresh water.
- The objectives of managing and improving the impact on freshwater resources are developed.
- Although Akfen REIT does not consider water consumption to be a top concern, it does share transparent information about its stakeholders' water use and water efficiency.

Regarding Water Consumption and efficiency:

- Photocell sink faucets are used in offices and hotels. Thus, savings are achieved in water usage.

- Aerators are used in hotels to save money.
- In some hotels where the system allows, environmental and rainwater are used for landscape irrigation.
- Automatic measurement systems for monitoring water and energy consumption are applied in all hotels, including 4-6 liters per minute for washbasins and toilet bowls, and 10-12 liters for water consumption in showers.
- It is aimed to purify and reuse gray water in new hotels and dormitories.

Microbiological measurement, and pH values are measured in waters and compliance with legal values is ensured. The pool waters in the hotels are cleaned with chemicals, and it is aimed to provide water purification by establishing an ozone system in new projects.

There are grease traps for waste oils and they are not given to the waste water network. Waste water is connected to the network.

In the Bodrum Loft facility, a wastewater treatment plant for the treatment of wastewater has been established, technical teams are working to ensure the limit values, and monthly maintenance, controls, and treatment analyses are performed. The existing waste water treatment plant treats all of the hotel's domestic waste water with an efficiency of 92%; 100% of the treated wastewater is disinfected, recycled, and used for green field irrigation. Based on daily consumption, between 80 and 100 tons of water are conserved. In the interest of protecting underground and surface resources, reverse osmosis systems are used to purify seawater and provide seawater for utility use.

The environmental consulting firm conducts routine inspections and routinely reports to the Ministry of Environment, Urbanization, and Climate Change that reverse osmosis systems are used to treat and reuse the resulting wastewater, rather than consuming fresh water resources, and that sea water is treated and used as potable water.

Energy Management

In order to combat climate change, Akfen REIT enhances its energy conservation efforts across all of its businesses. All enterprises have building energy documents from the relevant Ministry. Solar energy and natural gas are available in Adana, electrical energy is available in Bodrum, and natural gas is used in other hotels and dormitories.

For energy efficiency:

- As part of reducing energy consumption, server systems in the office have been moved from single physical servers to multiple unified virtual servers. In this way, with the increase in the share of virtualization, it has been switched to work with fewer physical servers and use less energy with the same system.
- Motion detectors, timers, LED fixtures, motors with frequency converters, air handling units with heat recovery, class A electrical appliances are used in hotels.
- Necessary insulation (hot water, air conditioning and heating networks) to prevent heat and energy loss is available in all hotels and dormitories.
- All equipment used in consumption is in A+ class.
- If the calibration test for heating devices exceeds 10% of the loss in device efficiency, the device is replaced.
- In order to prevent power loss in energy, active reactive values are measured and precautions are taken with capacitors to prevent loss of unit energy.
- There are charging stations for electric vehicles in both Accor-operated hotels and Bodrum Loft facility.
- Studies on the production of renewable energy as well as the amount of power used by all hotels and dorms have been started.

In Bodrum Loft facility; The products chosen throughout and after the undertaking are energy-saving because energy conservation is a general objective. Solar-powered lights are now being used in some locations. Dimmable LED lighting fixtures are used in the social and restaurant spaces as well as in the villas. Devices are turned off at specific hours and in specific locations throughout the hotel. The cooling group and the air handling units for the social center are turned off to save energy. At certain places after dusk, ambient lighting is also occasionally turned off. Energy reductions are consequently achieved.

Solar panels are used on the roof of the Adana Ibis Hotel, an Accor hotel, to save energy. Work is planned for 2023 for other Accor hotels.

There is an energy leak in 2 of Accor's hotels and action is taken to solve it. While the total loss rate was 0.31% as of the end of 2021, it was realized as 0.47% as of the end of 2022, in direct proportion to the increasing hotel occupancy rates.

● Bodrum Loft / Muğla

Emissions Management

Basic Emissions Policy

The Paris Agreement set a global goal of achieving net zero emissions by 2050. If we want to avoid the negative effects of climate change, we have to limit the global average temperature rise to 1.5°C. Our ultimate objective as a species should be to make rapid progress toward a society with net zero emissions by 2050.

Akfen REIT, within the scope of its management and authority in its projects, makes recommendations regarding;

- Considering energy efficiency and resource efficiency in project production
- Maintaining the understanding of innovation in production
- Using recyclable materials
- Conducting waste and residual efficiency studies
- Afforestation works in the regions where the operations are carried out
- Supporting non-governmental organizations related to afforestation
- Conducting informative studies for employees and the supply chain
- Notifying tenants
- Working with suppliers that will contribute to greenhouse gas emission goals
- Considering the emission generation in the regulation of the logistics operation and working with local producers as much as possible
- Inclusion of cyclical economy in business processes for the transition to a low-carbon economy
- Disciplining all operation processes according to international standards in order to achieve the carbon positive goal by 2050
- Making goals, commitments and calendar work for key emissions
- Developing a technological infrastructure for the measurement and management of the impact of emissions
- Reporting NOx, SOx and other particulate emissions and controlling NOx, SOx and other particulate emissions

and monitors the implementation of its recommendations.

Flue gas emission measurement is carried out periodically in all hotels and dormitories. In case of high emission values, boiler maintenance is carried out.

In Bodrum Loft facility; Charging stations were established to encourage electric vehicles. With this study, it is aimed to reduce the amount of emissions. The goal date has been set for 2022, and the carbon footprint will be calculated in 2023 in order to meet these goals. According to the 2023 carbon footprint calculation that will serve as a baseline, the annual reduction goal is 2% and the reduction goal until 2030 is 15%. Carbon filters are connected to the aspirator in the living area of the villas and kitchen equipment is maintained and calibrated to reduce emissions. To reduce their carbon footprint, all meetings are conducted online whenever possible, and employees use public transportation whenever possible.

Conservation of Biodiversity

Biodiversity Conservation Policy

Aware that the issue of biodiversity constitutes the “foundation of life”; it has been positioned as a priority when tackling the challenges of sustainable development. In Akfen REIT, environmental policy and sub-policies as well as biodiversity issues are addressed.

