

2023 INTEGRATED ANNUAL REPORT

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2023

INTEGRATED

ANNUAL REPORT

VAKIF REAL ESTATE INVESTMENT TRUST
A subsidiary of **VakifBank Finance Group**.

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ABOUT THE REPORT

Vakıf REIT is Türkiye's first Real Estate Investment Trust (REIT) that aims to develop innovative and concept projects with the motto of "The Power of Custom, the Build of the Future". This integrated annual report, covering the period from January 1, 2023 to December 31, 2023 and containing financial data, details Vakıf REIT's commitment to sustainability and corporate responsibility as well as its strategic steps for the future. The report has been prepared in accordance with the Global Reporting Initiative (GRI) and the Türkiye Sustainability Reporting Standards (TSRS) published as of December 2023.

Having taken important steps during the period of the past two years by means of reporting for the Carbon Disclosure Project (CDP) and calculating greenhouse gas emissions according to the requirements as set forth under ISO 14064, Vakıf REIT aims to transparently share its sustainability and climate risks, priority issues and steps taken to manage these issues with all its stakeholders with its third integrated annual report to be published this year.

Vakıf REITs business model is based on the principles as designed under the scope of the European Union's Common Assessment Framework (CAF) and the EFQM Model, which is the European Foundation for Quality Management's (EFQM) sustainable performance management model. In this context, thanks to the steps taken for institutional development since 2020, it was deemed worthy of the 2023 Türkiye Excellence Grand Award.

In order to determine the material issues, the impact materiality principle in the GRI reporting and the financial materiality principle in the TSRS were used together to ensure compliance with the double materiality principle. In addition to the TSRS 2 Volume 36 - Real Estate standards translated into Turkish by SASB's Public Oversight Agency, the following standards were also used: the TSRS 2 Volume 8 Construction Materials, TSRS 2 Volume 16 Commercial Banks, TSRS 2 Volume 33 Engineering and Construction Services and TSRS 2 Volume 35 Home Builders standards, which are included in Vakıf REIT's value chain.

In this report, Vakıf REIT also emphasizes its commitment to the principles as set forth under the United Nations Sustainable Development Goals (SDGs). Towards these goals, the focus is on issues such as creating sustainable cities and communities, climate action, responsible consumption and production, clean water and sanitation, and economic growth. Within the framework of these goals, Vakıf REIT aims to minimize the environmental impacts of its projects, fulfill its social responsibilities and ensure economic sustainability.

With its integrated reports, Vakıf REIT provides a strong and reliable vision to its stakeholders by detailing not only its past performance but also its sustainability strategies for the future and the determined steps taken in the implementation of these strategies. This report further reinforces Vakıf REIT's leading position in the sector by concretely presenting its vision for the future and sustainable growth targets.

You can send all your opinions and suggestions regarding the report to kurumsalgelisim@vakifgyo.com.tr



Mikail HİDIR

Chairman

MESSAGE FROM THE CHAIRMAN

Dear Esteemed Stakeholders,

Founded by VakıfBank as Türkiye's first real estate investment trust, Vakıf Real Estate Investment Trust continues to develop its portfolio and improve its service quality with the vision of being a reference that drives change in its sector by its customers, shareholders, investors, business partners and employees. We continue to be an exemplary company in the sector with our strong financial structure, innovative product solutions, the determined steps we take in our corporate development journey and our sustainability approach.

In this integrated report, where we discuss in detail our activities and operations carried out in 2023 and the successes we have achieved in this process, we are pleased to share the results of our trust-based relationship and business model with you, our valued stakeholders. With this report, we once again reinforce our principles of transparency and accountability by comprehensively sharing with you the progress we have made towards achieving our strategic goals and our plans for the future.

As VakıfBank Finance Group, we took immediate action without delay with the awareness of our responsibility following the earthquake in our country. We mobilized in order to provide all necessary aid to the earthquake region and offered all support we could at every stage of the process. I believe that we will overcome these difficult days together with unity and solidarity. In this process, we worked with all our might to ensure that our citizens have a safe and peaceful living space, while maintaining our goal of developing reliable and sustainable housing projects. In addition, we once again understood the importance of building structures resistant to earthquake risk as a sector, and in this direction, we developed our projects by keeping earthquake resistance standards at the highest level. In the post-earthquake period, we played a leading role in the restructuring of the construction and real estate sector and continued to provide fast and effective solutions to our country's needs in this area.

The year 2023 was a year in which uncertainties and risks continued globally. The negative effects of the Russia-Ukraine war continued to be seen in the world economies. Disruptions in the supply chain and sharp increases in energy and commodity prices have created an inflationary atmosphere in the global economy. Many central banks of developed and developing countries tried to combat inflation by means of using tightening monetary policies during this period. While concerns that have persisted throughout the year remain global, supply constraints and uncertainties have affected many economies.

Our Company continues to grow with its investments in 2023, and the construction and sales activities of the projects Cubes Ankara and Tablo Adalar were completed in accordance with the respective plans and targets. The VakıfBank Head Office Service Building project, located in the Istanbul Financial Center and one of the symbolic structures of the city, was delivered. Our portfolio has expanded with the land investments we have made in line with our company's strategic goals.

As a company that aims for the high satisfaction of all our stakeholders, namely our shareholders, investors, customers and employees, our company increased its asset size to TL 14.9 billion at the end of the year.

Adhering to the principle of "The Power of Custom, the Build of the Future", we have determined our primary goal to leave a more livable world for the future. In this regard, we continue our efforts to minimize our environmental impacts and to ensure energy and resource efficiency at international standards in order to build efficient buildings and sustainable cities at every stage of our projects. We are rapidly progressing towards the goals we have set in line with our 5-year strategic plan in line with the United Nations Development Goals. We undertake such exemplary practices and develop new systems accordingly. In this integrated annual report we have prepared for 2023, we address all aspects of our responsibilities towards our stakeholders, our country and the world, and present our short- and long-term strategies comprehensively by combining sustainability issues with our

decision-making mechanisms.

We continue to make a difference in our sector with our financial success, digital transformation investments and the point we have reached in our corporate development journey. At the 32nd Quality Congress organized by the Turkish Quality Association (KalDer) in 2023, we won the 2023 Türkiye Excellence Grand Award with our Integrated Management Model, which we created within the scope of the EFQM Model recommended by the European Quality Management Foundation. We continue making efforts with the desire to make these achievements sustainable in 2024.

As we look to the future with confidence, as Vakıf REIT, we aim to reinforce our leadership in the sector with sustainable growth and innovative projects. We are determined to adopt an environmentally sensitive approach by increasing our green building projects, to increase our efficiency by means of accelerating the digital transformation process, and to further strengthen our relationships with our stakeholders. On this path, we will continue our work with a transparent and accountable management approach, aware of our responsibilities. On behalf of our Board of Directors and myself, I would like to sincerely thank all our stakeholders, especially our main shareholder Türkiye Vakıflar Bankası T.A.O., who believe in and support a better future with the values we create. I hope we will achieve many more successes together.

Yours respectfully,



Onur İNCEHASAN

General Manager

MESSAGE FROM THE GENERAL MANAGER

As Vakıf REIT, we have always adopted the principle of building safe and durable living spaces. The year 2023 was a year in which we once again demonstrated our determination in this regard. We have continued to apply the highest standards to achieve to construct earthquake-resistant buildings in both our existing and also new projects. In all the projects we have developed, we achieved our goal of providing safe living spaces with full compliance with earthquake regulations at every stage, from ground surveys to building materials.

The year 2023 was overshadowed by significant challenges in the global economy and geopolitics. While ongoing wars in various parts of the world have created disruptions in supply chains, fluctuations in energy and commodity prices have also increased economic uncertainty. These negative developments also affected our country's economy, but despite all these difficulties, as Vakıf REIT, we managed to continue our growth thanks to our strong foundations and strategic approaches.

As Vakıf REIT, we completed the year 2023 successfully by continuing our stable growth even in difficult market conditions. During this period, we increased our total asset size by 20.6% compared to the previous year, reaching TL 14.9 billion. This success is not only an indicator of our financial performance, but also a reflection of our commitment and responsibility to our stakeholders.

As one of the prestigious projects of Vakıf REIT, the IFC is located at the heart of the financial sector and meets the expectations of investors at the highest level. It draws attention with its modern and innovative architecture and perfectly meets the needs of the business world with its high-tech office spaces and social facilities accordingly. Meeting sustainability criteria at the highest level with its LEED Gold certified structure and highly energy efficient design, the IFC also manages to fulfill the environmental responsibility expectations of our stakeholders.

Designed as a multi-purpose living and business center offering all the possibilities of modern life in the city center, the Cubes Ankara offers a safe and sustainable life with its environmentally

friendly features and we planned to start delivering apartments in the first quarter of 2024. Once the commercial areas become operational, we anticipate a significant increase in our company's rental income.

As Vakıf REIT, we constantly offer innovative solutions in our projects to meet the expectations and needs of our valued customers at the highest level. In this regard, we have made home ownership more accessible by developing special payment alternatives for our projects whose sales process is ongoing in 2023.

The year 2023 was a year, in which we achieved significant success and sustainable growth targets once again for the stakeholders of Vakıf REIT. We stood out this year with our strong performance in corporate governance, the success we achieved within the framework of the EFQM Excellence Model and the importance we attach to ESG (Environmental, Social and Governance) factors. As Vakıf REIT, we adopt a transparent and accountable management approach in line with effective corporate governance principles. We develop strategies focused on continuous improvement and sustainability, using the EFQM Excellence Model as a guide. We are fully delighted to see the fruits of our efforts with the high ratings we have managed to receive. The high potential of our company was revealed especially with the corporate development project we initiated in 2020. The EFQM Model developed by the European Quality Foundation became our driving force in our institutionalization journey, which can be an example for our sector. Our Integrated Strategic Plan, prepared with our perspective of "managing change and improving performance with innovative approaches", was deemed worthy of the "Türkiye Excellence Grand Award", which is among the most prestigious awards in the business world, in 2023. In 2024, we want to win the EFQM Global Award, for which we are a candidate, with the Vakıf REIT Integrated Management Model and, make our management model a registered model in international standards, as well as in Türkiye.

Our Corporate Reputation score was 82.8%, our Employee Satisfaction score was 83.2% and our Customer Satisfaction

rate was 85.9%. Our Corporate Governance Rating Score, which is among our vision indicators, was determined as 9.33. With this success, Vakıf REIT became the institution that increased its rating the most in the BIST Corporate Governance Index.

We continued to pursue our corporate social responsibility projects in 2023. We continued our support in 2023 for the Yıldız Technical University Miniature Building Competition, which was organized with the aim of instilling a culture of sustainability in university students, who are prospective architects and engineers of the future. In this process, where we encourage students and listen to their innovative ideas and projects, we have the opportunity to renew our energy and further expand our innovative perspective.

As Vakıf REIT, we look to the future with confidence, based on our mission of "The Power of Custom, the Build of the Future". With our deep-rooted values and visionary perspective, we continue to contribute to society and the environment by developing sustainable and innovative projects.

Behind these successes lies the trust and support of our valued stakeholders. The trust you have in us and the interest you show us are our greatest source of motivation in achieving greater successes every day.

We look to the future with hope as a big family, with the devoted and professional work of our employees, the contributions of our business partners and the satisfaction of our customers. We would like to express our sincere gratitude to VakıfBank Senior Management and our Board of Directors for being a part of the Vakıf REIT family.

We have full confidence that we will achieve greater success together on the way to achieving our future goals. Together with you, we will continue to realize our purpose of "The Power of Custom, the Build of the Future" and move towards a brighter future.

Yours respectfully,

A close-up photograph of several yellow flowers, likely tulips, with their petals in sharp focus. The petals are a vibrant yellow color and have a slightly ruffled texture. The background is softly blurred, showing more of the same flowers.

1

ABOUT VAKIF REIT

1. ABOUT VAKIF REIT

Company Details

Registered Capital	TL 5.000.000.000
Issued Capital	TL 2.950.000.000
Head Office	İnkılap Mah. Dr. Adnan Büyükdeniz Cad. Akyaka Park No:7A İç Kapı No:28 Ümraniye / İstanbul
Date of Establishment	1996
Trade Registration Number	Istanbul Chamber of Trade/ 653731
Phone/Fax	+90 216 285 94 00 / +90 216 285 94 49
Website	www.vakifgyo.com.tr
Mersis No	0922008334600018
E-mail	info@vakifgyo.com.tr
Registered E-Mail Address	vakifgayrimenkul@hs01.kep.tr
Off-Center Organizations	None

1.1. SHAREHOLDING STRUCTURE

Established on January 12, 1996 as the first Real Estate Investment Trust in Türkiye, Vakıf REIT has an important place in the sector due to its strong capital, portfolio size that increases with each passing day and market value as well reliable shareholding structure. Established as a partnership between T. Vakıflar Bankası T.A.O., which is at the forefront of the banking sector, and the Housing Development Administration of the Ministry of Environment, Urbanization and Climate Change of the

Republic of Türkiye, which has been providing great support in terms of housing production and financing in its field of activity for many years, Vakıf REIT was offered to the public on December 24, 1996. Vakıf REIT, which has the vision of being a reference organization that directs change in the sector with its symbolic structures, continues to grow with determination by providing regular rent and high portfolio returns while adding value to our country and sector.

	December 31, 2023		December 31, 2022		December 31, 2021	
	Share Amount (TL)	Share Percentage (%)	Share Amount (TL)	Share Percentage (%)	Share Amount (TL)	Share Percentage (%)
T. Vakıflar Bankası Türk Anonim Ortaklığı	1.586.226.712	53,77	568.490.095	49,65	489.533.418	48,95
VakıfBank Employees Private Social Security Services Foundation	216.266.547	7,33	86.039.911	7,51	75.144.026	7,51
VakıfBank Civil Servants and Services Retirement Fund	191.016.704	6,48	78.801.208	6,88	68.822.015	6,88
Republic of Türkiye Ministry of Environment and Urbanization, Climate Change, Housing Development Administration	-	-	41.864.755	3,66	36.563.104	3,66
Other	956.490.013	32,42	369.804.031	32,3	329.937.437	33
Total	2.950.000.000	100	1.145.000.000	100	1.000.000.000	100

* The Company's shares are of two types: Group A, which are of registered shares, and Group B, which are of bearer shares. In the election of the Board Members: Each Group A share has 15 (fifteen) voting rights, and each Group B share has 1 (one) voting right.

Figure 1.1. Shareholding Structure

1.2. VAKIF REIT MILESTONES

1996

Vakif REIT, Türkiye's first Real Estate Investment Trust, established.

1998

The first construction started with the Vakif Business Center.

1999

The first residence project developed.



2004

Kavaklıdere Business Center included to the portfolio.

2011

Aliğa, Fatih and Kütahya Business Centers included in the portfolio.

The lands for Istanbul Finance Centers included to the portfolio.

2013

Building license for the project Istanbul Finance Center obtained.

2015

The project Bizimtepe Aydos started as the first housing project in the partnership of Vakif REIT and Halk REIT.

The land for the project Konak, Izmir included to the portfolio.

The lands in Maltepe and Samandıra included to the portfolio.

2016

Third prize granted for "Real Estate Property Investment Increase" in an organization held by TSPB.

The foundations of the project Istanbul Finance Center laid.

2017



2018

Independent sections purchased from the projects Transform Fikirtepe and Nidapark Küçükyalı for investment purposes included to the portfolio.

Iconova, the most prestigious project in Gaziantep, partnered.

2019

The value of Vakif REIT established with a capital of ₺250 Thousand reached to ₺250 Million.

2020

2021

Corporate Development Project initiated.

ISO 9001 Quality Management System certification obtained.

Capital increased by 100% reaching an amount of ₺460 million.

The project Cubes Ankara included to the portfolio.

Tablo Adalar, Cubes Ankara and VYenikonak Projects started.

EFQM Competence in Outstanding Performance - 4 Star certificate, received.

5-year Integrated Strategic Plan created.

Capital reached an amount of ₺1 billion.

The first Integrated Report of the sector published.

Corporate Governance Rating Score announced and included in the Corporate Governance Index.

2022

The first REIT to get awarded EFQM Türkiye Excellence Award.

The land for Sancaktepe 100 zoned for Residence + Commercial purposes, and the land in Çayırova, Gebze zoned for commercial + storage purposes included to the portfolio.

ISO 27001 Information Security Management System certification obtained.

ISO 10002 Customer Satisfaction Management System certification obtained.

ISO 14064 Greenhouse Gas Inventory Verification certification obtained.

Capital reached an amount of ₺1.145 billion.

Corporate Governance Principles Compliance Rating Score increased from 8.28 to 8.96.

2023

We became the first organization to receive the EFQM Türkiye Excellence Grand Award after 6 years.

EFQM Global Award application submitted.

The Tablo Adalar delivery process begun.

IFC B Tower leased to VakifBank.

CRS rating increased from 8.96 to 9.33.

Capital reached an amount of ₺2,950 billion.