Akfen REIT, within the understanding of its management and authority, makes recommendations regarding;

- Reducing the impact of projects on biodiversity, improving and developing from production to material cycle
- Obtaining information from academicians and people of the region about the biodiversity situation in the region that will be operated before the projects and organizing operations in accordance with this information
- Conducting risk analysis, regular monitoring and reporting on ecosystems and biodiversity
- Avoiding sources that may lead to the destruction of biodiversity or working with the supply chain
- Development of projects in such a way as to have a minimal impact on biodiversity and ecosystems
- Encouraging the use of products that protect biodiversity or are produced taking into account, working with suppliers with this understanding, and
- Carrying out activities to increase the awareness of employees, suppliers, the society in the project areas about biodiversity and ecosystem protection

and monitors the implementation of its recommendations.

In the Bodrum Loft facility; during the construction of the hotel, on the basis of environmental or biodiversity risks throughout the entire construction project. In plant design and application studies, the selection of the region’s endemic species, which comprise the entire Mediterranean/Aegean maquis vegetation, was given priority. Both the ease of adaptation and sustainability of the vegetation, as well as the protection of plant tissue from adverse microclimate effects, are ensured. Every year, plants that are suitable for the ecosystem are planted. Thus, it has demonstrated that it also manages potential effects on existing ecosystems in order to preserve biodiversity.

EIA Reports

EIA reports are available for the assets under the legal entity of Akfen REIT.

There are no lawsuits filed against Akfen REIT regarding the environment within the scope of its responsibilities. The general information of Akfen REIT regarding the lawsuits filed and/or concluded against it on ESIA issues is disclosed through the annual reports and the Corporate Governance Information Form.



● Ibis Hotel /
Moscow

Sustainability in Operation



Qualified employment is the basis of Akfen REIT's value creation. The basis of employment is the understanding of justness, which values fundamental rights and freedoms, and the protection of the health and safety of employees and the development of their personal abilities are essential.

The fundamental rights and welfare of all employees involved in Akfen REIT partnership processes primarily takes care to ensure that they are under the assurance of the frameworks of;

- Basic Human Resources Policy
- Human Rights Policy
- Gender Equality Policy
- Fair Remuneration Policy
- Occupational Health and Safety Policy
- Employee Satisfaction Policy

and adopts an inclusive management approach that will enable its stakeholders, which make up the entire value chain, to benefit from the ecosystem formed by the principles specified in the policies in an equitable way.



Human Rights Policy

Akfen REIT respects human rights and takes part in the face of all kinds of discrimination and inequality. As stated in the Code of Conduct, the basis of business activities begins with respect for a person.

Accordingly;

- A safe and healthy working environment, the right to life, remuneration, flexible working hours, trainings for personal and professional development, freedom of expression and expectation, love and compassion, and business activities are carried out in communication with employees.
- No element that can be considered modern slavery, including forced labor, child labor, or human trafficking, can take part in the life of Akfen REIT.
- The social life and human rights of minorities, indigenous rights, ethnic minorities, and people with disabilities, children, women and all other vulnerable groups are treated with respect.
- Employees and suppliers are constantly encouraged to respect human rights, and the necessary work is done to increase their level of awareness.
- The International Labour Organization's (ILO) Declaration of Fundamental Principles and Rights at Work and the International Declaration of Human Rights form the basis of human rights policy and actions.
- Practices supporting sustainable development are carried out by establishing decent communication with the societies where the operations take place, respecting human rights, and supporting sustainable development.
- Any behavior outside the human rights policy and the Rules of Conduct may never be accepted by Akfen REIT. In case of detection of such a behavior, the person concerned is subjected to an investigation, if necessary, a legal process is initiated.
- The necessary structure is created to prevent human rights violations and forced labor.
- Systems for the prevention of discrimination and harassment cases are developed.

Human Resources Management

Volunteer employee turnover

%8.33

Volunteer turnover is 8.33% and unwilling employee turnover is 0% in Akfen REIT. The average service period of the employees is 8.5 years, excluding Executive Members and Members of the Board of Directors.

Average Number of Employees in Bodrum Loft

34

people

The average number of employees in Bodrum Loft is 34, and the number of employees at the end of the current financial year is 8 people.

Number of Disabled Employees

8

people

Accor hotels have 8 disabled employees within the scope of equality of opportunity and diversity.

Akfen REIT accepts the responsibilities and obligations of the United Nations Global Compact and fully complies with the legal framework and legislation governing human rights and working life. Child labor and forced or compulsory labor are not allowed in Akfen REIT. It is ensured that the working environment is egalitarian and people-oriented.

Human Resources Management and all Akfen REIT Human Resources operations are managed by the Human Resources department of Akfen Holdings.

Basic Human Resources Policy

- The basic Human Resources policy is to select, develop, evaluate and manage human resources according to modern criteria and on the principle of equal opportunity for all by combining the needs of the job and the skills and competencies of employees.
- By reducing corporate goals to individual goals and fostering a dynamic, open to innovation workplace, human resources management should improve employee performance. This will support the effective and efficient accomplishment of company goals.
- Profile, high-performance culture, open to change and development for success, motivation, team work, team spirit that believes in social responsibility, human resources and time to properly use and high sensitivity at the same time source.

Human resources are managed with respect, love and compassion for people; healthy, honest, rational, participatory, focused on development and employee satisfaction. There is always a focus on doing better for employees with a fair, transparent, sharing, lean human resources system.

At Akfen REIT

- Diversity and inclusion are valued; it is important that each employee looks at life with tolerance, not just at the level of technical knowledge/ education.
- Aware of the success of women in business life, the number of female employees at Akfen REIT is higher than the industry average at all levels.
- At all stages and times, it is the intended goal to maintain a female employee employment rate above 40%.
- The development of all employees is evaluated equally within the framework of "performance management", the necessary supporting work is carried out for their progress.
- The difference in the sector is revealed by the wages and benefits offered to employees. Remuneration and rewarding practices are carried out systematically and objectively for all employees.
- Employees' satisfaction levels are regularly measured, continuously improved and developed.
- The working hours of the employees are planned with flexibility in a way that does not disrupt their business goals. Work and life balance is given importance and observed.
- Arrangements are made to provide programs and work environment where employees can improve themselves, and care is taken to ensure the highest level of physical conditions.
- The volunteering activities of the employees are supported and they are allowed to submit project proposals that will contribute to the society.
- These principles are applied in all processes of HR management.



The Rate of Female Employees

%33

At Akfen REIT, the rate of female employees among all employees is 33% in 2022.

The rate of female employees in management

%25

The rate of female employees in management is 25%, and the rate of female employees at the board of directors level is 22%.

Gender Equality Policy

Akfen REIT undertakes to comply with the 5th objective of the Sustainable Development Goals, "Gender Equality" and the International Labour Organization (ILO) principles of gender equality in working life.

In this context;

- There is no gender discrimination in business processes.
- Care is taken and made sure that men and women have equal rights in decision-making processes.
- Efforts are made to increase awareness and awareness about gender equality at all stages of the value chain, especially among employees.
- Promotions, appointments or dismissals are carried out according to the performance of employees, their fair work is ensured on equal terms.
- A safe working environment is provided away from all kinds of harassment, violence and threats.
- In the distribution of work and duties, it is treated equitably and fairly.

At Akfen REIT, the rate of female employees among all employees is 33% in 2022. The rate of female employees in management is 25%, and the rate of female employees at the board of directors level is 22%.

Fair Remuneration Policy

Akfen REIT is aware that corporate sustainability depends on the implementation of a fair wage policy. For this purpose:

- Reducing the upper/lower tier income gap
- Ensuring a living income

Are considered as a fundamental element of Akfen REIT's human resources policies.

Within the scope of these policies, in the sustainability of Akfen REIT's operations; an equality policy in all Human Resources management that starts with the recruitment process, and provides equal opportunities to everyone within the framework of the constitution and all relevant laws, regardless of language, race, color, gender, political opinion, belief, religion, sect, age, physical disability and similar characteristics, is implemented.

The performance and career development of employees at all levels is managed and supported by established Human Resources systems.

All employees enjoy equal rights within the framework of the principles set out in the working conditions and all other provided facilities, social benefits.

Employee Development

HSE Training

16 hours

A total of 16 hours of HSE training was given to the employees.

Employee development at Akfen REIT is part of the performance management system. With performance management, goals are spread every year starting from the top management, so that the Company's goals and strategies are shared with the employees and their contributions are received. During the year, the goals are reviewed, necessary revisions are made, feedback is given to the employee regarding the work results and competencies, and development programs are planned through the evaluation meetings held at the end of the year.

The general performance evaluation system is in the transition phase, serious and intensive studies are carried out for the method and system. The evaluations for 2023 are intended to be significantly different in a positive way. Within the scope of the Career and Promotion system, a goal has been set for 2023 and the Promotion section will be carried out with a different method at the end of the first quarter.

In the implemented system, performance data also guides the processes of talent development and career planning. The system is structured in such a way as to detect any discrepancies by taking the opinions of the employees.

At Akfen REIT, continuous education is regarded as a crucial element in the creation of sustainable values and a crucial component of corporate culture. Training programs are handled in a process involving employees and are reviewed annually according to demands and needs. In this context, various educational environments are created to enrich the qualifications of the workforce and develop their intellectual capital:

- Orientation and on-the-job trainings are provided with studies (know-how) within the framework of its own experience.
- A training program including social skills and technical trainings with specialized in-house and external partnerships and companies, as well as trainings that are mandatory by legislation, is being conducted.

In addition to these trainings, in 2022, all Akfen REIT employees received sustainability awareness trainings as well as training on Akfen REIT's understanding of sustainability and policies. A total of 16 hours of HSE training was given to the employees.

Employee Satisfaction Policy

Akfen REIT is aware that ensuring employee satisfaction and development activities in this regard are the basis of corporate sustainability. Employee satisfaction is considered to be a fundamental element of Akfen REIT's human resources policies.

For this purpose:

- Carries out practices aimed at ensuring the continuity of qualified employment.
- In order to ensure the employee's satisfaction in an expanded scope, fair and performance-related wage and premium management is carried out, working conditions are regulated to ensure the employee's well-being at the highest level, and development is supported at all stages.

Occupational Health and Safety

Occupational Health and Safety Policy

One of the top priorities at Akfen REIT is that everyone in contact, including employees, suppliers and business partners, continues to work in a healthy and safe working environment under decent conditions. Akfen REIT is committed to ensuring the creation and continuity of healthy people and working conditions at all stages of its activities and value chain. It is believed that not only under the corporate roof, but also the entire industry should behave in accordance with laws and regulations. Akfen REIT, within the scope of its management and authority in its projects, makes recommendations regarding;

- Necessary measures, trainings, implementation and enforcement for the prevention of work accidents and occupational diseases
- Ensuring that all employees and visitors are informed in accordance with OHS legislation in working environments and that Personal Protective Equipment is provided and used habitually
- Taking the necessary measures to achieve the goal of "Zero Serious Injury Accident"
- Creating a culture of occupational health and safety and making it a lifestyle
- Carrying out continuous improvement by conducting OHS risk assessment with the participation of all employees, evaluating and investigating the origin of each problem, in consultation with our employees
- Ensuring the health, safety and social welfare of all employees by identifying the risks that will cause occupational accidents and occupational diseases in all working environments, reducing any material and moral losses that may arise in the future belonging to them and even their families
- Informing employees, suppliers, visitors about the procedures for OHS-related legal regulations and implementing practices to act appropriately and supporting their development
- Informing suppliers and business partners to ensure compliance with corporate OHS principles and providing training support when necessary

, and monitors the implementation of its recommendations.