We are Crowned with the Grand Prize for our Corporate Excellence



1.3. VAKIF REIT IN FIGURES



Total Portfolio Size
₺ 14.938.243.000



Real Estate Portfolio Size
₺ 13.131.700.000



Size of Assets
₺ 2.950.000.000



Size of Assets
₺ 14.938.242.772



Project Progress Rates

IFC 99,46%
Tablo Adalar 99,18%
Cubes Ankara 88,97%



Number of Employees

42



Net Profit

₺ 1.335.571.137



Corporate Reputation Rate

82,8%



Customer Satisfaction Percentage

85,9%



Employee Satisfaction Percentage

83,2%



Return on Assets Rate

8,94%



Corporate Governance Rating Score

9,33



Total Training Hours

2.206



Training Hours per Employee

55,15

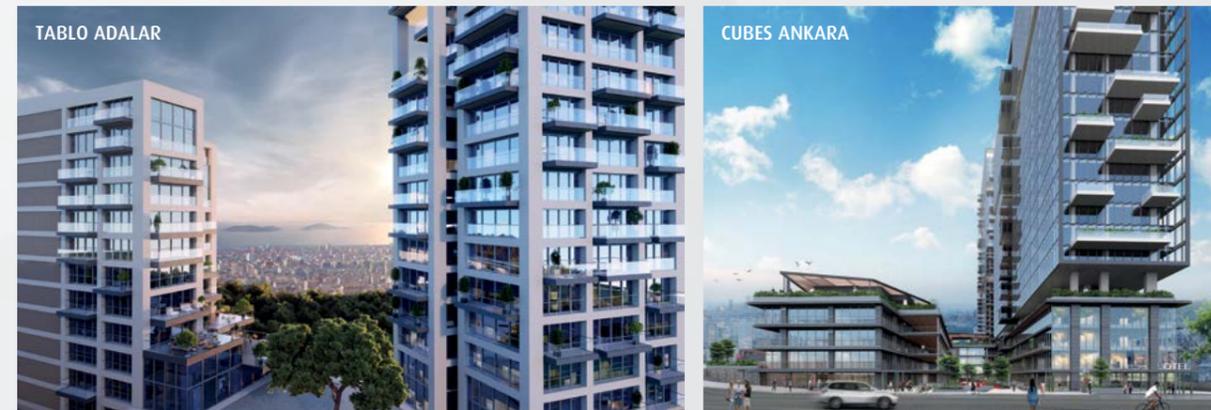


Equity Size

₺ 10.804.578.850



1.5. PROJECTS



1.5.1. VAKIFBANK HEAD OFFICE SERVICE BUILDING AND FACILITIES - ISTANBUL FINANCE CENTER



1.5.2. CUBES ANKARA



The project Cubes Ankara located in Çukurambar, Ankara consists of residences ranging from 1+1 to 6+1, home office, office, hotel, commercial and social facilities with an outdoor construction area of 216,932.15 m².

We are implementing environmentally friendly building systems in this project Cubes Ankara, positioned as the center of new generation mixed living.

Aware of the importance of green areas, this project Cubes Ankara, which also offers floor gardens, terraces and common areas, stands out as a project that is friendly to children, pets, nature and the disabled.

We plan to complete this project Cubes Ankara, which is a candidate to host the city in a dynamic and cultural area with its offices, hotel, culture and art areas, show center, gourmet taste areas, shopping points, in 2024.

Location
Çankaya, Ankara

Construction Area
215.984,66 m²

Use
Residential + Commercial + Office

1.5.3. TABLO ADALAR



Our centrally located project 'Tablo Adalar', located on the Anatolian Side of Istanbul with a view of the Marmara Sea and the Princes' Islands, offers housing types ranging from 1+1 to 5+2, as well as large balconies, large landscape areas and rich social facilities. Our project consists of a total of 316 residences and 1 commercial unit planned to be used as a nursery.

We bring together the residents of the project with a new generation lifestyle with the indoor and outdoor swimming pools, floor gardens, terraces, basketball courts and tennis courts, children's playgrounds and landscaping areas in this project Tablo Adalar. We provide the necessary conditions for our customers to live in a quality, healthy and comfortable environment.

This project Tablo Adalar, which we started delivering in November 2023, has started life as an exemplary project that adds economic and vital value to Türkiye.

Location
Maltepe, Istanbul

Construction Area
67.861 m²

Use
Residential + Commercial

1.5.4. VYENİKONAK



This project is located in Konak district of Izmir, where business center towers are rising; it is located on a total construction area of 128,987 m², consisting of two blocks of 51 and 28 floors, with home office, commercial and residential properties. With this project, we aim to offer our customers a comfortable, healthy living space and increase the potential of the region.

While implementing our project Izmir Konak, we aim to implement such projects that reflect our company's sustainability approach by creating main contractor tender agreements within the scope of environmentally friendly green building targets. In this context, we are working towards the target for LEED Gold Certificate.

Location
Konak, Izmir

Construction Area
128.987,13 m²

Use
Residential + Home Office + Commercial

1.5.5. VSANCAKTEPE MERKEZ



Our land of 17,518.17 m² in Sancaktepe is located in the center of Sancaktepe District, which has shown the most development in recent years on the Anatolian Side, 5 minutes away from the Sancaktepe metro station, and adjacent to the planned Sancaktepe National Garden project.

This Sancaktepe Mixed Use Project, for which project development efforts have begun, is planned to bring a new vision to the housing and settlement structure of the region. Consisting of residential and commercial units, this project aims to meet the changing housing expectations after the pandemic by combining the traditional family life longed for in Istanbul with its qualified landscaping and spacious spaces, with the city life with gardens, large balconies and terraces, and social activities.

Location
Sancaktepe, Istanbul

Construction Area
58.133,42 m²

Use
Residential + Commercial

1.6. JOURNEY OF CORPORATE DEVELOPMENT

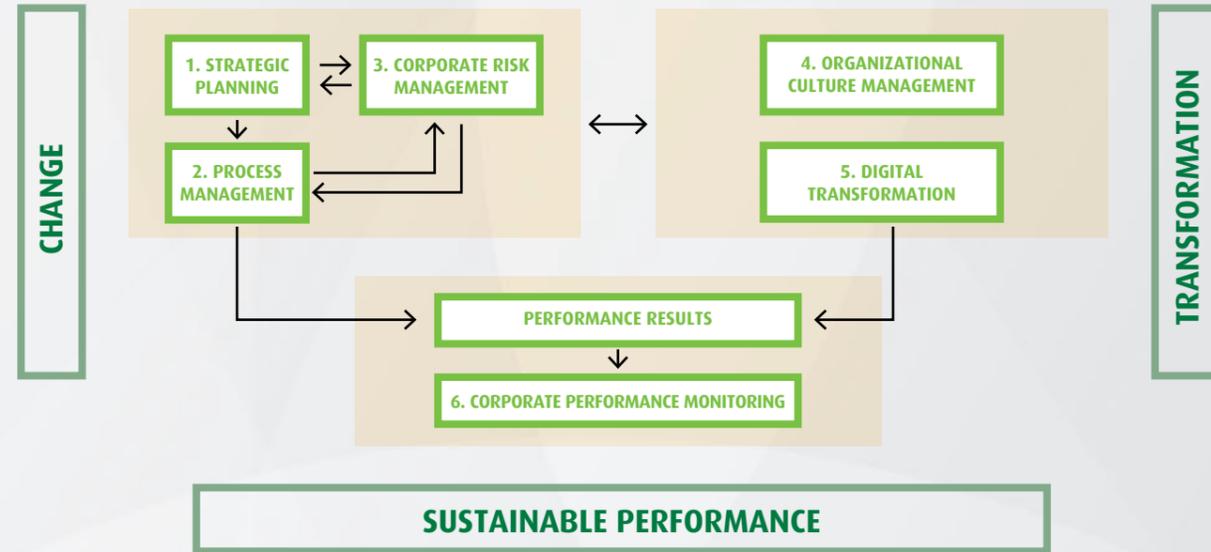


Figure 1.2. Corporate Development Project

As the first REIT in Türkiye, we continue to increase our steps to meet the expectations of all our stakeholders at the highest level in line with the targets set out in the "Integrated Strategic Plan" that we prepared in line with the United Nations Sustainable Development Goals within the framework of the "Corporate Development Project" that we initiated accordingly.

Vakıf REIT Integrated Strategic Plan was designed to be related to the United Nations Sustainable Development Goals (17 SDGs) and Targets (169 SDGs) at every stage, from the Current Situation Analysis phase to the determination of the Annual Performance Program. By adopting the 4P Model (Economic, Social, Environmental and Product sustainability) beyond the generally accepted 3P Model (Economic, Social, Environmental sustainability) defined in the United Nations Sustainability Program, it has been ensured that our Strategic Plan covers the sustainability program in four aspects. In order to implement the strategies, the Sustainability Management Process has been defined. In addition, within the scope of the TSRS reporting, our corporate development has been reviewed in terms of sustainability by analyzing our performance based on the information requested to be reported under the heading of governance.

To summarize our journey of corporate development over the years;

- With the systems that started with the **ISO 9001 Quality Management System** in 2020 and are developed day by day, the understanding of sustainable development has turned into a way of life in our company.
- Our management system was created by adopting the EFQM Management Model, which is referenced by the EU, and with the participation in the recognition program organized by KalDer in 2021, the "**2021 Türkiye Excellence Awards - Competence in Superior Performance - 4 Stars**" certificate was received in our first year.
- **In 2022**, the Integrated Quality Management System was developed by obtaining documents for the **ISO 27001 Information Security Management System, ISO 10002 Customer Complaints Management System and ISO 14064 Greenhouse gas inventory calculation** standards, integrated with our ISO 9001 Quality Management System.

• Our Integrated Management Model, which has been continuously developed within the scope of the Organizational Development Project and reached its current maturity level, has been crowned with the "**2022 Türkiye Excellence Award**" evaluated within the scope of the EFQM Model and, in particular, our integrated management approach has been determined as good practice.

• As a result of the corporate development project we started in 2020, we became the first organization to win the "**Türkiye Excellence Grand Award**" after **6 years at the Quality Congress organized** for the 32nd time by the Turkish Quality Association (KalDer) on 21-22 November 2023.



2

**CORPORATE
GENERAL APPEARANCE AND
EXTERNAL ENVIRONMENT**

2. CORPORATE GENERAL APPEARANCE AND EXTERNAL ENVIRONMENT

2.1. CORPORATE INDICATORS

SIZE OF ASSETS

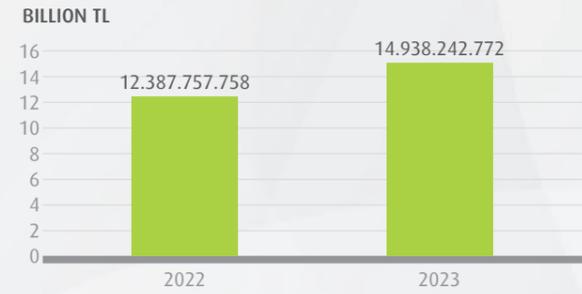


Figure 2.1. Size of Assets (TL)

NET PROFIT

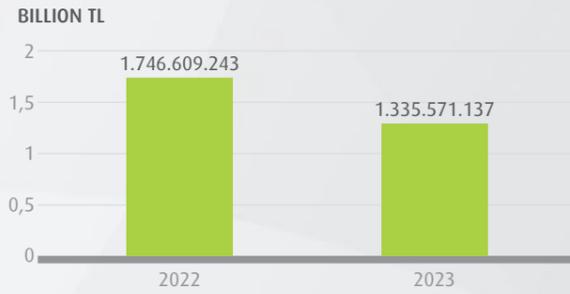


Figure 2.3. Net Profit (TL)

EQUITY SIZE

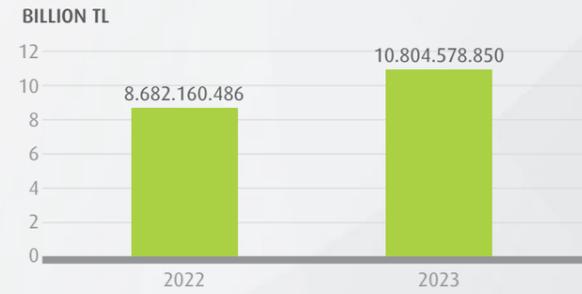


Figure 2.2. Equity Size (TL)

RETURN ON ASSETS

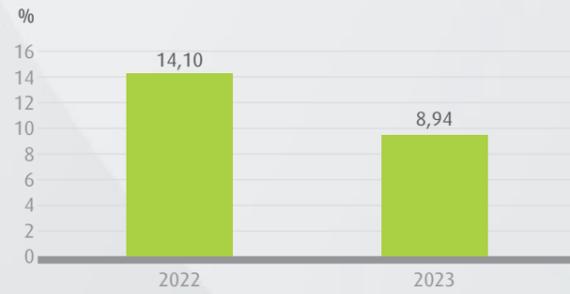


Figure 2.4. Return on Assets (TL)

SHARE VALUE

The development of Vakif REIT's stock in 2023 is presented in the graphs below. The graphs show the price change of our Company's stock and the volume of transactions between the period of 01.01.2023 - 31.12.2023, and the comparison of our Company's stock with BIST 100 and REIT indices.

VKGYO PRICE CHART

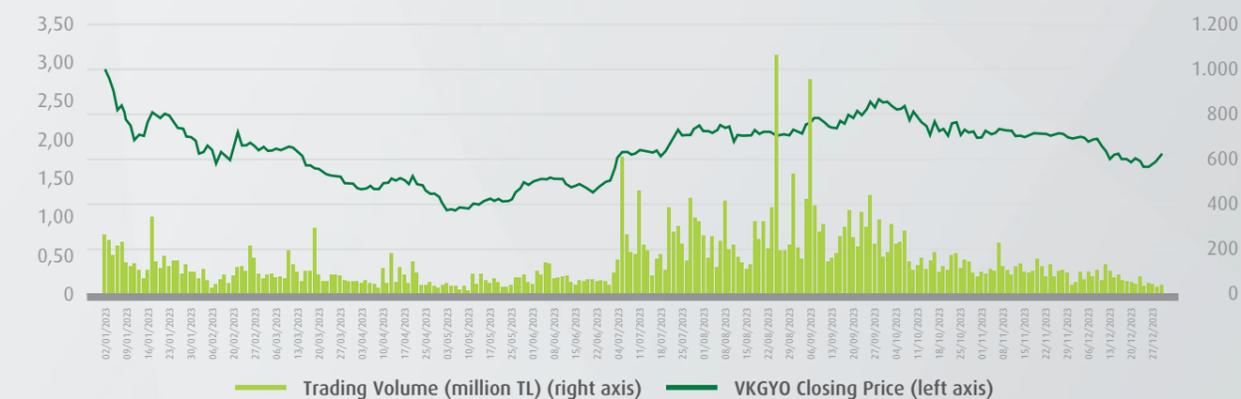


Figure 2.5. VKGYO Price Chart

VKGYO-XGMYO- XU100 COMPARATIVE MONTHLY CHANGE CHART

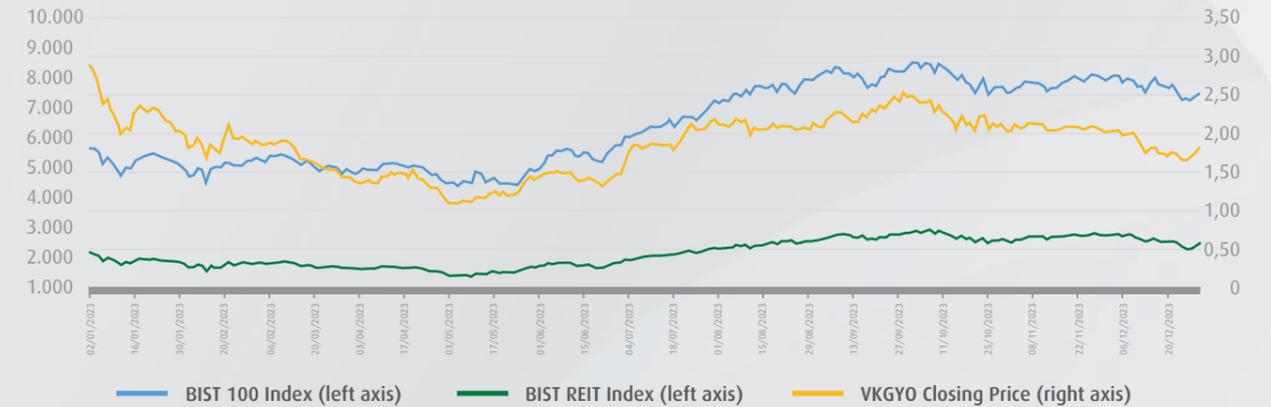


Figure 2.6. Comparative Monthly Change Chart

CORPORATE GOVERNANCE RATING SCORE

Divisions	Weight	2021	2022	2023
Shareholders	25%	82,53	90,61	90
Public Disclosure and Transparency	25%	84,19	93,68	95,2
Stakeholders	15%	80,83	82,06	94,7
Board of Directors	35%	82,86	89,02	93,9
CRS Score		8,28	8,96	9,33

Figure 2.7. Corporate Governance Rating Score

CUSTOMER SATISFACTION PERCENTAGE

	2019	2020	2021	2022	2023
Residence	64,0%	66,6%	81,3%	84,1%	85,6%
Commercial	78,3%	80,9%	86,1%	86,5%	88%

Figure 2.8. Customer Satisfaction Percentage - General Satisfaction (Breakdown)

CORPORATE REPUTATION RATE

BUSINESS AND GOVERNANCE STAKEHOLDERS PERCEPTION RESULTS

	2019	2020	2021	2022	2023
Founding Partners (VakifBank Executives)	83,2%	87,5%	88,4%	90,4%	94,3%
Capital Market Investors (Investment Securities Inc.)	76,8%	79,8%	84,8%	83,0%	84,1%
Regulatory and Supervisory Agencies (Public Institution Representatives and Bureaucrats)	73,1%	76,1%	78,4%	90,0%	86,5%

Figure 2.9. Business and Governance Stakeholder Perception Results - Overall Satisfaction (Breakdown)

SOCIAL PERCEPTION RESULTS

	2019	2020	2021	2022	2023
Sectoral Organizations and Non-governmental Organizations	69,3%	74,0%	75,2%	79,7%	92,1%
Universities	66,1%	69,3%	69,9%	80,0%	83,2%
Media Members	68,8%	74,9%	78,7%	89,1%	82,7%
Citizens	69,0%	71,5%	76,0%	78,9%	82,1%

Figure 2.10. Social Perception Results - General Satisfaction (Breakdown)

COLLABORATION AND SUPPLIER PERCEPTION RESULTS

	2019	2020	2021	2022	2023
Project Contractors	80,0%	79,0%	81,0%	89,8%	84,5%
Other Suppliers	82,0%	84,9%	81,7%	86,7%	85,2%

Figure 2.11. Collaborations and Supplier Perception Results - General Satisfaction (Breakdown)

EMPLOYEE SATISFACTION

	2019	2020	2021	2022	2023	
Position	Officer	73,10%	75,0%	87,3%	75,8%	92,3%
	Employee	69,69%	71,5%	69,3%	89,4%	87,7%
Seniority	0-2 years	80,90%	83,0%	80,7%	83,5%	94,7%
	2-5 years	73,49%	75,4%	70,6%	81,6%	91,5%
	5 years and over	65,31%	67,0%	70,1%	74,8%	67,2%

Figure 2.12. Employee Satisfaction - Overall Satisfaction (Breakdown)

2.2. REAL ESTATE ECOSYSTEM

GENERAL ECONOMIC OUTLOOK ¹

The year 2023 will be a year in which inflationary pressures and the tight monetary policies implemented in relation to them will be on the agenda on a global scale. Many developed and developing countries, especially the US Federal Reserve (Fed) and the European Central Bank (ECB), have increased policy interest rates and implemented tight monetary policies due to concerns about economic stagnation and recession. Although it is seen as an indirect risk factor from an economic perspective, the increasing geopolitical risks affecting all economic processes have continued to negatively affect the global outlook. The Ukraine-Russia

war on one hand, and the negative developments in the Middle East on the other hand, have attracted attention as inflationary pressure factors by negatively affecting trade through commodity prices, especially oil.