In Bodrum Loft facility; Fire Training, Environmental Training and First Aid Trainings are provided, as well as ensuring that all permanent or seasonal personnel, managers and key employees complete the Occupational Health and Safety Trainings completely. Support is received from the Occupational Health and Safety Specialist for employee health and safety, and there is no employee in this position in the hotel. Bodrum Loft provides OHS training to people working in the Purchasing department.

In order to improve the health and safety of employees in the supply chain, inspections are made once a year by going to the warehouses and production places of the companies. We will not work with suppliers that do not meet the criteria.

Within the scope of occupational health and safety, there are Fire and First Aid emergency response plans.

Developments in Working Life

- Within the scope of human resources and OHS policies; As a result of the principles of ensuring employee welfare in an expanded scope and working in a healthy and safe environment for all employees, a remote working system was developed as one of the decisions taken during the epidemic period, and a 50% hybrid working model was introduced in 2022. Departments decide on their own shifts.
- The Performance Management System started to be implemented on the digital platform in 2020, and work on the system continues to develop and expand the framework.
- A goal and competency-based performance evaluation system, in which success is evaluated according to measurable criteria, has been adopted in order to realize the career planning of the workforce that creates value, to reward it and to identify areas which are open to improvement. While the expectations of the employees are stated concretely, it is aimed to define effective and efficient training and development programs that support the career paths of the employees in line with the feedback of the managers. The main purpose of the Performance Management Model is to provide an opportunity for a person to improve themselves, to achieve measurable performance within the framework of equity, to create opportunities for development and training, to create a highly motivated climate by improving corporate performance. In 2022, development efforts continue intensively. Rewarding (premium) part is aimed to be done with more equitable and concrete data. Identifying the value-creating workforce more methodically and based on data is among the 2023 goals.
- With the e-General Assembly application, all stakeholders can legally participate in the General Assembly electronically.

Community Investments

In the company's activities, sensitivity to financial responsibilities is observed to the maximum extent and support is provided to organizations focused on their sector and social responsibility projects. In this context, Sertac Karaagaoglu, General Manager of Akfen REIT, is the Vice Chairman of the Board of GYODER. GYODER runs a green building certification program. An accessible and environmentally friendly housing project is being worked on. In addition, it has been adopted that all projects of GYODER are based on the 4T principle: Nature, Collective, Design and Technology. Proptechhub is being established to encourage Startups for environmentally friendly technological development.

In particular, Akfen REIT has determined that women's positions in public life and business life should be equal, and creating employment for them is one of the sustainability goals. In order to support the activities carried out within this scope, Pelin Akin Özalp, Deputy Chairman of the Board of Directors, is a Member of the Board of Directors of TİKAD and a Member of the Board of Trustees and Board of Directors at TİKAV.

The total amount of all donations made by our Bodrum Loft facility is 23,428 TL for 2022. Olive oil is produced at the hotel and is given to hotel guests free of charge.



Social Sustainability



UN.SDG 3, 8, 5, 10, 11 and 17

Akfen REIT ensures that all collaborative initiatives are carried out with an understanding that benefits society from both a social and economic standpoint.

Akfen REIT ensures that its projects, which are managed with an ethical management approach, protect the resources of the planet and take care of all its stakeholders, are designed in accordance with the principles of projects, and leads the planning of projects in accordance with these principles.

- Employment Contribution Policy
- Taxation Policy

Akfen REIT Code of Ethics, which is explained under the title of “Ethical Business Approach”, also covers this principle.

Employment Contribution Policy

Creating value and difference for sustainable economic and social development is included in the business strategy. Stable and high-quality work is one of the priorities for the economic and social development and transformation of society.

- The needs, expectations and development elements of the society in the region where the projects are located are determined, analyzed and implemented.
- Priority is given to local people during the initial investment process and after it, when employment will be provided.
- Collaborating with locals is a top concern for each project location.
- Within this priority, women's employment is also preferred with the equal work equal pay policy.
- It has collaborated with regional businesses-related local organizations in the areas where it is located.

Taxation Policy

In recent years, the governments of many countries have been concerned about the tax erosion caused by the allocation of taxable profits to different places from those where commercial activities take place. These concerns also place financial pressure on public budgets.

In this context, G20 member states have asked the Organization for Economic Cooperation and Development (OECD) to review international tax rules to regulate weaknesses in the tax system. Taking into account the recommendation of the international tax system published by the OECD, Akfen REIT has adopted the principle of working in accordance with tax-related regulations and laws in the countries where it is located.

This discipline supports Decent Work and Economic Growth from Sustainable Development Goals, as it contributes to the financing of public needs and, consequently, to society.

- In every country where it conducts business, Akfen REIT submits all tax returns on time and pays all taxes on time.
- The technological infrastructure necessary for the planning and management of additional taxation is created.
- Central planning and management are used to manage additional taxes by country.

APPENDICES

Performance Indicators


Sustainability in Compliance

Waste Management


| Bodrum Loft Waste Quantities | | 2021 | 2022 |
|-------------------------------------------------------------------------------------|--------------------------------------------|------|------|
|  | Total Waste Amount (tonnes)* | 2.9 | 1.5 |
| | Total Amount of Non-Hazardous Waste (tons) | 0.65 | 0.55 |
| | Total Hazardous Waste Amount (tons) | 2.25 | 0.95 |
| | Total Recycled and Reused Waste (tonnes) | 0.65 | 0.55 |
| | Waste Recycling Rate | 23% | 37% |

* These wastes represent the amount of registered waste given to licensed companies; municipal waste is not included.