Despite the decline in energy and commodity prices during the year, the inflation problem continued. Despite all the negative developments, it was announced that the world economy grew by 3.2 percent as a result of the economic measures taken according to the IMF Economic Outlook Report, and that growth is expected to continue at the same pace in 2024 and 2025. Overcoming regional and global challenges, the Turkish economy will grow by 4.5 percent in 2023, making it the fastest growing country among EU countries. The main trend of inflation in our country slowed down significantly in the last quarter of the year, as the effects of monetary tightening began to show and the cost-side pressures that intensified in the third quarter were largely reflected in prices. According to the data announced by the Turkish Statistical Institute, consumer inflation in 2023 was 64.8 percent, which is in line with the year-end inflation expectation. The most significant contribution to consumer inflation came from the service sector, with price increases in food, transportation and accommodation subgroups exceeding the annual average increase, while they were below those in sectors such as housing, household goods and clothing. The producer price index increased by 44.2 percent as of the end of the year, and the cost increase in main industry groups such as durable consumer goods, capital goods, manufacturing, and non-durable consumer goods was above the PPI average. It is aimed to achieve gradual improvement in domestic demand and current account balance with the macro-prudential measures taken, especially the increase in policy rate, quantitative tightening that strengthens monetary transmission and selective credit policy. When we look at the 2023 figures for housing sales, which are one of the leading indicators of the construction and real estate sector, a total of 1 million 225 thousand houses were sold in Türkiye. In 2022, sales were realized as 1 million 485 thousand units. This indicates a 17.5 percent decrease in sales compared to the previous year. According to the sales types, the difference was experienced in mortgaged sales. While 280 thousand mortgaged houses were sold in 2022, in 2023 it decreased by 36.6 percent to 177 thousand units. The decrease in mortgage sales appears to have occurred due to the increase in housing loan interest rates and housing prices. The decline in first-hand sales was also evident in 2023, falling by 17.5 percent compared to the previous year, to 379 thousand units. Housing sales to foreign nationals have seen a sharp decline in this period. In 2023, 35 thousand units were sold, decreasing by 48.1 percent compared to the previous year. The decrease in foreign demand is seen as a balancing of the excess demand in

foreign purchases in the previous year. According to TÜİK data, the building construction cost index (December-2023) increased by 66.42 percent annually. When we look at the sub-breakdowns of the index, material prices increased by 52.72 percent and labor costs increased by 111.62 percent in the same period. The housing demand following the February 6, 2023 earthquake disaster indicates that reconstruction activities in the construction sector will increase and new housing prices may increase. Although an increase in demand is expected for real estate types that households see as investment vehicles for savings purposes, increasing credit costs and changing conditions show that the demand for housing for savings purposes will tend to decrease gradually in the second half of 2023. Financial costs have increased due to the impact of economic measures and monetary policies introduced to reduce inflationary pressures, encouraging savers in search of real returns to invest in instruments such as deposits. This will ensure that prices in the real estate market are balanced accordingly.

¹ Compiled with excerpts from CBRT periodic reports.

REAL ESTATE SECTOR ²

HOUSING MARKET

According to housing sales figures announced by TÜİK, housing sales across Türkiye decreased by 33.4 percent in December compared to the same month of the previous year, reaching 138,577. In respect of housing sales, İstanbul had the highest housing sales figure with 198 thousand 739 and the highest share with 16.2 percent. According to sales figures, İstanbul was followed by Ankara with 114 thousand 432 house sales and a 9.3 percent share, and İzmir with 65 thousand 465 house sales and a 5.3 percent share. Thus, house sales decreased by 17.5 percent compared to the previous year in the January-December period and amounted to 1 million 225 thousand 926.

Housing Sales, 2013-2023



Figure 2.13. Housing Sales (2013-2023)

Mortgaged house sales in 2023 decreased by 36.6 percent compared to the previous year, reaching 177 thousand 748. Other housing sales decreased by 13.0 percent compared to the previous year, reaching 1 million 48 thousand 178.

Housing Sales by Sales Type, December 2023

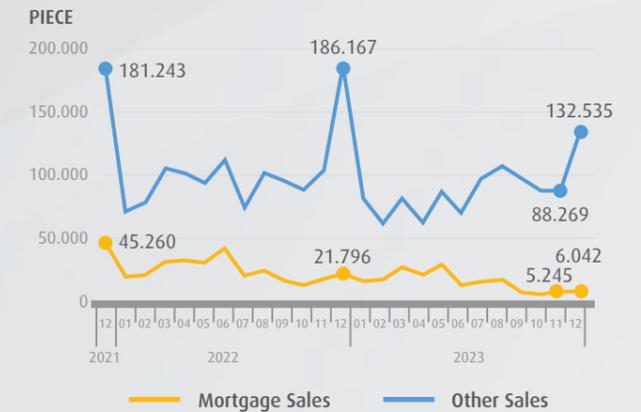


Figure 2.14. Housing Sales by Sales Type (December 2023)

First-hand housing sales across Türkiye decreased by 17.5 percent in 2023 compared to the same period of the previous year, reaching 379 thousand 542. Second-hand home sales decreased by 17.5 percent in 2023 compared to the same period of the previous year, reaching 846 thousand 384.

OFFICE MARKET

The year 2023 was a year of economic recession both in the world and in Türkiye. The earthquake disaster that shook 11 provinces of Türkiye on February 6 made earthquake resistance reports, ground reports and foundation works in commercial properties the most important demands of users and investors. As a result of this development, the difficulties in obtaining financing due to the tightening of monetary policy in the second half of the year further increased the pressure on investment demand for new office supply. However, ongoing inflation and exchange rate fluctuations caused primary rental prices to continue to rise against the Turkish Lira and the US dollar. Due to reasons such as the continued return of businesses to office spaces and the increasing demand for Class A offices and business centers, the occupancy rate reached its highest level in nine years. The growth measured in dollar terms in the Levent district was 8.6 percent compared to the same period last year. In this case, base rental rates continued to rise in dollar terms due to continued demand and limited supply. With the opening of a part of the İstanbul International Financial Center in the third quarter of the year, the total supply of the İstanbul office market increased to 7.14 million square meters.

In 2023, a total of 315,473 square meters of sales/leasing took place; this figure is 40 percent less than in 2022. Additionally, 32 percent of all lease agreements were signed in the first half and 68 percent in the second half. Although there will be no major office building investment in 2023, investments are expected to gain momentum in the medium and long term. The evacuation of earthquake-resistant buildings and the conversion of offices into different buildings increase the supply gap in the market. It is expected that demand and occupancy will continue to increase in the coming period, and the upward trend in first-hand rents will continue.

LOGISTICS MARKET

The Turkish logistics market continued to grow in 2023; however, supply pressure in the market is still high as development activities have difficulty meeting the larger space needs of logistics warehouse users. According to the World Bank's Logistics Performance Index, which measures the international competitiveness of countries and the efficiency of trade and supply chains and logistics services, Türkiye increased its score from 3.2 in 2018 to 3.4 in 2023; ranking 38th among 138 countries in the grouped ranking. Issues such as the quality of customs, trade and transport infrastructure and the ease of handling international shipments are areas of development that could further enhance the progress made in the short term. According to current data, the Istanbul-Kocaeli region, which is the main logistics market area, has a total of approximately 11.1 million m² of warehouse stock and 7.3 million m² of logistics supply for commercial use. The volume of projects in the construction phase has been determined as approximately 480 thousand m², and almost all of the projects are for commercial use. The total supply of logistics warehouses completed in 2023 increased slightly, albeit limited, but the vacancy rate remained stable compared to the same period last year, as the completed warehouses entered the market fully leased before construction. In 2023, a total of 135 thousand m² of logistics warehouse was rented. Although the area of warehouse rental transactions increased significantly by 137 percent compared to last year, transactions remained 26 percent below the five-year average rental transaction volume due to supply constraints. Due to the limited supply in the Asian market in Istanbul, transactions are concentrated in European regions such as Kocaeli and Istanbul. When the share ranking of the most active sectors in rental is examined, it is white goods with 32 percent, retail with 30 percent, e-commerce with 25 percent and 3PL with 12 percent. Prime rents for logistics warehouses increased by 25

percent annually to \$8.75/m²/month in 2023. In TL terms, it increased by 108 percent compared to the same period last year and reached 260 TL/m²/month. The pressure on rental prices to increase in the primary market is expected to continue in the coming periods. In 2023, efforts towards green change in the Turkish industrial and logistics market have accelerated.

Some of the organized industrial zones started their activities by publishing action plans for 2053 within the scope of net emissions and green development targets. On the other hand, incentives for obtaining green building certificates for logistics facilities have begun to appear in the primary market. In the coming years, global companies are expected to make decisions to move closer to their production and logistics centers (closer to transportation) and to move to on-site production (relocation). In this context, the focus of foreign users is expected to be Türkiye, which is close to production corridors and offers accessibility advantages. It is thought that the decisions taken by Europe, one of Türkiye's most important export markets, within the framework of the green agreement, the digital transformation of last-mile logistics, the rules regarding electronic exports and the expansion of the e-commerce network will be important structural trends in Türkiye in the long term.

² Prepared by quoting from TÜİK, TCMB, GYODER reports.

2.3. SUSTAINABILITY TRENDS IN THE REAL ESTATE SECTOR

ESG factors are moving towards a more central role in strategic decision-making processes in the real estate sector. ESG compliance in the real estate sector is expected to become the most critical factor that will shape the perspective of investors, consumers and regulatory bodies towards the sector by 2050. Indeed, the European Union has taken a strong step in this direction by adopting the Energy Performance of Buildings Directive.

This trend seen in the sector will ensure that ESG criteria come to the fore in the evaluation and financing of real estate projects, leading to sustainability and social responsibility practices becoming standard across the sector. This will require compliance with the ESG principles at all stages of the building, from its design to its operation, renovation to end-use.

High inflation and rising interest rates increase the costs of implementing the "E" (Environmental) dimension of ESG in the real estate sector. Economic pressures may make it difficult to finance environmentally friendly practices such as green building certificates, energy efficiency investments and the use of sustainable materials, especially in the short term.

However, in the long term, operational cost savings and increased asset values of sustainable practices are expected to offset the costs of these initial investments. Industry players need innovative financing models and government incentives to address these challenges.

The integration of battery-powered renewable energy systems and electric vehicle charging stations in housing projects around the world stands out as a concrete indicator of the demand for environmental sustainability. This integration increases the capacity of buildings to meet their energy needs from renewable sources while also encouraging the use of electric vehicles.



3

CORPORATE GOVERNANCE

3. CORPORATE GOVERNANCE

3.1. ORGANIZATIONAL STRUCTURE

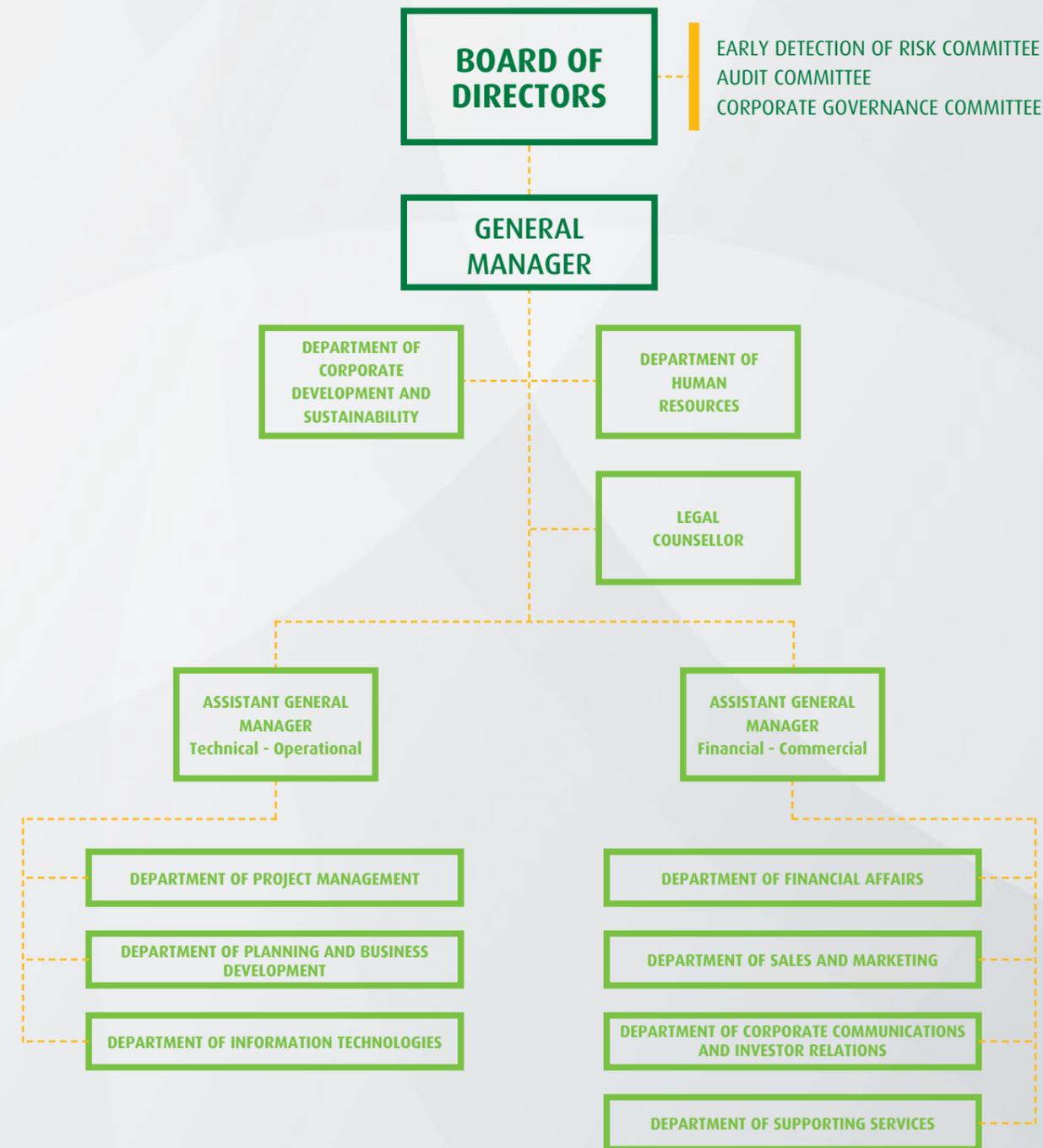


Figure 3.1. Organization Chart

3.2. BOARD OF DIRECTORS AND COMMITTEES

The Board of Directors, which is the highest-level body responsible for the execution of Vakıf REIT’s activities, consists of a total of nine members. Our General Manager also serves as a member of the Board of Directors. The term of office of the members of the Board of Directors is determined as 12 months. In the election of Board members, candidates are determined in accordance with the principles of fairness, diversity and inclusiveness and by taking into account the experience and knowledge required by the finance and real estate sectors. The Board of Directors includes the “Early Detection of Risk Committee”, the “Audit Committee” and the “Corporate Governance Committee”.

EARLY DETECTION OF RISK COMMITTEE

Mr. Rifat DEMİRBAŞ is the chairman of the Early Detection of Risk Committee, which was established by our Company’s Board of Directors in accordance with the Turkish Commercial Code and the capital markets legislation, for the purpose of early diagnosis of the reasons that endanger the existence, development and continuation of the company, implementation of the necessary measures and remedies for this, and management of the risk, and Mr. Tevfik ERPEK is the committee member. During this period, the Committee made efforts to ensure early diagnosis of risk, take necessary precautions regarding risks that may endanger the existence, development and continuity of the Company, and manage the risk, and within the scope of bimonthly routine review of risk management systems, reviewed the Internal Control Reports prepared by the Internal Control Committee and presented a report thereon to the Board of Directors. During this period, the Committee prepared 6 reports.

AUDIT COMMITTEE

The committee responsible for auditing is formed and authorized by the Board of Directors. The Committee acts under its own authority and responsibility, makes recommendations to the Board of Directors and, when necessary, prepares a report and presents its opinion to the Board of Directors. However, the final decision responsibility always belongs to the Board of Directors. The Audit Committee reviewed the Financial Statements and Footnotes as well as the Board’s Annual Reports for the accounting period of 01.01.2022-31.12.2022, 01.01.2023-31.03.2023, 01.01.2023-30.06.2023, 01.01.2023-30.09.2023 and 01.01.2023-31.12.2023, and presented a report thereon to the Board of Directors. In addition, the 4th Term Committee report for the accounting period of 2023 was also presented to the Board of Directors. The Committee met 8 times and

prepared 4 reports during this period.