Water Management

| Bodrum Loft Water Consumption (m ³) | | 2021 | 2022 |
|-------------------------------------------------------------------------------------|----------------------------------|--------|--------|
|  | Ground-water | 19,430 | 61,871 |
| | Amount of water recovered/reused | 5,832 | 11,250 |

The amount of waste water generated is recovered and reused. In the waste water treatment plant; wastewater treatment capacity is 160 m³/day, equivalent population is 800 people/day, BOD₅ load is 52 kg/day.

| Water Density | | 2021 | 2022 |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------|------|------|
|  | Bodrum Loft Project daily water consumption per guest (m ³) | 0.5 | 0.5 |

Accor Water Consumption Amounts

Water consumption (m³)



| Branches | 2021 | 2022 |
|-------------|--------|--------|
| Adana | 8,701 | 10,761 |
| Ankara | 4,997 | 5,847 |
| Bursa | 7,407 | 10,387 |
| Esenyurt | 5,778 | 8,041 |
| Eskişehir | 5,556 | 6,532 |
| Gaziantep | 4,252 | 4,625 |
| İzmir | 5,797 | 5,500 |
| Karakoy | 15,984 | 29,735 |
| Kayseri | 15,746 | 16,498 |
| Trabzon | 14,341 | 17,333 |
| Tuzla | 10,505 | 12,850 |
| Zeytinburnu | 12,498 | 17,567 |

Water Density (Liter/Person)



| Branches | 2021 | 2022 |
|-------------|------|------|
| Adana | 174 | 152 |
| Ankara | 158 | 132 |
| Bursa | 144 | 184 |
| Esenyurt | 148 | 144 |
| Eskişehir | 199 | 178 |
| Gaziantep | 136 | 128 |
| İzmir | 149 | 124 |
| Karakoy | 243 | 268 |
| Kayseri | 161 | 175 |
| Trabzon | 294 | 273 |
| Tuzla | 186 | 160 |
| Zeytinburnu | 165 | 197 |

Energy Management

| | | |
|--------------------------------------------------|-------------|-------------|
| Bodrum Loft Total Energy Consumption (GJ) | 2021 | 2022 |
| Annual Energy Consumption (GJ) | 11,009 | 9,551 |
| Annual Indirect Energy Consumption (GJ) | | |
| Annual Indirect Energy Con. (GJ) | 0.0444 | 0.0351 |

Accor Energy Consumption Amounts

| | | |
|--------------------------------------|-------------|-------------|
| Total Energy Consumption (GJ) | | |
| Branches | 2021 | 2022 |
| Adana | 5,285 | 5,461 |
| Ankara | 2,052 | 2,016 |
| Bursa | 7,351 | 7,816 |
| Esenyurt | 5,731 | 6,869 |
| Eskişehir | 4,342 | 4,583 |
| Gaziantep | 7,355 | 7,816 |
| İzmir | 14,616 | 16,798 |
| Karakoy | 11,045 | 13,658 |
| Kayseri | 4,092 | 5,078 |
| Trabzon | 8,899 | 9,976 |
| Tuzla | 5,936 | 6,221 |
| Zeytinburnu | 10,019 | 10,861 |



Energy Density (GJ/Used Room)

| | | |
|-------------|------|------|
| Adana | 0.1 | 0.1 |
| Ankara | 0.04 | 0.04 |
| Bursa | 0 | 0.1 |
| Esenyurt | 0.1 | 0.14 |
| Eskişehir | 0 | 0 |
| Gaziantep | 0.2 | 0.25 |
| İzmir | 0.2 | 0.32 |
| Karakoy | 0.2 | 0.2 |
| Kayseri | 0.11 | 0.08 |
| Trabzon | 0.1 | 0.14 |
| Tuzla | 0.08 | 0.08 |
| Zeytinburnu | 0.14 | 0.14 |



Electricity Consumption (GJ)



| Branches | 2021 | 2022 |
|-------------|-------|--------|
| Adana | 3,064 | 3,056 |
| Ankara | 2,239 | 2,164 |
| Bursa | 2,473 | 2,513 |
| Esenyurt | 2,351 | 2,396 |
| Eskişehir | 1,663 | 1,927 |
| Gaziantep | 5,936 | 5,911 |
| İzmir | 2,178 | 2,300 |
| Karakoy | 7,412 | 9,151 |
| Kayseri | 4,327 | 4,572 |
| Trabzon | 4,176 | 5,222 |
| Tuzla | 2,671 | 2,923 |
| Zeytinburnu | 9,425 | 10,037 |

Emissions Management




| Emissions | 2021 | 2022 |
|-----------------------------------------------------------------------------------------------------------|--------|-------|
| Total fleet's average CO ₂ equivalent emissions per passenger kilometer (CO ₂ /pkm) | 11,315 | 9,490 |



Sustainability in Operation


Occupational Health and Safety

Bodrum Loft

| | OHS Data ^(*) | 2021 | 2022 |
|-----------------------------------------------------------------------------------|----------------------------------------------|------|------|
|  | Number of Injury of Employees (piece) | 5 | 3 |
| | Employee Injury Rate | 23% | 18% |
| | Number of Lost Work Days of Employees (days) | 69 | 30 |
| | Contractors' Lost Work Days (days) | 0 | 1 |
| | Total Number of Lost Work Days | 69 | 31 |
| | | | |

(*) There are no fatal accidents or occupational diseases.


Bodrum Yalıkavak Construction

| | OHS Data ^(*) | 2022 |
|------------------------------------------------------------------------------------|-------------------------------------|-------|
|  | Total Working Hours (hours) | 2,000 |
| | Number of Contractor Injury (piece) | 0 |
| | Contractors' Lost Work Days (days) | 0 |
| | | |

(*) There are no fatal accidents.

Employee Development

Training

| | 2022 | |
|-------------------------------------------------------------------------------------|----------------------------------------------|-------|
|  | Total training hours given to all employees | 73 |
| | Average training hours per employee per year | 6.08 |
| | Total cost of trainings (TL) | 6,846 |

A. General

Yes  11 | Irrelevant  1

| Principle | | AKFEN REIT Current Situation Analysis | Compliance Status | Report Information on Public Disclosure | References |
|--------------------------------|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Type | No | Policy Statement | | Description | |
| A1. Strategy, Policy and Goals | A1.1 | The partnership’s board of directors has determined the partnership’s top environmental, social, and corporate governance (ESG) issues, risks, and opportunities. | Yes | As Akfen REIT, we carry out our corporate sustainability activities in accordance with the policies we have established under four broad headings, and all of our policies have been approved by the Board of Directors. | Sustainability Management (Pg.9) |
| | | The partnership’s board of directors developed and made public ESG policies (for example, environmental policies, energy policies, human rights policies, and employee policies). | Yes | | Sustainability Management (Pg.9) |
| | A1.2 | Short-term and long-term goals established as part of ESG policies were made public. | Yes | Akfen REIT’s short-term and long-term target studies in line with the EDG policies were completed by the Sustainability Working Group chaired by the General Manager in 2021. Akfen REIT’s existing short- and long-term goals set by Akfen Holding are shared under the heading Strategic Sustainability Goals. | Akfen REIT Sustainability Approach (Pg.6) Strategic Sustainability Goals (Pg.10) |
| A2. Implementation/Monitoring | A2.1 | The committees and/or units in charge of implementing ESG policies, as well as the highest level officials in the partnership in charge of ESG issues, have been identified and made public. | Yes | At Akfen REIT, EDG policies are carried out by the Corporate Governance Committee within the framework of the main policies. The duties and responsibilities of the working group have been determined. | Sustainability Management (Pg.9) |
| | | The activities carried out by the responsible committee and/or unit within the scope of policies were reported to the board of directors at least once a year. | Yes | | Sustainability Management (Pg.9) |
| | A2.2 | Implementation and action plans were developed and made public in accordance with the ESG targets. | Yes | Akfen REIT’s existing short- and long-term goals set by Akfen Holding are shared under the heading Strategic Sustainability Goals. | Strategic Sustainability Goals (Pg.10) |
| | A2.3 | The ESG Key Performance Indicators (KPI) and the level of achievement of these indicators on an annual basis were made public. | Yes | Akfen REIT’s existing short- and long-term goals set by Akfen Holding are shared under the heading Strategic Sustainability Goals. | Strategic Sustainability Goals (Pg.10) |
| | A2.4 | The public has been made aware of activities to improve the sustainability performance of business processes, products, and services. | Yes | The Sustainability Principles Compliance Report describes activities to improve the sustainability performance of our business processes and services. | Developments in Working Life (Pg.37) |

| Principle | | AKFEN REIT Current Situation Analysis | Compliance Status | Report Information on Public Disclosure | References |
|-------------------------|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Type | No | | | Description | |
| A3. Reporting | A3.1 | At least once a year, it reports and publicly discloses its sustainability performance, goals, and actions. Discloses information on sustainability activities within the scope of the annual report. | Yes | <p>With regards to our company's activities in the field of sustainability, Reporting on sustainability performance, targets and actions related to activities in the field of sustainability are described in the Akfen REIT Annual reports.</p> <p>In addition, explanations such as our Public Disclosure Platform information, special case statements, general assembly information, are regularly shared with all our stakeholders from the "Investor Relations" tab of our website.</p> | <p>Sustainability Communication with Stakeholders (Pg.11)</p> <p>https://www.akfengyo.com.tr/yatirimciiliskileri</p> |
| | A3.2 | It is essential that information that is important for stakeholders to understand the position, performance and development of the partnership is shared in a direct and concise manner. It can also disclose detailed information and data on the corporate website, prepare separate reports that directly meet the needs of different stakeholders. | Yes | | |
| | A3.3 | Takes maximum care in terms of transparency and reliability. It objectively explains all kinds of developments about priority issues in explanations and reports within the scope of a balanced approach | Yes | | |
| A4. Verification | A4.1 | An independent third party and publicly disclosed the Partnership's ESG Key Performance metrics. | Irrelevant | | |

Yes  14Partially  9Irrelevant  3

B.Environmental

| Principle | | AKFEN REIT Current Situation Analysis | Compliance Status | Report Information on Public Disclosure | References |
|-----------------------------|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Type | No | Policy Statement | | Description | |
| B. Environmental Principles | B1 | The partnership has made public its policies and practices, action plans, environmental management systems (as defined by the ISO 14001 standard), and environmental management programs. | Yes | Respect for the environment is included in corporate values. During the planning and implementation of all processes of operations, its impact on the environment is evaluated and the necessary planning and measures are taken. Environmental regulations are determined and disciplined according to international agreements and standards. | Strategic Sustainability Goals (Pg.10) Sustainability in Compliance (Pg.22) Akfen REIT Planet Policies (Pg.23) |
| | B2 | Concerning environmental reports prepared to provide information on environmental management, the scope of the report, the reporting period, the reporting date, and the limitations regarding the reporting conditions were made public. | Yes | Respect for the environment is included in corporate values. During the planning and implementation of all processes of operations, its impact on the environment is evaluated and the necessary planning and measures are taken. Environmental regulations are determined and disciplined according to international agreements and standards. | Akfen REIT Planet Policies (Pg.23) www.akfengyo.com.tr/tr/yatirimciiliskileri/raporlar/faaliyet-raporlari |
| | B3 | Given in A2.1. | Yes | At Akfen REIT, EDG policies are carried out by the Corporate Governance Committee within the framework of the main policies. The duties and responsibilities of the working group have been determined. | Sustainability Management (Pg.9) |
| | B4 | Environmental targets have been disclosed to the public as part of the rewarding criteria within the scope of performance incentive systems based on stakeholders (such as members of the Board of Directors, managers, and employees). | Yes | Akfen REIT’s existing short- and long-term goals set by Akfen Holding are shared under the heading Strategic Sustainability Goals. | Strategic Sustainability Goals (Pg.10) |
| | B5 | The public has been informed about how priority environmental issues are incorporated into business goals and strategies. | Partially | “Akfen REIT Sustainability Working Group” continues its efforts to ensure that Akfen REIT targets are processed into Key Performance Indicators and followed up to individual performance. | Sustainability in Compliance (Pg.22) |
| | B6 | Given in A2.4. | Yes | Our innovation activities to improve the sustainability performance of our business processes and services are explained in the Sustainability Principles Compliance Report. | Developments in Working Life (Pg.37) |
| | B7 | It has been made public how environmental issues are managed and integrated into business objectives and strategies across the partnership value chain, including the operational process, suppliers, and customers. | Yes | Are described in the Sustainability Principles Compliance Report. | Value Chain Performance (Pg. 24) |