The Committee also reviewed the functioning of the company’s internal audit system, contributed to the identification of processes open to improvement, and ensured that audit activities were carried out effectively.

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee established by the Board of Directors is chaired by Mr. Ömer DEMİR and its members are Mr. Tevfik ERPEK and Investor Relations Manager Ms. Tülay ÖZTÜRK. During this period, the Committee responsible for corporate governance made efforts to provide an agenda for the Board of Directors to ensure that the Corporate Governance Principles are developed and implemented within the Company, to make recommendations to the Board of Directors in order to improve the corporate governance practices, to oversee the procedures of the Investor Relations Unit, to make suggestions regarding the number and election of the Board Members, the functioning structure and effectiveness of the Board of Directors and its committees, taking into account the Corporate Governance Principles, and to predict such risks that may affect the Company’s operations in the areas, where the company operates, and to take measures to eliminate and/or reduce the possible negative effects of these risks. In addition, the Corporate Governance Committee also assumed the duties of the Nomination Committee and the Remuneration Committee. During this period, the Committee presented the Corporate Compliance Report for the 2023 accounting period, the Sustainability Principles Compliance Report and the 1st, 2nd, 3rd and 4th Term Investor Relations Department Activity Report for 2023 to the Board of Directors. In addition, the Committee prepared the 2023 1st, 2nd, 3rd and 4th Term committee reports and presented them to the Board of Directors. The Committee met 8 times and prepared 9 reports during this period.

HEAD OFFICE

At Vakıf REIT, sustainability and climate-related risks and opportunities are managed through the Strategic Planning Committee affiliated to the General Directorate on behalf of the Board of Directors, in an integrated manner within the company’s overall risk management system. Risks such as the expected increases in construction material costs in the medium and long term due to the carbon fees to be applied in the National Emission Trading System planned to be established in our country this year and the flood disasters with increasing frequency/severity due to climate change are monitored in coordination with other departments and conveyed to the Board of Directors through the Strategic Planning Committee. Vakıf REIT manages the risks and opportunities encountered in

the short and medium term with a holistic perspective within the framework of its Strategic Integrated Plan, published for the first time in its sector.

Taking into account the issues included in the "External Environmental Analysis" prepared comprehensively by the Executive Board, the "Integrated Strategic Plan" covering the years 2024-2028 was published by the Board of Directors. It was also decided to include sustainability/climate related risks and opportunities in Vakıf REIT's corporate risk management system.

The strategic planning process is carried out under the chairmanship of the General Manager on behalf of the Board of Directors.

Our General Manager is also a member of the Board of Directors. Within the scope of managing sustainability/climate-related risks and opportunities, targets such as energy and water efficiency, emission measurement and reduction works are determined by the Strategic Planning Committee and submitted to the Board of Directors for approval.

3.3. BOARD MEMBERS

Our Company's Board of Directors Members Elected at the 2023 Ordinary General Assembly Meeting held on 12.06.2024



Mikail HIDIR
Chairman



Assoc. Prof. **Şükrü Mete TEPEGÖZ**
Vice Chairman



Onur İNCEHASAN
Board Member
General Manager



Arzu SEYAN
Board Member



Tevfik ERPEK
Board Member



Korhan TURGUT
Board Member



Rifat DEMİRBAŞ
Board Member (Independent)
Chairman, Early Detection of Risk
Committee



Ömer DEMİR
Board Member (Independent)
Chairman, Corporate Governance
Committee



Abdullah AYAZ
Board Member (Independent)
Chairman, Audit Committee



Please click for the CVs of the
Board Members.

Senior Management	
Name & Surname	Position
Onur İNCEHASAN	General Manager
Ahmet ŞENOCAK	Assistant General Manager Technical - Operational
Özer EROĞUZ	Assistant General Manager Financial - Commercial

Duties Performed by the Board Members and Executives Outside the Company		
Board Members and General Manager		
Name & Surname	Position	Role/Position Outside the Company
Mikail HIDIR	Chairman	Assistant General Manager, T. Vakıflar Bankası T.A.O.
Assoc. Prof. Şükrü Mete TEPEGÖZ	Vice Chairman	Special Credits Management Director, T. Vakıflar Bankası T.A.O.
Onur İNCEHASAN	Board Member/ General Manager	General Manager, Vakıf Real Estate Investment Trust
Arzu SEYAN	Board Member	Corporate Banking Marketing Director, T. Vakıflar Bankası T.A.O.
Tevfik ERPEK	Board Member	Head, Marketing, SME Banking, T. Vakıflar Bankası T.A.O.
Korhan TURGUT	Board Member	Head, Department of General Accounting and Financial Affairs, T. Vakıflar Bankası T.A.O.
Rifat DEMİRBAŞ	Board Member	Architect, PhD
Ömer DEMİR	Board Member	Freelance
Abdullah AYAZ	Board Member	Architect, PhD

3.4. SUSTAINABILITY ORGANIZATION

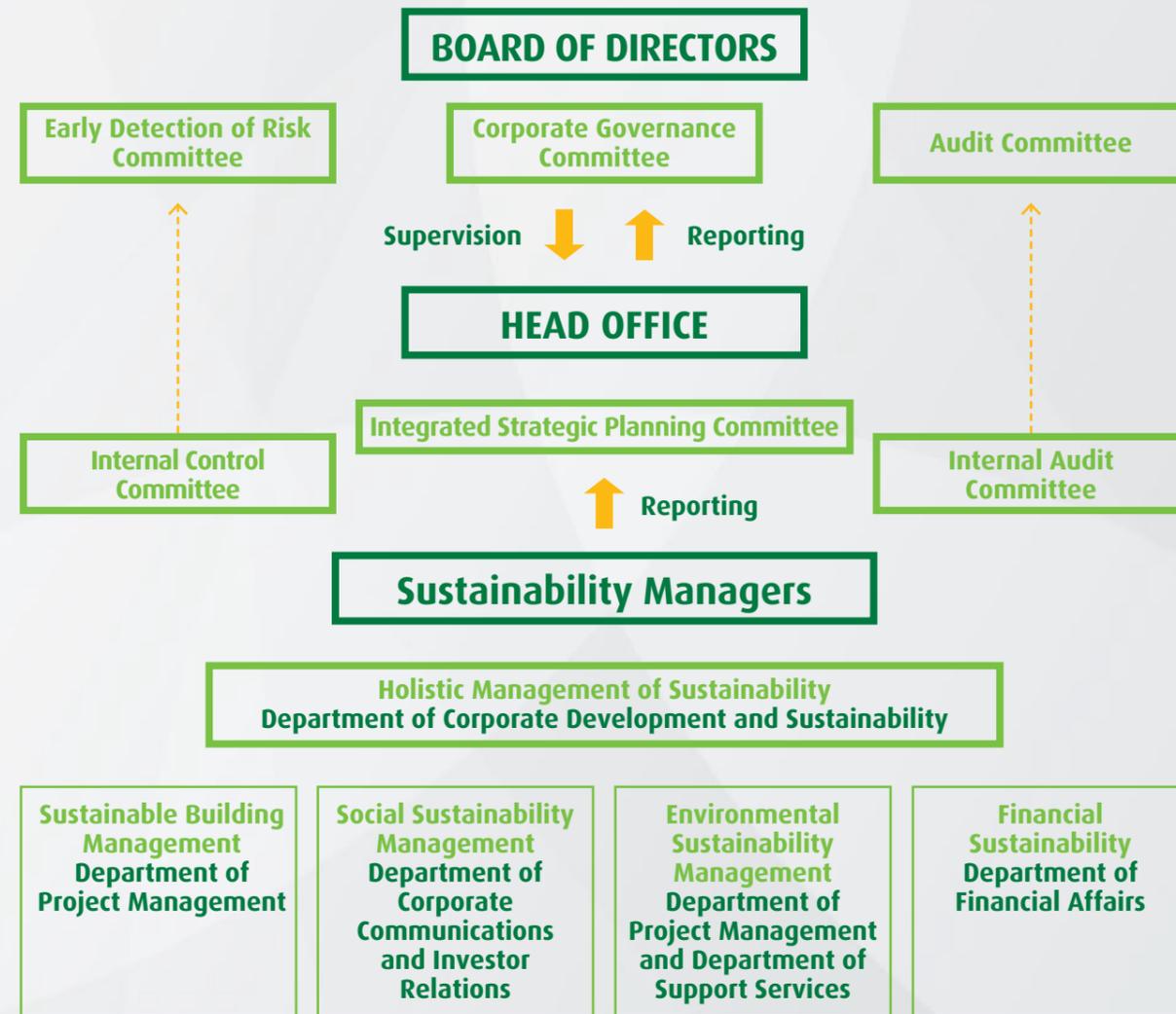


Figure 3.2. Our Sustainability Organization

Vakif REIT’s Board of Directors, consisting of 9 members, has a critical role in identifying and managing sustainability and climate-related risks and opportunities. While determining the company’s general sustainability policies, the Board closely monitors the company’s performance in line with the set targets. This process ensures that the company’s long-term strategies and operations are carried out in compliance with environmental, social and economic parameters. The strategic targets for sustainability/climate reported in integrated reporting and CDP are also determined by the Board of Directors. (TSRS 1 27(a)(iv), TSRS 2 6(a)(iv))

The General Directorate, which operates under the Board of Directors, plays an active role in the implementation of sustainability-related operations and strategies, under the coordination of the Department of Corporate

Development and Sustainability and through the Strategic Planning Committee.

Thus, a systematic approach has been developed for the company to manage sustainability and climate-related risks and to evaluate the opportunities that may arise from these risks. (TSRS 1 27(b)(i), TSRS 2 6(b)(i))

While the Department of Corporate Development and Sustainability ensures the establishment of a corporate culture that will develop projects on issues such as environmental impact reduction, resource efficiency and green building initiatives, the Strategic Planning Committee determines the company’s long-term sustainability goals and strategies and monitors the implementation of these strategies.

Responsibilities of the “Department of Corporate Development and Sustainability” responsible for the coordination of strategic planning activities are as follows:

- Ensuring that Integrated Strategic Planning efforts are compatible with the UN Sustainable Development Goals,
- Performance-based management of sustainability in Environmental, Social and Governance (ESG) dimensions and establishment of coordination with relevant units,
- Evaluation, development and reporting of new and existing projects from a “sustainability” perspective (green buildings, low-carbon buildings, etc.),
- Effective performance-based management of environmental sustainability (sectoral differentiation with climate change and green climate (environment) solutions),
- Carrying out integrated reporting works in line with integrated planning,
- Increasing awareness about sustainability through education and information activities.

The decisions taken by the Strategic Planning Committee are presented to the Board of Directors under the chairmanship of our General Manager, who is also a member of the Board of Directors. In this way, our sustainability approach is created with a participatory approach and is adopted by all our units, starting from the highest level of our institution, in a determined, systematic and efficient manner. (TSRS 1 27(a)(i)), TSRS 2 6(a)(i))

Thanks to these structural arrangements, a proactive approach is taken towards sustainability and climate change issues, thus both maintaining current operational successes and strengthening future growth potentials.

We manage our sustainability work under the coordination of the Department of Corporate Development and Sustainability through the “Sustainability Management” process. In this context, it is carried out with the sub-processes of Sustainable Building Management, Environmental Sustainability Management, Social Sustainability Management and Financial Sustainability Management.

The Internal Control Committee within the General Directorate informs the Early Detection of Risk

Committee every two months about the actions taken, including sustainability and climate risks accordingly thereunder. The data obtained is analyzed and submitted to the Board of Directors by the Early Detection of Risk Committee. (TSRS 1 27(a)(iii), TSRS 2 6(a)(iii))

3.5. ROLES, RESPONSIBILITIES AND EXPERTISE RELATED TO SUSTAINABILITY

We clearly define roles and responsibilities at the Board of Directors and General Management levels so that sustainability-related activities can be carried out in harmony. In addition to its general oversight responsibility, the Board of Directors is also responsible for determining the general strategy and targets related to sustainability/climate, while the General Directorate is responsible for the steps to be taken to implement these strategies and targets within the framework drawn by the Board of Directors. (TSRS 1 27(a)(i))

	Meeting Bodies	Structure	Sustainability and Climate Change	Main Negotiation Topics
Supervision	Board of Directors	1 Chairman 5 Board Members 3 Independent Members	Determine strategic policies and goals related to sustainability/climate Receive and assess appropriate reports from the executive on sustainability/climate related issues	2024-2028 Integrated Strategic Plan Set goals and make commitments to manage sustainability/climate-related risks and opportunities Review of risk management policies Set strategic targets for reducing greenhouse gas emissions Set design goals in line with the circular economy Allocate personnel and resources towards sustainability and climate-related goals Monitor and audit sustainability/climate related policies
	Early Detection of Risk Committee	1 Chairman 1 Board Members	Early detection of corporate risks and, in particular, sustainability and climate risks, implementation of necessary measures and solutions, and risk management.	Regular reporting to the board of directors (every 2 months)
	Corporate Governance Committee (Remuneration Committee and Nomination Committee)	1 Chairman 1 Board Members 1 Member	Determine and monitor the principles, criteria and practices to be used in the remuneration of Board members and executives with administrative responsibility, taking into account sustainability/climate-related targets, considering the long-term goals of the company.	Report of Compliance with the Sustainability Principles Senior Executive Compensation Report of Compliance with the Corporate Governance Principles
	Audit Committee	1 Chairman 1 Board Members	During the period, it is to ensure that corporate governance principles are developed and implemented within the company, to make recommendations to the Board of Directors to improve corporate governance practices.	Monitoring corporate performance against corporate risks and opportunities, including sustainability/climate related risks and opportunities (TSRS 1, 2)
	Application	Strategic Plan Committee	Chairman: General Manager Coordination: DCDS AGM and All Managers	Negotiate and decide on important sustainability and climate-related work and policies within the framework of the company's overall vision and strategy. Report to the board of directors
Department of Corporate Development and Sustainability		1 Manager 1 Expert 1 Assistant Expert	Manage sustainability and climate change processes	Coordination and execution of the strategic planning process (integration of strategies with SDGs and SDGs, starting from the Current Situation Analysis) Monitoring and evaluation of sustainability-related goals Performance-based management of sustainability in Environmental, Social and Governance (ESG) dimensions and establishment of coordination with relevant units * Greenhouse Gas Inventory Calculation * CDP Reporting * Integrated Reporting Ensure that the projects are compatible with LEED and Yes-Tr certification processes. BIST Sustainability Index compliance efforts Increasing awareness about sustainability through education and information activities.
Internal Control Committee		Chairman: DCDS Members: BTM, MIM, SPM, PIM	Determine corporate risks and opportunities and specifically sustainability risks and opportunities, leveling risks, taking action	Risk/opportunity identification Determine risk severity Take risk mitigation actions Risk reduction Reporting to the early detection of risk committee and the Board of Directors
Disciplinary Board		Chairman: IKM Members: MIM, IM	Ensure compliance with general ethical rules within the scope of governance throughout the organization.	Preparation of the Ethical Principles Regulation Monitoring compliance with ethical principles and evaluating ethical violations

Figure 3.3. Sustainability Roles and Responsibilities

There are the necessary skills and competencies to determine sustainability and climate-related policies in

a sound manner at the Board level. (TSRS 1 27(a)(ii), TSRS 2 6(a)(ii))

Name	Position / Education	Sustainability/Climate Related Expertise
Assoc. Prof. Şükrü Mete TEPEGÖZ	Ph.D. in Social Sciences, Istanbul Commerce University, Institute of Social Sciences	Head of country risks, financial institution loans and sustainability at Vakıflar Bankası Internal control from financial institutions
Abdullah AYZAZ	Bachelor's and Master's Degree, Department of Architecture, Yeditepe University	Local management Urbanization
Rifat DEMİRBAŞ	Master's Degree, Department of Architecture, Faculty of Architecture, Yeditepe University	Real estate project management

Figure 3.4. Sustainability Related Specializations

3.6. SENIOR EXECUTIVE COMPENSATION

The remuneration system of Vakıf REIT Board of Directors members and senior executives is shaped according to the Remuneration Principles determined by the Vakıf REIT Remuneration Committee. In line with these principles, the fixed amount to be paid to the board members is determined each year at the ordinary General Assembly meeting and announced to the public.

The principles, criteria and practices to be used in the remuneration of Board Members and executives with administrative responsibility are determined and monitored, taking into account the company's long-term goals. The Board of Directors evaluates remuneration decisions in line with the recommendations presented by the Remuneration Committee.

Fixed salaries of senior management are determined in accordance with legal obligations, taking into account factors such as market conditions, company performance, experience, competence, importance of the position and responsibilities. Executive compensation is directly linked to the company's overall performance.

Performance-based bonuses are determined and paid based on the degree to which the specified performance targets are achieved.

In order to implement the company's strategic goals and sustainability policy, these goals are communicated to all employees, including senior management, and their performance is evaluated. Strategic goals, including sustainability goals, are monitored through key performance indicators (KPIs). In this regard, in addition to fixed wages, performance-based bonuses are rewarded. (TSRS 1 27a(v) TSRS 2 6(a)(v))



4

BUSINESS MODEL

4. BUSINESS MODEL

4.1. VALUE CHAIN

Creating sustainable value for our customers in line with their expectations and needs is implemented through 4 basic processes, which are our Customer-Focused processes;

4.1.1. DESIGNING VALUE

M1.3. is the first step in designing the value. S1. is the first step in the "Business Development and Feasibility" process. Within the scope of the Strategy "Business Development with Innovative and Concept Projects":

- Symbol/Mega Residential Commercial
- Symbol Hotel
- Logistics
- Urban Transformation

Business development activities are carried out in these areas.