| Principle | | AKFEN REIT Current Situation Analysis | Compliance Status | Report Information on Public Disclosure | References |
|-----------------------------|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| Type | No | Policy Statement | | Description | |
| B. Environmental Principles | B8 | Whether relevant organizations and non-governmental organizations are involved in environmental policy-making processes, and whether collaborations with these institutions and organizations have been made public. | Yes | Two people in the Sustainability Working Group are actively participating in activities in the Sustainability Development Association (SKD) and passing on the developments related to Akfen REIT to their stakeholders. | Sustainability Communication with Stakeholders (Pg.11) |
| | B9 | Reports information about its environmental impact in a comparable way on a periodic basis regarding Environmental indicators greenhouse gas (GHG) emissions (Scope 1 (Direct), Scope 2 (energy indirect), Scope 3 (other indirect)), air quality, energy management, water and wastewater management, waste management, biodiversity impacts) | Partially | Akfen REIT monitors its tenants and their environmental performance within the scope of waste, water, energy efficiency and reduction of emissions, in accordance with the agreements it has made. In this line, studies have been carried out for the monitoring of performance data on energy, water, emissions and waste management in enterprises (Tenants) under the responsibility of Akfen REIT in 2022. | Strategic Sustainability Goals (Pg.10) Value Chain Performance (Pg. 24) Performance Indicators (Pg.40) |
| | B10 | The standard, protocol, methodology, and base year used to collect and calculate data are all made public. | Yes | | |
| | B11 | The increase or decrease of environmental indicators for the report year in comparison to previous years has been made public. | Yes | | |
| | B12 | Short and long-term targets for reducing environmental impacts have been established, and the progress of these targets, as well as previous years' targets, has been made public. | Yes | | |
| | B13 | A strategy for combating the climate crisis has been developed, and the planned actions have been made public. | Yes | At Akfen REIT, the main climate policy has been established under the planet policies. | Main Climate Policy (Pg.23) |
| | B14 | Programs or procedures have been established and made public in order to prevent or reduce the potential negative environmental impact of products and/or services. | Yes | Akfen REIT monitors its tenants and their environmental performance within the scope of waste, water, energy efficiency and reduction of emissions, in accordance with the agreements it has made. In this line, studies have been carried out for the monitoring of performance data on energy, water, emissions and waste management in enterprises (Tenants) under the responsibility of Akfen REIT in 2022. | Strategic Sustainability Goals (Pg.10) Value Chain Perf. (Pg. 24) Performance Indicators (Pg.40) |
| | | Third-party greenhouse gas emissions have been reduced, and these actions have been made public (e.g., suppliers, subcontractors, dealers, etc.). | Partially | | Sust. in Compliance (Pg.22) Value Chain Perf. (Pg.24) Perf.Indicators (Pg.40) |
| | B15 | The environmental benefits/benefits and cost savings of initiatives and projects aimed at reducing environmental impacts have been made public. | Partially | Different application examples are continuing in order to contribute to the solution of environmental problems. | Str.Sust. Goals (Pg.10) Value Chain Perf. (Pg.24) Perf.Indicators (Pg.40) |

| Principle | | AKFEN REIT Current Situation Analysis | | Com- pliance Status | Report Information on Public Disclosure | References |
|-------------------------------------|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| Type | No | Policy Statement | | | Description | |
| B. Environ- mental Principles | B16 | Energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) data are publicly disclosed as Scope-1 and Scope-2. | | Partially | Akfen REIT monitors its tenants and their environmental performance within the scope of waste, water, energy efficiency and reduction of emissions, in accordance with the agreements it has made. In this line, studies have been carried out for the monitoring of performance data on energy, water, emissions and waste management in enter-prises (Tenants) under the responsi-bility of Akfen REIT in 2022. | Strategic Sustainability Goals (Pg.10) Value Chain Performance (Pg. 24) Performance Indicators (Pg.40) |
| | B17 | Public disclosure was made about the electricity, heat, steam and cooling produced in the reporting year. | | Partially | | |
| | B18 | Studies on increasing renewable energy use and transitioning to zero or low carbon electricity have been conducted and made public. | | Partially | | |
| | B19 | Data on renewable energy production and consumption is made public. | | Partially | | |
| | B20 | Energy efficiency projects have been carried out and the amount of energy consumption and emission reduction achieved through energy efficiency projects has been disclosed to the public. | | Partially | | |
| | B21 | Water consumption, if any, water drawn, recycled, and discharged from underground or above ground, as well as its sources and procedures, have all been made public. | | Yes | | |
| | B22 | It has been made public whether its operations or activities are subject to any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax). | | Irrele- vant | | |
| | B23 | The public has been given access to information on carbon credits accumulated or purchased during the reporting period. | | Irrele- vant | | |
| | B24 | If carbon pricing is used within the partnership, the details are made public. | | Irrele- vant | | |
| | B25 | The platforms through which the partnership disseminates its environmental data have been made public. | | Yes | Akfen REIT has registered with the Refinitiv System to be included in the Borsa Istanbul Sustainability Index and is working to provide the required metrics. We intend to con-tribute data to the index in 2023. | General Manager Message (Pg.4) |

C.Social

Yes



16

Irrelevant



2

| Principle | | AKFEN REIT Current Situation Analysis | Compliance Status | Report Information on Public Disclosure | References |
|--------------------------------------|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| Type | No | | | Description | |
| C1. Human Rights and Employee Rights | C1.1 | The Corporate Human Rights and Employee Rights Policy was established in such a way that it covers the Universal Declaration of Human Rights, the ILO Conventions ratified by Turkey, and other relevant legislation; those responsible for policy implementation were identified; and the policy and those responsible were made public. | Yes | Akfen REIT accepts the responsibilities and obligations of the United Nations Global Compact and fully complies with the legal framework and legislation governing human rights and working life. Child labor and forced or compulsory labor are not allowed in Akfen REIT. It is ensured that the working environment is egalitarian and people-oriented. | Human Rights Policy (Pg.32) |
| | C1.2 | Its employee rights policy takes into account the effects of the supply and value chain, fair workforce, labor standards improvement, women's employment and inclusion issues (gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc., such as non-discrimination). | Yes | | Gender Equality Policy (Pg. 34) Fair Remuneration Policy (Pg.34) |
| | C1.3 | Measures taken along the value chain to ensure compliance with certain economic, environmental, and social factors (low income groups, women, and so on) or minority rights/equality of opportunity have been made public. | Yes | The measures and practices taken in line with our human resources policies and strategies are explained in the Sustainability Principles Compliance Report. | Employee Development (Pg.35) Fair Remuneration Policy (Pg.34) |
| | C1.4 | The public was made aware of new developments in the prevention and correction of discrimination, inequality, human rights violations, and forced and child labor. | Yes | Akfen REIT accepts the responsibilities and obligations of the United Nations Global Compact and fully complies with the legal framework and legislation governing human rights and working life. Child labor and forced or compulsory labor are not allowed in Akfen REIT. It is ensured that the working environment is egalitarian and people-oriented. | Human Rights Policy (Pg.32) Human Rights Management (Pg.33) |
| | C1.5 | The employee rights policy includes investments in employees (education, development policies), compensation, fringe benefits, the right to unionize, work/life balance solutions, and talent management. | Yes | | Fair Remuneration Policy (Pg.34) Employee Development (Pg.35) |
| | | Dispute resolution procedures have been established by establishing mechanisms for employee complaints and dispute resolution. | Yes | | Employee Satisfaction Policy (Pg.35) |
| | | Activities carried out within the reported period to ensure employee satisfaction were disclosed to the public. | Yes | | Employee Satisfaction Policy (Pg.35) |

| Principle | | AKFEN REIT Current Situation Analysis | | Report Information on Public Disclosure | |
|------------------------------------------------------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| Type | No | Policy Statement | Compliance Status | Description | References |
| C1. Human Rights and Employee Rights | C1.6 | Creates occupational health and safety policies and discloses them to the public. | Yes | Akfen REIT is committed to ensuring the creation and continuity of healthy people and working conditions at all stages of its activities and value chain. It is believed that not only under the corporate roof, but also the entire industry should behave in accordance with laws and regulations. | Occupational Health and Safety (Pg.36) |
| | | The measures taken to protect health and safety from occupational accidents and accident statistics have been explained. | Yes | | Occupational Health and Safety (Pg.36) Sustainability in Operation (Pg.31) |
| | C1.7 | Personal data protection and data security policies have been established and disclosed to the public. | Yes | Information Security Policy | Information Security Policy (P.18) |
| | C1.8 | Ethics policy is established and made public | Yes | Global Compact Compliance Policy Ethical Business Approach at Akfen REIT | Global Compact and Comp.Policy (Pg.16) Ethical Business Approach at Akfen REIT (Pg.20) |
| | C1.9 | Explains the activities of social investment, social responsibility, financial inclusion and access to finance. | Partially | Community Investments | Community Investments (Pg.37) |
| | C1.10 | Organized information meetings and training programs for employees on ESG policies and practices. | Yes | Employee Development | Employee Development (Pg.35) |
| C2. Stakeholders, International Standards and Initiatives | C2.1 | The customer satisfaction policy for managing and resolving customer complaints has been developed and made public. | Yes | At Akfen REIT, the understanding of "Customer Satisfaction" is that the experience of investors and tenants is constantly getting better and the value we offer is constantly increasing. In this context, the investor satisfaction policy has been published. | Customer Satisfaction Policy (Pg.11) |
| | C2.2 | Information about the communication with stakeholders (which stakeholder, subject and frequency) is made public. | Yes | Dialogue platforms with Key Stakeholders and stakeholders | Sustainability Communication with Stakeholders (Pg.11) |
| | C2.3 | The international reporting standards that have been adopted in reporting are explained. | | Akfen REIT 2022 Sustainability Report partially complies with GRI Standards. | |
| | C2.4 | Adopted principles, signatory or member international organizations, committees, and sustainability principles have all been made public. | | Policies at Akfen REIT have been prepared in line with UN.SGDs and UNGC | Akfen REIT Sust. Policy (Pg.7) Global Comp. and C.P. (Pg.16) |
| | C2.5 | Improvements were made and studies were conducted in order to be included in the Borsa Istanbul and/or international index providers' sustainability indexes. | | Akfen REIT has registered with the Refinitiv System to be included in the Borsa Istanbul Sustainability Index and is working to provide the required metrics. We intend to contribute data to the index in 2023. | General Manager Message (Pg.4) |

D. Corporate Governance

Yes ■ 1
Irrelevant □ 1

| Principle | | AKFEN REIT Current Situation Analysis | | Compliance Status | Report Information on Public Disclosure | References |
|------------------------------------|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Type | No | Policy Statement | | | Description | |
| D. Corporate Governance Principles | D.1 | Refers to the opinions of stakeholders in determining measures and strategies in the field of sustainability. | | Yes | In 2021, prioritization of sustainability issues was carried out under the leadership of the Sustainability Working Group, taking into account both the employees and the stakeholders with whom Akfen REIT has established a relationship. Relevant studies on the priority issues identified in 2021 have continued in 2022. | Sustainability Priorities (Pg.5) |
| | D.2 | Works on raising awareness about the issue of sustainability and its importance through social responsibility projects, awareness activities and trainings have been carried out. | | Partially | Community Investments | Community Investments (Pg.37) |

Akfen REIT Compliance with Principles Condition - 2021

Yes



Partially



Irrelevant



| | Yes | Partially | Irrelevant | Total |
|-----------------------------|-----------|-----------|------------|-----------|
| A. General Principles | 11 | 0 | 1 | 12 |
| B. Environmental Principles | 14 | 9 | 3 | 26 |
| C. Social Principles | 16 | 2 | - | 18 |
| D. Corporate Governance P. | 1 | 1 | - | 2 |
| TOTAL | 42 | 12 | 4 | 58 |

About the Report

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Reporting

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