Taking into account the works developed, Long Term (5-year) Project Investment Plan and Work Programs are prepared for each project within the scope of the "M2.1 Project Development" Process.

Project plans cover the project stages from feasibility to final acceptance and are compliant with PMI criteria, including the CPM (Critical Path Method) methodology. Project stages include comprehensive feasibility and real estate valuation works, concept design, design development, project official permit processes, preparation of projects based on implementation (architectural, static, installation, electrical application projects).

4.1.2. PRODUCING VALUE

Within the scope of the "M2.2 Project Implementation" Process; it covers the activities of handing over the site to the main contractor, ensuring that the project-based manufacturing is carried out within the work schedule in accordance with general and special technical specifications, standards, contract, scientific and artistic rules, monitoring the work progress, preparing the estimated project budget in accordance with the project progress stages and performing cost controls, performing quality assurance and controls in line with quality standards, and performing applications and controls regarding occupational health and safety.

The level of development of quality assurance systems has been increased to the reference good practice level with the "M2.2.2.5 Sustainable Building Application Management" and Integrated Sustainability Management

and Reporting approaches that we implemented in 2022.

4.1.3. VALUE PRESENTATION AND COMMUNICATION

Communication and sales of value are managed through the "M1. Marketing and Sales" Process, and establishing sustainable relationships with our customers and managing their experiences are managed through the "M4. Customer Relationship Management" Process.

Regarding the communication and sale of value:

- **Understanding the Market:** Market and competition analyses are conducted based on market research specific to real estate, and customer expectations and needs are determined through Customer Satisfaction Surveys. In real estate specific market research; Sector Analysis, Regional Stock Analysis, Best Use Analysis, Valuation Reports prepared within the scope of Real Estate Based Capital Market Legislation, Sectoral Index Indicator Reports and Real Estate Based Structuring and Market Data Analysis are used.

- **Market Positioning:** This covers the activities of determining the marketing strategy and value proposition in line with the strategic direction determined in the Strategic Planning study. The value proposition is determined on a project basis, taking into account our main purpose of "The Power of Custom, the Build of the Future" and the dimensions of differentiation according to competition.

- **Marketing and Sales:** Based on the Value Proposition, marketing and sales activities are carried out based on annual plans on a project basis.

4.1.4. MANAGING SUSTAINABLE RELATIONSHIPS AND EXPERIENCE

Establishing sustainable relationships with our customers and managing their experiences: This is managed with the "M4. Customer Relationship Management" Process in line with the "S4. Effectively Managing Customer Experience" Strategy.

- **M4.1 Managing Customer Experience:** In order to understand the needs and expectations of the customer, their purchasing or rental behavior and to create sustainable value, a project-based Customer Journey Map is created from the awareness stage to the brand ambassador stage, and a Customer Experience Map is created to understand the experience at customer touchpoints. Customer communication is planned and carried out based on the Customer Experience Map.

- **M4.2 Managing Customer Experience:** Based on the communication plan, this includes "Customer Communication Management", "Feedback Management" covering requests, complaints and suggestions, and

"Customer Satisfaction Measurement and Evaluation" activities carried out through independent research companies.

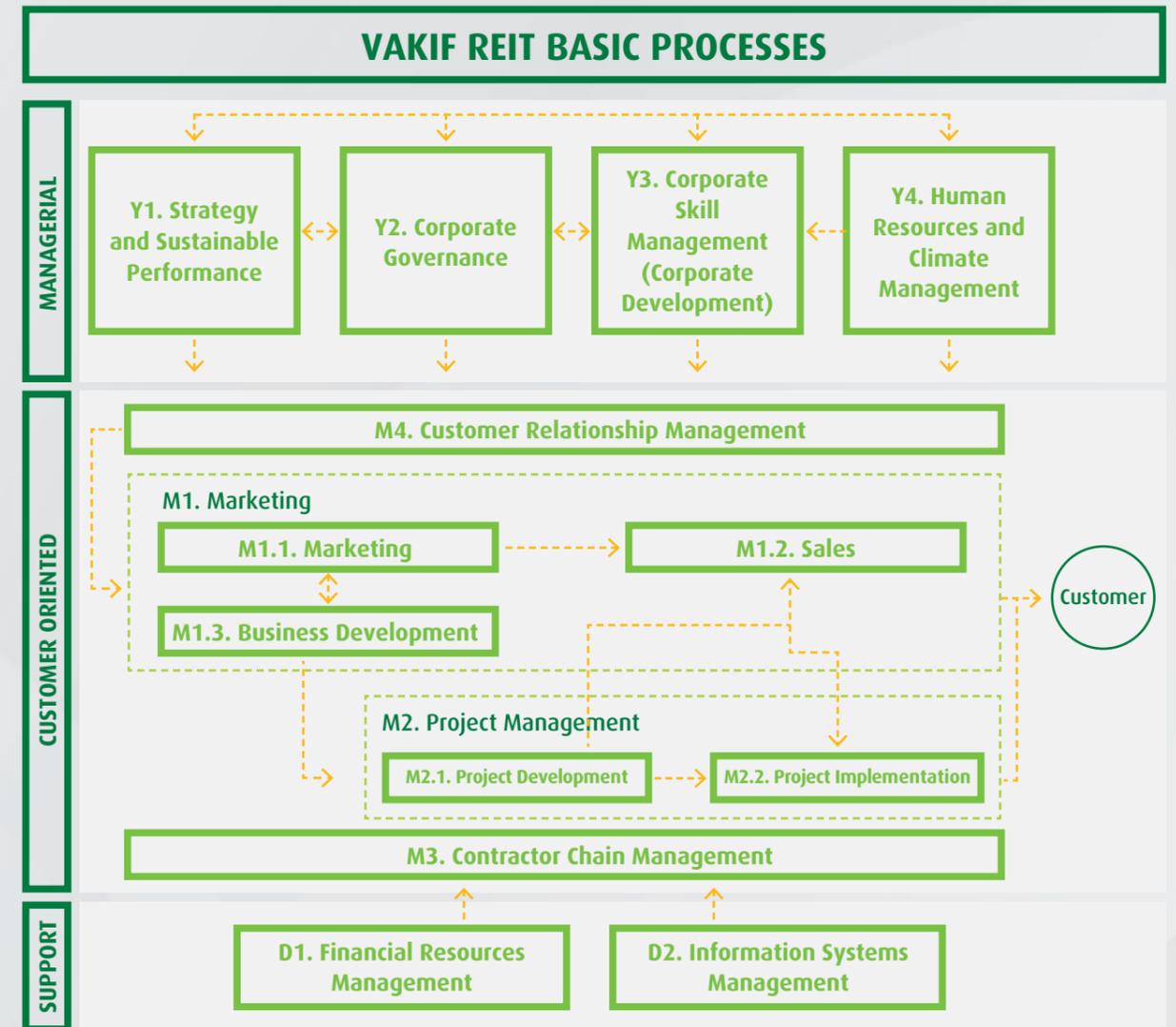


Figure 4.1. Value Chain

4.2. VALUE CREATION MODEL

It is at the heart of our value creation process to produce sustainable and high-return projects by focusing on positive social impacts. We aim to produce outputs that will benefit all stakeholders, including society, in the long term by constructing buildings with high construction quality and low environmental footprint in line with the ESG criteria by evaluating all capital elements we have in a coordinated manner. We are committed to maintain our sustainable and profitable company image in the real estate sector with projects that adopt circularity as a principle in the design phase, reduce embedded and operative greenhouse gas

emissions, and provide maximum efficiency in energy, water and waste management.

Our value creation model provides a comprehensive summary of the holistic value we create for our stakeholders across our entire value chain. This model defines the inputs we need to produce value, while visually explaining how these inputs are processed and transformed into results.

We use a broad set of qualitative and quantitative performance indicators to track and manage the inputs we use and the value we create.

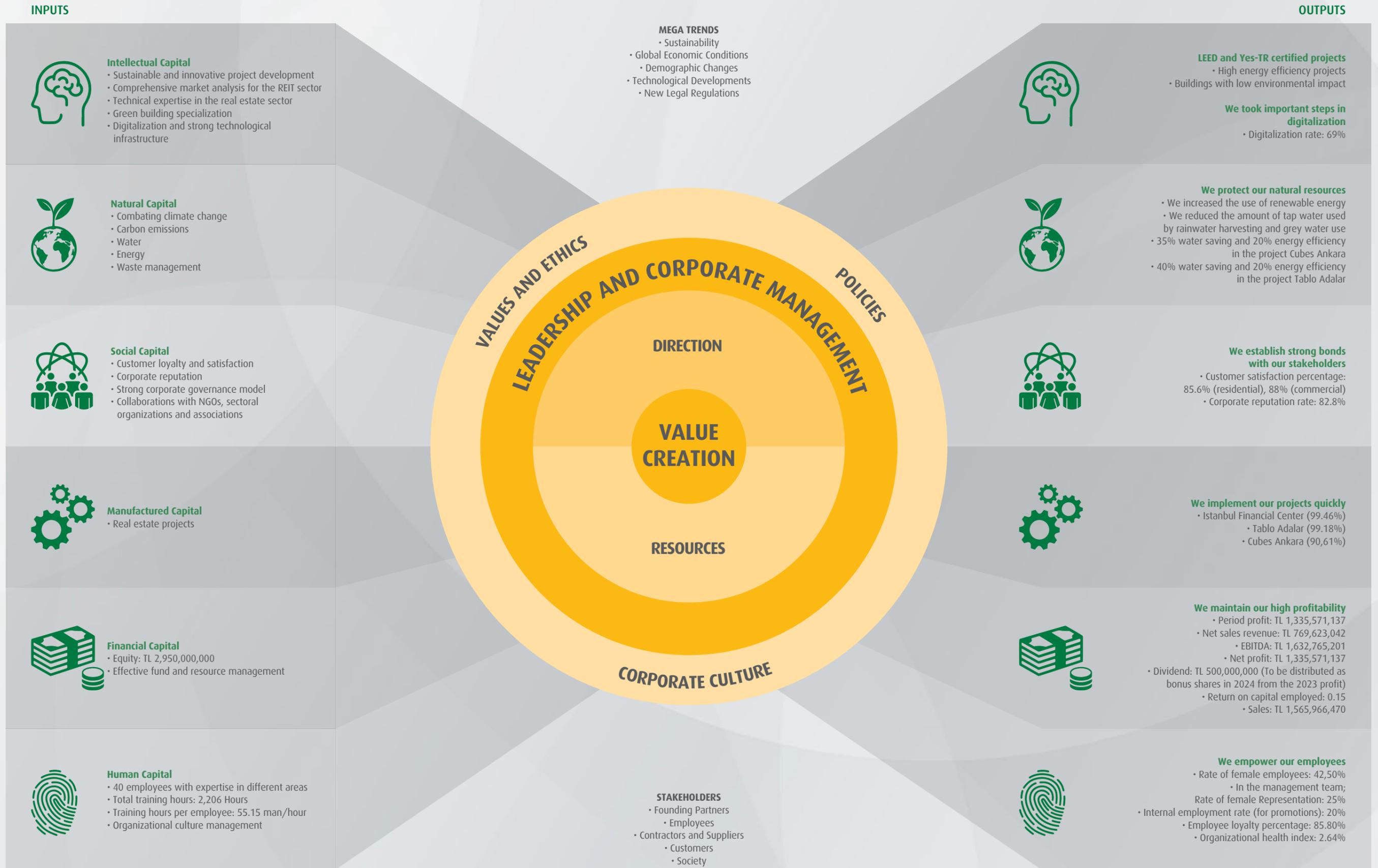


Figure 4.2. Our Value Creation Model



5

RISKS AND OPPORTUNITIES

5. RISKS AND OPPORTUNITIES

Vakif REIT has adopted a comprehensive risk management system in order to effectively manage the risks it may encounter while continuing its activities in the real estate sector. This system supports the company in achieving its strategic goals while ensuring early detection of potential risks and the development of proactive approaches to them. Vakif REIT's risk management system has been designed in accordance with international standards and is constantly reviewed to ensure the company's sustainable growth.

The risk management process includes the integration of risk awareness at all levels of the company. This process consists of the steps of identifying, evaluating, prioritizing and managing risks. Each risk is evaluated by taking into account its possible effects and probability of occurrence. Accordingly, the most appropriate risk reduction actions are developed and implemented.

Sustainability and climate risks are placed at the center of the overall risk management strategy and a proactive and systematic approach is adopted in these areas. The company's risk management system is designed to systematically identify, assess and manage potential risks associated with environmental sustainability and climate change. (TSRS 1.44(c), S2.25(c))

In this process, great importance is given to determining environmental risks and possible impacts that may be caused by climate change. Such risks include direct impacts such as extreme weather events and temperature changes, as well as indirect impacts such as changes in energy prices, regulatory changes and carbon fees. These risks have the potential to have serious effects on the company's operations, financial condition and market position in the medium and long term.

Priority is given to green building certifications (such as LEED, YeS-TR) in order to increase resilience against risks related to climate change. Thanks to these certification systems, it is aimed to reduce the effects of sustainability and climate-related risks with a holistic approach.

The Internal Control Process, which is carried out to manage general risks and opportunities, including sustainability and climate risks and opportunities, has been developed by the Internal Control Committee in line with the requirements of the Public Financial Management and Control Law No. 5018, the COSO Internal Control Model, and the ISO 31000 Risk

Management Standard (TSRS S1.44(b), S2.25(b))

In this context, the risks are determined under three groups: [“Strategy, Process and Project risks, and four categories for each group \(strategic, operational, financial, reputation risks\).”](#)

- Strategic risks are determined by the top management by taking into account the needs and expectations of the relevant parties through SWOT, PESTEL, STAKEHOLDER and other analyses conducted on internal and external issues within the scope of the strategic plan, and actions are taken to eliminate risks and reduce the risk level.
- In addition to the Internal Control Committee, in determining the risks and opportunities for the processes; all the units evaluate their own processes, identify risks and take necessary precautions accordingly.
- And the real estate project risks are not strategic level or process risks, but are project-specific risks/opportunities that affect the project progress rates, and the necessary actions are taken within the work schedule.

In determining each risk, internal control deficiencies are questioned in 6 aspects (Policy and Procedure, Documentation , Security, Assignment, Systematicity, Monitoring). Risks are evaluated in terms of Probability and Impact and are leveled as “high, medium and low” risk. An Internal Control Plan is created by planning risk response actions for medium and high risk levels.

Risks and actions are monitored through the Corporate Risk Management Module in the Vakif REIT Integrated Management System Platform. (TSRS 1.44(a)(i), TSRS2.25(a)(i))

The time periods determined for risks in line with our strategic planning cycle are shown in Figure 5.1. (TSRS 1 30(c))

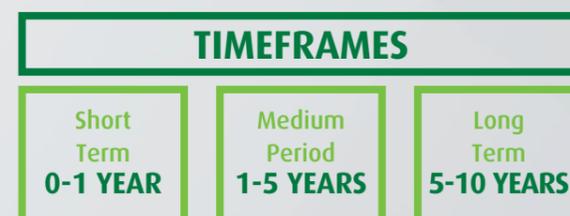


Figure 5.1. Short, Medium and Long Term Time Frames

5.1. SCENARIO ANALYSIS

The disruption in necessary steps to combat climate change makes it difficult to achieve the 1.5 degree target set by the Paris Climate Agreement. On the other hand, the decisions taken at the COP 28 summit regarding renewable energy and energy efficiency suggest that the possibility of limiting global warming to 1.5 degrees is still on the agenda if a sufficiently rapid response is given. However, current emission trends indicate that global warming could exceed 2 degrees by 2040 compared to pre-Industrial Revolution levels. In this respect, the Shared Socio-Economic Pathways (SSP) SSP1-1.9 (NZE 2050) (1.5 degree scenario) and SSP1-4.5 (3 degree scenario) scenarios that are created by the IPCC were preferred in order to assess sustainability and climate risks that may arise in the short, medium and long term.

While the 1.5 degree scenario aims to prevent a significant increase in global average surface temperatures and achieve the most positive results, the 3 degree scenario represents a situation in which previously determined international climate targets cannot be achieved. For the 2023 reporting period, the 1.5 degree scenario, which envisages stricter legal and technological developments, was preferred to analyze transition risks, while the 3 degree scenario, where environmental disasters are expected to be more common, was preferred to analyze physical risks. (TSRS 1 41, TSRS 2 22(a))

1.5 DEGREE SCENARIO ANALYSIS

The 1.5 degree scenario requires reducing dependence on fossil fuels and increasing energy efficiency. In this scenario, sustainability standards and environmental regulations, especially for buildings, are expected to be tightened. There are also regulatory risks, such as changes in penalties or tax benefits for environmentally unfriendly projects. This means that Vakif REIT may face additional costs and time pressure thereunder while it attempts to act in compliance with environmental standards in the new projects.

In the 1.5 degree scenario, demand for green buildings and environmentally friendly projects may increase with increasing sustainability and environmental awareness. In addition, the emergence of new technologies and energy efficiency applications aimed at reducing emissions from buildings should be taken into account in the design of new projects. As carbon regimes strengthen around the world, there may be an increase in the costs of construction materials such as cement,

iron and steel. With the entry into force of the National Taxonomy system, the weight of the ESG criteria in the decision-making processes of financial institutions may increase further.

A significant increase in the number of electric vehicles and a more widespread use of renewable energy systems in residences are among the expected outcomes of the 1.5 degree scenario.

The uncertainties in this scenario are concentrated in the political, economic and technological areas. Political and legal uncertainties include the stability and continuity of countries' climate policies and the impact of legal regulations to be implemented at global and local levels and the adaptation process. Particularly in developing countries, the process of achieving legal compliance may take time. Economic uncertainties include the costs of transitioning to low-carbon technologies and providing the financing necessary to access these technologies. The effectiveness of carbon markets and green finance mechanisms and the reactions of market players to these mechanisms are also unpredictable. Technological uncertainties include uncertainties in the development and dissemination of new technologies that will reduce carbon emissions. The integration of renewable energy sources into the existing energy infrastructure and the pace of this transformation are also uncertain. (TSRS 2 22(a)(i-ii))

3 DEGREE SCENARIO ANALYSIS

Within the scope of the 3-degree scenario, where physical risks from climate change will be greater, the transition to a low-emission economy is expected to slow down due to the looser regulatory framework. In this scenario, environmental issues affecting the real estate sector, such as floods, major fires and water stress, are more likely to increase. According to current emission trends, the increase in global warming is estimated to reach 3-4 degrees by 2100. Considering the lifespan of constructed buildings, there is a need to strengthen infrastructures and prepare emergency action plans as possible solutions to the problems that may be encountered. Türkiye's vulnerability to water stress in particular creates the risk of migration in the 3-degree scenario and therefore the possibility of instability in the value of its assets.

The uncertainties in this scenario are concentrated in the climatic, social and economic areas. Climate uncertainties relate to the possibility that warming of up to 3 degrees Celsius will increase the frequency and intensity of extreme weather events.

It is unclear when and where these events will occur. Additionally, inconsistencies between the results provided by different climate models make it difficult to predict future climate conditions. Social uncertainties are related to the magnitude of migration and displacement movements due to climate change and the impact of these movements on the social structure. The direct

and indirect effects of climate change on human health cannot be fully predicted. Economic uncertainties may include thereunder the impacts of rising temperatures on agricultural productivity and uncertainty about food security. Additionally, the impact of climate change on global supply chains and the fragility of these chains are also uncertainties. (TSRS 2 22(a)(i-ii))

Scenario	Remarks	Risks	Uncertainties
1.5 Degree Scenario	The aim is to limit global average surface temperatures to 1.5 degrees. This scenario requires reducing dependence on fossil fuels and increasing energy efficiency.	<ul style="list-style-type: none"> Costs of compliance with environmental standards Tightening of energy performance regulations for buildings Strengthening of carbon regimes Increase in the cost of construction materials such as cement, iron, and steel The increasing importance of the ESG criteria 	<ul style="list-style-type: none"> Stability in political and legal regulations Costs of transition to low carbon technologies Uncertainties in the development and dissemination of new technologies Uncertainties regarding renewable energy regulations
3 Degree Scenario	It is predicted that global average surface temperatures could increase by up to 3 degrees. In this scenario, looser regulations and a slower transition to a low-emissions economy are expected.	<ul style="list-style-type: none"> Increased physical risks (floods, fires, water stress) The need to strengthen infrastructures Migration risks and instability in asset values 	<ul style="list-style-type: none"> Frequency and severity of extreme weather events Inconsistencies between climate models Increasing migration movements and their effects on social structure

Figure 5.2. Scenario Analysis

5.2. CLIMATE RESILIENCE

To increase our climate resilience, we address sustainability and climate-related risks from a holistic perspective. Risks such as increasing carbon fees, increased consideration of the ESG factors in credit analyses, stricter energy regulations, rising interest rates, rising inflation, earthquake risks, problems with the performance of contractor companies, waste management and natural disasters due to climate change directly affect our operations.

Rising inflation and interest rates, especially in the short and medium term, both increase our project costs and harm the purchasing power of our customers. For this reason, the contraction that started in the real estate sector is expected to continue for a while.

In line with this strategy, we will implement activities such as managing cost increases in construction materials, designing projects with higher energy performance, and reviewing contracts to increase the

ESG performance of contractor companies, in line with the national Emission Trading System planned to be established in Türkiye accordingly. Our projects, which we are currently carrying out in accordance with LEED and Yes-TR standards, will become more resilient to sustainability and climate-related risks thanks to these preparations.

When conducting our resilience analysis, we use the 1.5 degree scenario for transition risks and the 3 degree scenario for physical risks. While the 1.5 degree scenario allows us to assess the risks and opportunities associated with the transition to a low-carbon economy, issues such as increasing carbon fees and the importance of the ESG factors in credit analysis are addressed within the scope of this scenario. In this context, we manage transition risks by designing projects with high energy performance, improving the ESG performance of contractor companies and complying with the national Emissions Trading System.

We use the 3-degree scenario in assessing physical risks. This scenario takes into account the long-term

physical impacts of climate change, particularly rising temperatures and an increase in the frequency of natural disasters. By designing our projects according to this scenario, we aim to increase resilience against natural disasters and ensure the sustainability of our projects in the long term. In this context, we take measures to adapt to climate change at every stage, from the selection of building materials to waste management.

Earthquake risks are also an important focus of ours. During the design and construction phases of our projects, we take structural measures to increase earthquake resistance. In this way, we aim to ensure the safety and longevity of our projects by minimizing the effects of possible earthquakes. We are constantly improving our engineering and design processes to increase the resilience of our buildings, ensuring full compliance with earthquake regulations.

In this context, the projects we carry out and the measures we take increase our resilience against sustainability and climate-related risks and enable us to develop safer, more environmentally friendly projects in the long term. By designing projects with high energy performance and reviewing our contracts to increase the ESG performance of contractor companies, we aim to achieve a structure that is more resilient to sustainability and climate-related risks. (TSRS 1 29 (e), TSRS 2 22(a,b))

5.3. STAKEHOLDER ANALYSIS

Transparent, open and close relations with stakeholders are of great importance to the company. Interaction across our value chain is strengthened through dynamic and effective communication processes established with stakeholders through various channels.

Joint projects that create social, environmental and sectoral value are developed with these groups. In addition, we continue to contribute to society by collaborating with these stakeholders in corporate social responsibility projects.

In order to meet the needs and expectations of our key stakeholders in our value chain, the following standards were taken as reference: TSRS 2 Volume 32 Engineering, Construction Services, TSRS 2 Volume 35 Home Builders, [TSRS 2-Additional Volume-8 Construction Materials](#), [TSRS 2-Additional Volume-16 Commercial Banks and](#) [TSRS 2-Additional Volume-36 Real Estate](#), which are documents translated with reference to the Turkish

Sustainability Reporting Standards (TSRS) and SASB standards and which cover important issues for our sectors.

In addition, the priority issue identification process was supported by examining the issues included in the GRI.

In this process, our stakeholders were classified according to their level of influence and interest. The expectations and priorities of our stakeholders, according to their level of influence and interest, have been determined using different communication sources. Our strategies for meeting these expectations and managing the impacts of risks & opportunities have been developed in line with our overall business strategy.

Stakeholder Group	Impact Level	Power Level	Communication Methods	Expectations	Subjects	Steps Taken
Business and Governance Stakeholders	5	5	<ul style="list-style-type: none"> Board Meetings Reporting 		<ul style="list-style-type: none"> Ensuring continuous profitability in company activities Continuous protection of liquidity to keep the financial structure strong Implementation of effective risk management to proactively manage potential financial and operational risks. Ensuring information and transparency in all business processes Ensuring long-term success for the company to achieve its long-term goals. Taking care to protect rights in processes and policies. Providing quality financial reporting to support decision-making processes. Creating long-term strategic plans while shaping the future of the company. Increasing the company's innovation and competitive power by employing qualified human resources. Ensuring accountability at all levels of the company Fulfilling social responsibilities towards society and the environment Achieving the company's sustainable success and growth targets 	<ul style="list-style-type: none"> Developing projects that comply with LEED Certificate and YES-TR assessment in order to minimize the ESG risks. Sharing our company's financial and sustainability performance transparently with our investors through integrated activity and CDP reporting. Implementation of effective risk management to proactively manage potential financial and operational risks. Organizing regular information meetings to inform and update relevant parties. Ensuring information and transparency in all business processes Increasing the company's innovation and competitive power by employing qualified human resources.
Employees	1	3	<ul style="list-style-type: none"> Coordination meetings Survey works Focus group works Training Working groups Opinion suggestion system Complaint mechanism 	<ul style="list-style-type: none"> Providing employees with the opportunity to develop their careers Providing competitive wages and benefits that meet industry standards and are appropriate for market conditions. Providing high levels of safety and permanent employment opportunities in the workplace Creating the necessary conditions for a harmonious balance between work and private life. Establishing a positive and supportive work environment Meeting employees' demands for remote working and developing flexible working models in this direction Adopting and implementing policies based on diversity, justice and inclusiveness. 	<ul style="list-style-type: none"> Proper management and development of employee talents Providing support and guidance services for career planning Maximizing health and safety standards in the workplace Adopting diversity and inclusiveness principles and developing policies in this direction 	<ul style="list-style-type: none"> Officially adopting the policy of equal pay for equal work in order to ensure equality. Implementing flexible working hours to help our employees maintain their work-life balance. Regularly appreciating and rewarding our employees within the framework of the appreciation system to encourage performance and motivation. Contributing to the professional and personal development of our employees through mentoring services provided through one-on-one meetings to support their career development.
Contractor Partners and Other Suppliers	3	3	<ul style="list-style-type: none"> Contractor audits Contractor visits Collaborative meetings 	<ul style="list-style-type: none"> Managing business processes with higher efficiency Ensuring regular and fair payment conditions Establishing long-term business relationships that will provide mutual benefits Providing technical support and guidance during projects Establishing cooperation and effective communication Strict adherence to business ethics and transparency principles 	<ul style="list-style-type: none"> Ensuring occupational safety and constantly reviewing safety standards in the workplace Effective execution of project management and planning processes Implementation of quality control procedures and ensuring compliance with construction standards Strict management of cost and budget control Taking responsibilities towards environmental protection and human rights seriously Assessing and managing subcontractors' competencies Establishment and implementation of effective waste management systems 	<ul style="list-style-type: none"> Ensuring that the rights of contractor companies are protected and secured through contracts. Regularly checking health and safety conditions through on-site inspections.
Customers and Society	3	2	<ul style="list-style-type: none"> Satisfaction surveys Feedback surveys Focus group works Sales / marketing companies Online surveys One-to-One interviews 	<ul style="list-style-type: none"> Access to high quality and reliable real estate Ensuring a fair balance between price and property value The services provided are of high quality. The location and environment of the real estate are attractive and functional. High level of life and property security Availability of continuous after-sales support and services 	<ul style="list-style-type: none"> The quality and workmanship of the real estate produced is high. Delivery of projects on time and in accordance with the plan Ensuring cost effectiveness and offering budget-friendly solutions Integration of features that will provide energy efficiency in real estate Creating flexible payment alternatives that suit buyers' financial needs Ensuring effective and fast customer service management Rich and attractive social facilities Maintaining and increasing the high investment value of real estate 	<ul style="list-style-type: none"> Access to qualified public transportation Meeting energy efficiency criteria Reducing internal water consumption by using energy-saving water fittings Including storage areas for recyclable waste in projects Obtaining EPD documents for at least 20 different materials Preferring products made from recycled materials during the construction phase Sending at least 50% of construction waste for recycling Ensuring thermal comfort in residences Simulations to maximize daylight utilization Electric vehicle charging stations Use of heat recovery systems in ventilation systems Ensuring energy optimization with building automation systems Use of sensor lighting in parking lots and common areas Use of effective insulation methods on the exterior of the building Starting to use renewable energy systems from block roofs Purification of grey water to a certain extent and use in toilet tanks. Collecting rainwater and using it for garden irrigation Preferring local suppliers to reduce emissions from logistics
Regulatory and Supervisory Organizations	5	1	<ul style="list-style-type: none"> Legislation follow-up One-to-one interviews, 	<ul style="list-style-type: none"> Full compliance with legal regulations and complete implementation of these rules. Protecting and respecting the rights of consumers Fair control of the market and conducting competition in a healthy environment. Keeping construction standards high and implementing environmental protection measures effectively Conducting financial transactions transparently and continuously monitoring financial stability. 	<ul style="list-style-type: none"> Compliance with legal processes Consumer rights Financial audit Compliance with construction standards 	<ul style="list-style-type: none"> Continuous legal consultancy is received to ensure full compliance with all legal regulations. Developing transparent sales processes and customer support services to protect consumers' rights Acting in accordance with competition rules and to conduct regular works to conduct market analyses. Reducing environmental impact by using environmentally friendly materials and adopting sustainable construction techniques Regular auditing of financial transparency and stability through independent audit firms.

Figure 5.3. Stakeholder-Based Sustainability Practices

5.4. RISK AND OPPORTUNITY ANALYSIS

Sustainability is among Vakıf REIT’s strategic priorities, and efforts to comply with environmental, social and governance (ESG) criteria are at the core of the company’s business model. In this context, effective

management of sustainability-related risks is of great importance.

Vakıf REIT aims to effectively manage future uncertainties and potential advantages by conducting a comprehensive risk and opportunity analysis within the framework of sustainability strategies.

This analysis covers various risks and opportunities identified to increase the long-term sustainability and competitiveness of the company.

In order to effectively manage sustainability risks and opportunities, Vakıf REIT constantly updates its risk assessment processes and takes proactive measures against these risks. The company’s sustainability

strategies aim to create a solid foundation for the future by taking into account not only financial performance but also environmental and social impacts. (TSRS 1 30 (a))

Type	Risks	Risk Definition	Impacts (Value Chain, Business Model, Decision Making Mechanism and Financial Performance)	Expected Timeframe	Action	Financial Impact
Sustainability Risks	Market risks	Rising loan interest rates	<ul style="list-style-type: none"> Increase in debt cost and financing expenses Decreasing profitability and slowing cash flow Decrease in the value of assets Decreased risk appetite for new investments Decrease in sales due to customers having difficulty accessing suitable loans. 	Short - Medium	<ul style="list-style-type: none"> Conducting interest rate sensitivity analyses and evaluating the impact of interest rates on the company’s financial performance. Adopting long-term financing strategies and creating a financial structure that is resilient to fluctuations in interest rates. Using financing instruments such as long-term borrowing and fixed-interest loans, taking precautions against short-term changes in interest rates Using portfolio diversification strategies and reducing interest rate risks Optimizing cash reserves and making timely debt repayments, managing liquidity risks 	High
		High inflation	<ul style="list-style-type: none"> Decrease in sales potential due to increased construction costs Extension of the construction period due to the inability of subcontractors, who have access to material prices through loans, to supply materials and raw materials from abroad due to interest rate increases. The constant increase in the price of materials due to inflation and the slowdown of work due to the lack of materials in the market. The exchange rate is very volatile and therefore foreign exchange-based costs increase. As a result of increasing costs, the main contractor becomes unable to do the job with the costs it has incurred. National economic recession in the real estate sector Increases in basic input costs such as construction materials, labor and energy increase the costs of projects and reduce profit margins. Decrease in the real value of assets Difficulties in repaying debts Difficulty in budgeting projects 	Medium – Long (In line with the inflation forecasts of the government and ministries)	<ul style="list-style-type: none"> Developing strategic plans to be prepared for different inflation scenarios and shaping operational decisions accordingly. Taking various measures to reduce operational costs and increase efficiency. Trying to balance the negative effects of inflation by ensuring cost efficiency Diversifying the portfolio by investing in different real estate types and regions and reducing the sensitivity to inflation. 	High
		Limited equity capital	<ul style="list-style-type: none"> Postponement of land purchases and cancellation of purchases due to budget insufficiency during the business development process. Slowdown or delay in project production, disruptions in payment schedules in existing projects Restriction of growth potential Missing investment opportunities Decreased financial flexibility 	Short - Medium	<ul style="list-style-type: none"> Providing financing using debt instruments Developing business with partners with high equity/foreign capital Optimizing capital utilization through strategies such as cost optimization of operational efficiency, revenue diversification and profitability increase. 	High
	Risks related to the value chain	Risks related to project contractors (bankruptcy, work stoppage, disruption, etc.)	<ul style="list-style-type: none"> Failure to complete the real estate in the portfolio within the planned timeframe. Financial liability increases exponentially in an inflationary environment due to the extension of the project duration. Contractor companies fail to complete the work The burden of re-projecting processes due to the completion of existing projects. New litigation processes due to failure to complete projects Loss of reputation Decrease in work quality 	Medium - Short	<ul style="list-style-type: none"> Determining detailed provisions and performance criteria in contracts signed with contractor companies. 	High
		Earthquake risk	<ul style="list-style-type: none"> Decrease in the value of assets Interruptions in operational activities Negative impact of post-earthquake damage on the balance sheet 	Short - Medium - Long	<ul style="list-style-type: none"> Use of seismic isolators in necessary projects Conducting detailed risk analyses for earthquakes Evaluation of geographical diversification of investments Ensuring the construction of earthquake-resistant houses in accordance with the legislation. Benefiting from suitable insurance policies Establishing our policies on crisis management 	High

Figure 5.4. Risks

Type	Risks	Risk Definition	Impacts (Value Chain, Business Model, Decision Making Mechanism and Financial Performance)	Expected Timeframe	Action	Financial Impact
Sustainability Risks	Risks related to the value chain	Problems with the performance of main contractors:	<ul style="list-style-type: none"> It has become more difficult for contractors to employ qualified and competent personnel due to the difficult market conditions. Loss of performance (ability to complete the job on time) due to difficulties in supplying materials in the market. 	Short	<ul style="list-style-type: none"> Preferring materials that are easy to supply Continuously monitoring and auditing the performance of contractor companies. Regular evaluation of factors such as project progress, costs, quality standards and occupational health and safety Drafting contracts in a way that avoids the negative effects of disruptions in work due to reasons such as lack of competent personnel or unavailability of necessary equipment. 	High
		Land use and ecological impacts	<ul style="list-style-type: none"> Various restrictions for land value reduction or sensitive ecosystems Negative ecological impacts harm company reputation 	Short - Medium - Long	<ul style="list-style-type: none"> Conducting detailed risk analyses, especially in project location selection, taking into account the effects of climate change. Developing our projects in a way that protects natural habitats. Taking measures to protect water resources Effective communication with local stakeholders and reflection of their demands and expectations in our projects. Using new environmentally friendly technologies in our projects 	Satisfactory
		Increased consideration of the ESG factors in credit analysis	<ul style="list-style-type: none"> Difficulties in collecting the ESG data from the value chain Challenges in setting the ESG targets for variable construction projects Possible cost increases in projects that comply with the ESG criteria Reputational losses that may occur in case of non-compliance with the ESG criteria Increased financing costs for projects with a low ESG performance Difficulties in managing the divergence of ESG demands between investors and customers 	Medium - Long	<ul style="list-style-type: none"> Producing projects in accordance with LEED and Yes-TR, whose criteria are updated periodically, and maintaining our high EMS performance. Improving our processes for monitoring the ESG performance. Contractor companies provide energy management, waste management, Periodically analyzing our environmental impacts in our value chain with the requested information on issues such as water consumption etc. Continuing efforts to enter the Borsa Istanbul Sustainability Index Continuous improvements are made to increase the EMS performance of our projects, focusing primarily on the following issues: <ul style="list-style-type: none"> - Access to qualified public transportation - Meeting energy efficiency criteria - Reducing internal water consumption by using energy-saving water fittings - Including storage areas for recyclable waste in projects - Obtaining EPD documents for at least 20 different materials - Preferring products made from recycled materials during the construction phase - Sending at least 50% of construction waste for recycling - Ensuring thermal comfort in residences - Simulations to maximize daylight utilization - Electric vehicle charging stations - Use of heat recovery systems in ventilation systems - Ensuring energy optimization with building automation systems - Use of sensor lighting in parking lots and common areas - Use of effective insulation methods on the exterior of the building - Starting to use renewable energy systems from block roofs - Purification of grey water to a certain extent and use in toilet tanks. - Collecting rainwater and using it for garden irrigation - Preferring local suppliers to reduce emissions from logistics 	Satisfactory
		Increasing expectations for reduced resource use	<ul style="list-style-type: none"> Making it harder to achieve the Sustainable Development Goals Increased Scope 3 greenhouse gas emissions Increase in the amount of waste generated Using more new resources from nature Reputation problems that may be encountered in case of failure to switch to a circular economy model 	Medium - Long	<ul style="list-style-type: none"> Conducting works to increase the use of building materials produced from recycled materials. Raising awareness among employees and contractors about circularity in the real estate sector Optimizing electricity and water consumption with smart building technologies Proper collection and recycling of waste Compliance with the criteria regarding material circularity in the LEED and Yes-TR certification processes Working with suppliers who produce sustainable and environmentally friendly materials Increasing circularity in design with building performance modeling Carrying out works to increase the rate of modular design in buildings. Preparation of flexible designs that allow for material changes to extend the life of the building. Regular maintenance and handling of equipment used in construction. 	Low

Type	Risks	Risk Definition	Impacts (Value Chain, Business Model, Decision Making Mechanism and Financial Performance)	Expected Timeframe	Action	Financial Impact
Transition Risks	Risks related to the value chain	Tightening climate regulations	<ul style="list-style-type: none"> Changes in the Energy Performance Regulation in Buildings, the mandatory energy management certificate, the mandatory use of green cement in public tenders, regulations such as the "Nearly Zero Energy Building Concept" increasing project costs. Facing legal problems in case of non-compliance with regulations Increasing demand for green buildings due to the impact of these regulations. 	Short - Medium - Long	<ul style="list-style-type: none"> Transferring the obligations in the relevant legal regulations to the contractor companies through contracts. In new projects, careful consideration should be given to obligations such as energy performance, use of renewable energy and use of low-emission cement. Closely following the constantly updated legislation and taking rapid steps to adapt to changes. Informing employees and contractors about current legislation accordingly. 	Satisfactory
		Increased Carbon Fees	<ul style="list-style-type: none"> Increased costs of construction materials and therefore project costs due to carbon fees Uncertainties in the shaping of carbon fees in the National ETS make project cost analyses difficult. 	Medium - Long	<ul style="list-style-type: none"> Use of low-emission materials in projects in accordance with LEED and Yes-TR certification processes Collaborating with contractors to determine the impact of the National Emissions Trading System on costs. Adding clauses regarding the use of low-emission materials to project contracts Conducting works to determine the recycling rate of the materials used. 	Low
		Regulations regarding waste management	<ul style="list-style-type: none"> Penalties that may be encountered in case of non-compliance with regulations regarding the reduction, collection, separation and recycling of waste. Additional costs of complying with waste management regulations Failure to respond to waste-related information in sustainability reporting Damage to company reputation if waste is not managed properly Delays in the project schedule due to failure to dispose of waste on time and appropriately. Cost of technical consultancy regarding waste management Difficulties in accessing loans due to irregular waste management 	Short - Medium	<ul style="list-style-type: none"> Preparation of comprehensive waste management plans for contractors for each project. Training and auditing of contractor companies on waste management Ensuring the separation of wastes such as concrete, metal, wood, hazardous waste etc. in the construction area. Recycling wastes or reusing them in other projects, if possible. Managing waste in accordance with LEED and Yes-TR certification processes Ensuring that contractor companies work with companies that have technical expertise in waste management. 	Satisfactory
	Technology	Emergence of innovative technologies related to energy efficiency and water management (use of photovoltaic systems, installation of charging stations, rain harvesting solutions, innovative heating systems, use of grey water, automation systems (active monitoring), seismic isolators)	<ul style="list-style-type: none"> Working with relevant experts and consultants in the project planning processes to integrate sustainable technologies into projects. Reflections of climate change policies on project planning works Decreasing demand for buildings built with inefficient technologies Decrease in competitiveness due to failure to meet customer expectations. Increase in energy and water consumption if technologies cannot be adapted. Receiving low scores in LEED and Yes-TR certification processes 	Medium - Long	<ul style="list-style-type: none"> Development of projects suitable for obtaining green building certificates Application of technological developments in projects: Using photovoltaic energy systems, installing electric vehicle charging stations, implementing rain harvesting solutions, and using grey water Collaborating with universities, technology companies and R&D centers Implementation of digital transformation strategies for projects Integration of building management systems into projects within the scope of smart building technologies Greater integration of renewable energy systems with storage into projects Building design with 3D modeling Including more electric charging stations in projects in line with the increasing electrification trend in transportation. Providing qualified training to the project team on digital solutions 	Satisfactory
Physical Risks	Extreme temperatures	Increased air temperatures due to climate change and changes in consumer behavior	<ul style="list-style-type: none"> Users need air-conditioned environments more than natural ventilation due to sudden changes in air temperatures. Increasing energy consumption needs Structural damage to the roof, exterior surfaces and asphalt Damage to green areas in projects Deepening of water stress due to increased water consumption 	Medium - Long	<ul style="list-style-type: none"> Use of materials and development of systems to prevent rapid heating and cooling of structures. Providing thermal insulation with high quality materials Use of double-glazed windows Providing natural ventilation with passive cooling and shading Use of appropriate plants for landscaping in regions where extreme temperatures will occur. 	Satisfactory
	Flood risks	Due to the heavier rainfall compared to the past, flood cases are more common, especially in urban centers.	<ul style="list-style-type: none"> Floods cause damage to Vakif REIT properties, increase maintenance and repair costs, and interrupt business continuity. The unavailability of properties causing tenants to move elsewhere or stop paying rent High flood risk leads to increase in insurance premiums Decrease in property values in areas that are frequently flooded More attention and care should be taken when investing in areas with high flood risk, affecting Vakif REIT's investment decisions and portfolio management strategies. The possibility of applying an effective emergency and crisis management plan is higher than before. Delay in project schedule due to flood, properties becoming unusable, reduction in rentable area and loss of income. 	Satisfactory	<ul style="list-style-type: none"> Comprehensive insurance of assets against flood risk Preferring the most risk-free areas in land selection Installation of strong drainage and infrastructure systems for rainwater drainage Increasing permeable surfaces in projects Use of dams and walls to prevent floods Providing waterproofing with water-resistant materials 	Satisfactory
	Water stress	Türkiye is among the countries exposed to high risk of water stress and this exposure is likely to intensify in the future.	<ul style="list-style-type: none"> Water scarcity increases the production costs of construction materials and makes it difficult to complete projects on time. High water costs increase real estate development and operating costs, weakening the company's competitiveness and market position accordingly. Water stress forces company management to make strategic decisions regarding water resources, such as investing in water-saving technologies. 	Satisfactory	<ul style="list-style-type: none"> Following the technologies and applications for sustainable use of water and to apply them in projects. Increased use of rainwater harvesting systems in projects Use of water-saving equipment Use of grey water recycling systems Including low water consumption landscaping works in projects Compliance with water efficiency criteria in LEED and Yes-TR Training activities to raise awareness among employees, contractors and customers. 	Satisfactory

Opportunities	Impacts	Challenges	Expected Timeframe	Financial Impact
Energy efficient, water efficient, circular and green projects with low embodied emissions	<ul style="list-style-type: none"> • Low capital cost • High sales return • Valuation of assets • High demand • High environmental contribution • Compliance with the applicable legal regulations • Contribution to brand reputation 	<ul style="list-style-type: none"> • Technical expertise required • Additional consulting costs • Cost increases 	Medium - Long	High
Integration of smart building technologies	<ul style="list-style-type: none"> • Increased energy and water efficiency • Low operational environmental footprint • Contribution to brand reputation 	<ul style="list-style-type: none"> • High initial cost • Difficulties in integrating different systems • Possible problems regarding data security • Problems that may occur in maintenance and management 	Medium - Long	Satisfactory
Renewable energy integration	<ul style="list-style-type: none"> • Avoiding rising energy prices • Less operational carbon footprint 	<ul style="list-style-type: none"> • Difficulties that may be encountered during the design phase • Legislative gaps in the use of renewable energy systems in residences 	Medium - Long	Satisfactory
The necessity of urban transformation	<ul style="list-style-type: none"> • Expansion in the real estate sector due to the necessity of renewing risky structures • Increasing demand for safe housing 	<ul style="list-style-type: none"> • Cost increases in earthquake-resistant buildings • Managing stakeholders' expectations • Environmental consequences of demolition operations 	Medium - Long	High
According to the Medium Term Plan, the housing target for low and middle income citizens	<ul style="list-style-type: none"> • Favorable credit terms • Real estate market revival 	<ul style="list-style-type: none"> • Increasing land costs • Difficulties in cost management due to high inflation. 	Medium - Long	Satisfactory

Figure 5.5. Opportunities

5.5. ESTIMATED FINANCIAL EFFECTS OF RISKS AND OPPORTUNITIES

The establishment of a national Emissions Trading System in Türkiye by the end of 2024 and the gradual increase in carbon fees in the medium and long term after the pilot application may increase the prices of construction materials such as cement, iron, steel and ceramics. If working with carbon-intensive suppliers, it is expected that project costs will increase due to carbon fees, depending on the trend in carbon fees. Since it is not yet known exactly how the National Emissions Trading

System will be implemented, it does not seem possible to make sound financial analyses regarding the possible cost increases.

The draft Green Asset Ratio Communiqué, prepared in accordance with the Turkish Sustainability Reporting Standards covering banks in Türkiye and the EU Taxonomy, will enable our main investor, VakıfBank, to focus more on sustainability performance in our projects when providing loans. For this reason, any weaknesses we may experience in our performance regarding energy efficiency, water management, waste management and greenhouse gas emissions, especially in the projects we will implement in the medium and long term, may negatively affect our ability to access financial resources.

Changes to be made in the regulations regarding the energy performance of buildings may negatively affect our customers' expectations for future value increases if our existing projects fail to comply with the new criteria. Failure to follow innovative solutions for the building's energy use, such as architectural design, mechanical installations, lighting, and electrical installations, may harm Vakıf REIT's brand image and therefore its financial performance in the real estate sector, which is expected to green up in the long term. (TSRS 1 29 (d))

5.5.1. INCREASING CARBON FEES

The National ETS, which is planned to be compatible with the EU ETS, envisages introducing increasing carbon fees over time for materials such as cement, iron, steel, aluminum and chemicals that are used intensively in construction activities. Considering the carbon fees in the EU ETS, carbon fees are expected to lead to cost increases for construction materials in the medium and long term.

As Vakıf REIT, we continue our planning efforts to cooperate with suppliers that produce low emissions in order to reduce the amount of embedded emissions in our projects and avoid the negative effects of carbon fees. In this regard, we aim to minimize our carbon footprint by prioritizing environmental sustainability at every stage of our projects.

We are conducting a dynamic communication process with our existing suppliers to determine the potential impacts of the National ETS. By working closely with all stakeholders in our supply chain, we aim to minimize the impact of increasing carbon fees on our cost structures. In this context, we encourage our suppliers to switch to low-emission production technologies and closely monitor this process.

5.5.2. ESG FACTORS IN CREDIT ANALYSIS

As an institution that receives loans from VakıfBank, we adopt a systematic approach to manage risks related to greater consideration of the ESG factors in credit analysis. In this context, we take various measures to correctly assess and manage the ESG risks, and in this process, we consider the ESG performance of contractor companies as an important criterion. In addition, with our efforts towards inclusion in the BIST Sustainability Index, we aim to achieve our sustainability goals and register our performance at national and international levels.

First, we develop specific tools and methodologies that assess the ESG risks for use in credit analysis. We regularly

collect data on the ESG performance and integrate this data into our credit assessment processes. We train our employees on the ESG risks and how to assess these risks, and we make all our employees aware of the ESG factors and their importance. We have established a comprehensive monitoring and reporting system to continuously monitor and evaluate the ESG performance of our contractor companies. We regularly carry out the necessary training and awareness-raising activities to ensure that these companies comply with the ESG criteria.

We regularly conduct integrated activity and the CDP reporting on the ESG risks and performance and share these reports with our relevant stakeholders. In this process, we determine certain performance indicators and regularly monitor these indicators to ensure that our contractor companies comply with the ESG criteria.

Leveraging the SASB, GRI and TSRS standards, we develop comprehensive risk management strategies to identify, assess and manage the ESG risks. We research new approaches and technologies in the ESG field and integrate them into our credit assessment processes. By taking into account the performance of contractor companies in these evaluation processes, we encourage a sustainable and environmentally friendly business structure.

We continuously improve the environmental performance of our projects and comply with green building assessment standards, LEED Certificate and YES-TR assessment criteria. Three of the eight dimensions of the LEED rating of green building concept projects (Materials and Resources, Water Efficiency, Energy and Atmosphere) are criteria for compliance with the circular economy.

Our efforts to be included in the BIST Sustainability Index are carried out with the aim of increasing our sustainability performance and registering this at national and international levels. In this regard, we are making great efforts to continuously improve our ESG performance and achieve our goal of becoming a leading organization in this field.

5.6. SUSTAINABILITY - RELATED INVESTMENTS

Throughout 2023, Vakıf REIT has taken important steps to reduce its environmental impact and increase energy efficiency by resolutely implementing its sustainability strategies. In this context, Vakıf REIT aims to increase the energy efficiency of buildings and comply with

environmentally friendly building standards by receiving green building consultancy services. In this context, participation in personnel training and Yes-TR certification programs was ensured, thus spreading sustainability awareness and practices within the organization. In addition, electric vehicle charging stations were installed to promote environmentally friendly transportation. A total of TL 1,448,314.86 was spent for these activities in 2023.

Significant investments are planned to be made in the coming periods in order to achieve sustainability targets. Projects to be carried out in areas such as solar panels and other renewable energy sources will contribute to Vakıf REIT further reducing its environmental impact. It is envisaged to make an investment of TL 18,738,375.33 for such sustainability projects. These investments will play an important role in achieving the company's long-term sustainability goals. (TSRS 1.35(c)(i-ii), TSRS 2.16(c)(iii))

5.7. MATERIALITY ASSESSMENT

In the process of determining the material issues in the integrated reporting process, THE SASB standards to be used within the framework of the Turkish Sustainability Reporting Standards and GRI standards widely used on a global scale were used.

The SASB and GRI standards were examined in detail and indicators and performance criteria specific to the real estate sector were determined. Sustainability and climate-related issues have been prioritized through communication processes carried out with our main stakeholders. Stakeholder priorities are integrated in line with the company's strategic objectives.

In this process, each sustainability issue was evaluated in terms of its impact on the company's business performance and the importance stakeholders attach to these issues. Topics with the highest impact and importance have been prioritized.

I. Priority	II. Priority	III. Priority
Energy Management	Climate Change Adaptation	Land Use and Ecological Impacts
Water Management	Life Cycle Impacts of Buildings and Infrastructure	Supply Chain Management (Contractors and Other Suppliers)
Economic Performance	Description of the Approach to Incorporating Environmental, Social and Governance (ESG) Factors into Credit Analysis	Increased Carbon Fees
Greenhouse Gas Emissions	Design for Resource Efficiency	
Waste Management	Occupational Health and Safety	
Corporate Governance	Employees' Improvement	

Figure 5.6. Priority Assessment

Priority Issues		
Energy Management	SDG 7: Access to Clean and Affordable Energy SDG 9: Industry, Innovation and Infrastructure SDG 11: Sustainable Cities and Communities SDG 12: Sustainable Consumption and Production SDG 13: Climate Action	
Water Management	SDG 6: Clean Water and Sanitation SDG 11: Sustainable Cities and Communities SDG 12: Sustainable Consumption and Production SDG 13: Climate Action	
Economic Performance	SDG 1: No Poverty SDG 2: Zero Hunger SDG 8: Decent Work and Economic Growth SDG 9: Industry, Innovation and Infrastructure SDG 12: Sustainable Consumption and Production	
Greenhouse Gas Emissions	SDG 7: Access to Clean and Affordable Energy SDG 11: Sustainable Cities and Communities SDG 13: Climate Action	
Climate Change Adaptation	SDG 6: Clean Water and Sanitation SDG 11: Sustainable Cities and Communities SDG 13: Climate Action	
Waste Management	SDG 11: Sustainable Cities and Communities SDG 12: Sustainable Consumption and Production SDG 13: Climate Action	
Life Cycle Impacts of Buildings and Infrastructure	SDG 7: Access to Clean and Affordable Energy SDG 9: Industry, Innovation and Infrastructure SDG 11: Sustainable Cities and Communities SDG 13: Climate Action	
Description of the Approach to Incorporating Environmental, Social and Governance (ESG) Factors into Credit Analysis	SDG 8: Decent Work and Economic Growth SDG 12: Sustainable Consumption and Production	
Land Use and Ecological Impacts	SDG 11: Sustainable Cities and Communities SDG 13: Climate Action SDG 15: Life on Land	
Design for Resource Efficiency	SDG 11: Sustainable Cities and Communities SDG 12: Sustainable Consumption and Production	
Occupational Health and Safety	SDG 3: Good Health and Well-Being SDG 8: Decent Work and Economic Growth	
Supply Chain Management (Contractors and Other Suppliers)	SDG 8: Decent Work and Economic Growth SDG 12: Sustainable Consumption and Production	
Increased Carbon Fees	SDG 7: Access to Clean and Affordable Energy SDG 13: Climate Action	
Employees' Improvement	SDG 3: Good Health and Well-Being SDG 8: Decent Work and Economic Growth	
Corporate Governance	SDG 16: Peace, Justice and Strong Institutions	

Figure 5.7. Priority Issues

A close-up photograph of a flower petal, likely a rose, showing intricate vein patterns and numerous small water droplets. The color transitions from a soft pink at the edges to a bright yellow in the center. The lighting is soft, creating a gentle glow.

6

STRATEGY AND
RESOURCE ALLOCATION

6. STRATEGY AND RESOURCE ALLOCATION

6.1. STRATEGIC DIRECTIONS AND STRATEGIES

Vakif REIT carries out its strategic planning processes in a way that meets the expectations of all its stakeholders and within the framework of the EFQM Excellence Model. These processes are carried out under the leadership of the General Manager and the coordination of the Department of Corporate Development and Sustainability and are designed to ensure the continuous development and sustainability of the company.

Y1. Strategic Planning
Y1.1. Current Situation Analysis
Y1.2. Strategic Orientation
Y1.3. Strategy Development
Y1.4. Performance Program Creation
Y1.5. Monitoring and Assessment

Figure 6.1. Strategic Planning Process

In these systematic processes, risks and opportunities are dynamically identified and prioritized. The information obtained forms the basis for determining the strategic direction of the company and developing appropriate strategies. This strategic approach strengthens Vakif REIT's position in the market and supports it in achieving long-term goals.

6.1.1. STRATEGIC DIRECTION

Within the scope of the Strategic Planning, the "Basic Purpose, Vision, Mission, Main Strategy (Business Strategy), Management Policy", which are our "Strategic Aspects", considering the market and competition analysis, basic competencies and mega trends in the ecosystem.

The main strategy shows the path to achieve the vision. The Main Purpose is the statement that explains the reason for the existence of the organization, in other words, what it does and why it does it, and is understood by its stakeholders. It is a declaration of intent at the level of belief, beyond values, that includes excitement and passion, revealing the reason for choosing to be together beyond financial gains.

	Definition	SKA	KPI
BASIC PURPOSE	Building the future based on traditional values		Number of Concept Projects
VISION	Our mission is to be a reference organization that directs the change at the sector with symbol buildings.		Share Value Market share Market Value Ranking
MISSION	Our mission is to provide sustainable value to stakeholders by building the living spaces of the future with the power derived from tradition.		Return on Assets Rate Return on Assets Ranking Self-Assessment Score Corporate Reputation Rate
MAIN STRATEGY	Growth by differentiating with innovative and sustainable solutions		Size of Assets Number of Business Developments Main Operating Activities Total Sales Amount Total Rental Amount Total Incomes (TL)
MANAGEMENT POLICY	We offer values with quality living spaces within a sustainable ecosystem.		Customer Satisfaction Percentage Employee Satisfaction Percentage PMA (Process Maturity Level) CRS (Corporate Rating Score)

Figure 6.2. Strategic Aspect

6.1.2. STRATEGIES

The activities were carried out in accordance with the 7 sub-strategies determined within the framework of the strategic plan prepared for 2023..

STRATEGY-1 BUSINESS DEVELOPMENT WITH INNOVATIVE AND CONCEPT PROJECTS

Within the scope of its "Business Development with Innovative and Concept Projects" strategy, Vakif REIT adopts innovative approaches in the sector by highlighting its commitment to sustainability and environmentally friendly structures. This strategy aims to integrate green building standards and environmentally friendly materials in projects.

The goal of building sustainable buildings is directly linked to environmental goals such as increasing energy efficiency, minimizing water consumption and reducing carbon footprint. In this context, Vakif REIT standardizes and improves the environmental impacts of its projects by using environmental certification systems such as LEED or Yes-TR.

Projects are developed with a sustainable and innovative perspective, within the framework of the understanding of "The Power of Custom, the Build of the Future". As part of this strategy, Vakif REIT is committed to develop projects that create value not only economically but also ecologically by means applying innovative design and engineering solutions. For example, it designs buildings that meet their energy needs from natural sources by using rainwater collection systems, solar panels and highly insulated materials.

STRATEGY-2 STRENGTHENING THE FINANCIAL STRUCTURE WITH EFFECTIVE SALES AND MARKETING

Marketing and sales strategies are strengthened with solutions that will enhance customer experience to ensure sustainable growth and increase equity. In order to ensure financial sustainability, the focus is on effective management of funds and operational expenses. While optimizing costs, the most efficient use of resources is aimed accordingly.

STRATEGY-3 EFFICIENT AND EFFECTIVE MANAGEMENT OF PROJECT PORTFOLIO

Effectiveness and efficiency in the management of our projects are vital to customer satisfaction and financial sustainability. The significant developments in our project portfolio in 2023 are a reflection of this strategic approach.

During the year, our prominent projects such as Cubes Ankara, Izmir Konak, Tablo Adalar and Sancaktepe successfully progressed in line with the planned timelines and budgets. In the management of these projects, our collaborations with contractor companies have played a critical role as part of our effective management approach. The companies maintained high standards at every stage, providing the necessary coordination and control for the smooth progress of the projects.

We ensure the importance we attach to occupational health and safety and environmental risk management with the ISO 45001 and ISO 14001 certificates we request from our contractor companies.

This effective and efficient approach to project management increases customer satisfaction and supports our financial sustainability. Developing projects that meet our customers' expectations and improve their quality of life strengthens our brand value. At the same time, our success in project management creates value for our investors and increases the market value of our company.

STRATEGY-4 EFFECTIVELY MANAGING CUSTOMER EXPERIENCE

Vakif REIT places customer satisfaction at the center of its business strategy. The company uses customer feedback from past projects to improve the functionality and quality of new projects. Complaints from customers are handled with great care within the framework of the duty of care, and solution steps for these complaints are implemented quickly. In 2023, customer complaints were effectively handled in an average of 1.33 days.

Vakif REIT actively uses digital solutions in customer relationship management. These digital tools enable customer feedback and complaints to be processed and analyzed quickly, allowing the company to produce fast and effective solutions. In addition, thanks to the detailed analysis of the data obtained in these processes, strategic decisions can be made to continuously improve the customer experience.

STRATEGY-5 MANAGING THE ORGANIZATIONAL CLIMATE

It is aimed to provide a work environment where personal development opportunities are provided in a way that increases employee satisfaction and loyalty. For this purpose, many trainings were carried out in 2023. Survey According to survey works, the employee satisfaction rate is 83.2% and the employee loyalty rate is 85.8%, making Vakif REIT a

preferred company for employees. Due to the increasing importance of sustainability and ESG in the real estate sector, providing green skills to employees is also among the priority goals of Vakif REIT. In this way, it will be possible to implement projects that are more compatible with LEED and Yes-TR. In 2023, 5 employees were provided with Yes-TR certification.

STRATEGY-6 MANAGING INSTITUTIONAL DEVELOPMENT

As Vakif REIT, it is at the core of our strategy to manage corporate development to achieve our sustainable growth and development goals. Within the scope of this strategy, we aim to increase our competitiveness in the sector by continuously improving the organizational structure and processes of our company.

The Department of Corporate Development and Sustainability is responsible for the company’s Strategic Planning, process management, risk management, quality management systems and holistic sustainability management.

Within the scope of the corporate development management strategy, the EFQM model is used as a reference. The EFQM Excellence Model provides a framework for continuously improving company performance and guides towards excellence. The Integrated Management System and Sustainable Building Management Quality Assurance System help us keep our quality standards high by supporting our institutional development capacity.

As our level of digitalization increases, the quality of communication between our main stakeholders and our employees is also improved. Possible breaches are minimized by taking measures against information security risks brought about by the digitalization process. In this context, our business processes are continuously improved with the Electronic Document Management System, a dynamic website and QDMS & Ensemble applications.

Our efforts on the implementation of the ISO 22301 Business Continuity Standard continue, thus ensuring that our business processes operate uninterruptedly and efficiently. In addition, the financial performance of our projects is monitored in line with feasibility works for the analysis of our corporate performance. In this regard, efforts are being made to resolve the identified problems.

As Vakif REIT, in line with our corporate development management strategy, we continue to take all

necessary steps to raise our quality standards, optimize our business processes through digitalization and ensure our business continuity. With this approach, we are determined to move forward on the path of sustainable growth and excellence.

STRATEGY-7 STRENGTHENING OUR RESPECTED POSITION BY EFFECTIVELY MANAGING REPUTATION

In order to strengthen our corporate reputation and further consolidate our respected position, important steps are being taken to improve our ESG performance. Among our efforts to increase our ESG performance, developing projects with LEED & Yes-TR certification has an important place. In addition, we regularly calculate our greenhouse gas emissions, including Scope-3, report our environmental impacts transparently and set reduction targets. Practices such as CDP reporting and increasing the amount of waste sent for recycling are among the other important steps we take to improve our environmental performance.

We also carry out active work in the areas of social responsibility and governance. We develop and implement various projects to ensure the satisfaction of our employees and stakeholders and to increase our social impact positively. In addition, we adopt a transparent and accountable management approach by strictly adhering to the principles of corporate governance.

We aim to inform all our stakeholders with the integrated activity report that we publish regularly every year.

Strategies	Sub-Strategy	KPI	Target	2023 Realization	SDGs to be Contributed to
Developing Business with Innovative and Concept Projects	Business Development in Different Sectors	- Number of Business Developments	3	3	
	Project Development with Sustainable, Conceptual and Innovative Technologies				
Sustainable Growth with Effective Marketing and Sales	Effective Marketing	- Size of Assets (TL)*	10.7 billion	12.5 billion	
	Increasing Sales and Rental Performance				
	Effective Fund and Resource Management	- Market Share	2.30%	1,95%	
	Effective Expense Management				
Effective and Efficient Management of Project Portfolio	Compliance with the IFC Project Plan	- IFC Project Progress Rate	100%	99,46%	
	Compliance with Cubes Ankara Project Plan	- Cubes Ankara Project Progress Rate	100%	88,97%	
	Compliance with the Tablo Adalar Project Plan	- Tablo Adalar Project Progress Rate	100%	99,18%	
Managing Customer Experience Effectively	Effective Use of CRM System	- Customer Satisfaction Percentage	85.00%	85,90%	
	Monitoring and Evaluating Customer Experiences				
	Customer Relationship Management (CRM) System				
Managing Organizational Climate (Health)	Managing Corporate Culture	- Employee Satisfaction Percentage	81.00%	83,20%	
	Increasing Employee Satisfaction and Loyalty				
	Effective Management of Support Services for Employees				
Managing Corporate Development	System Development for Sustaining Institutional Development	- Self-Assessment Score	650 points and higher	674	
	Smart Vakif REIT	- Digitalization Level	70%	69%	
	Effective Management of Processes Based on Performance	- Process Maturity Level	6	6,44	
Strengthening Our Respected Position by Effectively Managing Reputation	Strengthening Reputation with Effective ESG	- Corporate Reputation Rate	81.00%	82,80%	
	Effective Implementation of the Corporate Communication Plan	- Corporate Governance Rating (CGR) Score	9 points	9.33 points	
	Improving Communication and Coordination with NGOs				

Figure 6.3. 2023 Performance Program

(* Since the targets were determined according to the pre-inflation accounting period, the realizations were presented taking into account the pre-inflation accounting period.

6.2. SUSTAINABILITY MANAGEMENT

We continue our sustainable corporate development journey under the coordination of the Department of Corporate Development and Sustainability and with the support of digital solutions. In order to increase organizational agility and resilience, we implemented the sector's first integrated strategic plan in 2021, in line with the 17 Sustainable Development Goals and 169 development targets determined by the United Nations. As the only REIT in the sector that publishes an integrated strategic plan and integrated report, we aim to meet the expectations of all our stakeholders in the value chain in a balanced manner.

Our sustainability policy published by our Board of Directors:

- To monitor greenhouse gas emissions resulting from our activities in our design works, to protect our natural resources, to evaluate risks/opportunities in this context and to implement necessary efficiency works,
- To participate in national and international platforms with the awareness of our responsibility in the fight against climate change,
- To comply with subject-specific regulations and procedures,
- To conduct awareness-raising activities on combating climate change specific to our company and our value chain,
- To reduce our impact on climate change by planning the elements that will provide energy efficiency in our projects from the design stage,
- To identify the risks and opportunities that arise from combating climate change and constantly reviewing our business goals in this direction,
- To support the initiatives intended to fight against the climate change,
- To carry out energy consumption and energy efficiency works in our existing buildings and real estates in our portfolio and to ensure the integration of sustainable practices into life.

In addition, within the scope of "Determination and Implementation of Corporate Governance Principles",

a report on compliance with sustainability principles is prepared and presented to the Board of Directors by the Corporate Governance Committee.

Our sustainability efforts are being managed through the process "Y3.3. Sustainability Management" and under the coordination of our Department of Corporate Development and Sustainability, which was established in 2022. The main topics we focus on in the ESG field in 2023 are presented in Figure 6.4.

Key ESG Topics We Focus On
To comply with new regulations introduced for the real estate sector in line with Türkiye's 2053 net-zero target
To report according to the newly adopted Turkish Sustainability Reporting Standards
To ensure data management system integration to monitor and accurately report the financial impacts of increasing sustainability/climate risks and opportunities
To ensure that executive remuneration is realigned in line with ESG targets
To increase the importance of ESG criteria in decision-making mechanisms at the board level and ensure that managers oversee the effective management of environmental and social issues.

Figure 6.4. Key ESG Topics We Focus On in 2023

The process includes the sub-processes of Sustainable Building Management, Environmental Sustainability Management and Social Sustainability Management:

- **Sustainable Building Management:** There are many ISO and EN standards within the scope of quality assurance systems. In addition, many rating and certification systems for green buildings are developed, such as the American LEED certificate, the UK BREEAM certificate and others developed by European countries. In our country, the YeS-TR Regulation (Certificate for Buildings and Premises) has been published by our Ministry of Environment, Urbanization and Climate Change. In this context, we attach importance to green building rating works in order to control carbon emissions resulting from building construction works. Out of our current projects; Istanbul Financial Center Project has the LEED GOLD Certificate, and our Izmir Project is a LEED GOLD Certificate candidate. In addition, compliance with many green building criteria such as Energy Efficiency, Natural Lighting, Healthy Indoor Environment, Responsible Production and Consumption, Reducing Water Footprint, Increasing Biodiversity, Green Parking Lots and Bicycle Parks is taken into account for our other projects without a certification target.

- **Environmental Sustainability Management:** The carbon emissions of all our projects were calculated and reported to the CDP, the world's most prestigious environmental reporting agency, and the targets were determined to reduce carbon emissions. With the reporting made within the scope of the CDP Climate Change program, a performance score of C+ level was achieved in 2023.

- **Social Sustainability Management:** A member of VakıfBank Finance Group, Vakıf REIT has been considering the impact of its activities on society and the world since the day it was founded, with the influence of the foundation heritage in its roots. We place the principles of social sustainability at the centre of our activities. As Vakıf REIT, we act with awareness of social contribution and responsibility. By collaborating with our stakeholders, we develop and implement projects tailored to their needs. Additionally, we aim to increase social benefit through volunteer activities and social responsibility projects.

The development of our sustainability performance is remarkable with the implementation of our Sustainability Program, which covers Economic, Social, Environmental and Product Sustainability (4P) of our Strategic Plan. Within this scope;

- Sustainable growth performance with our Main Strategy and S1, S2, S4 and S6 strategies,
- Social and environmental sustainability performance with sustainability projects implemented within the scope of the "S7.1 Strengthening Reputation with Effective ESG" strategy,
- With our S1, S3 and S7 strategies, we have improved product sustainability performance through innovative solutions and improvements implemented throughout the product life cycle, starting from design. In this section, our Sustainability Performance is presented under 3 main headings in line with SASB-GRI Standards. In addition, the environmental data we present in this section has been verified in accordance with the ISO 14064-1 Greenhouse Gas Verification Certificate.

6.2.1. ENVIRONMENT

6.2.1.1. ENERGY MANAGEMENT

As Vakıf REIT, we implement various strategies to increase energy efficiency, achieve our sustainability goals and minimize our environmental impact. In this

context, we pay attention to the following elements in our energy management framework:

NATURAL LIGHTING AND TEMPERATURE CONTROL

We use large windows and appropriate layout arrangements in our building designs to ensure effective use of natural lighting in our projects. In this way, we minimize lighting needs by reducing energy consumption. Additionally, we use insulation materials and intelligent temperature management systems to ensure effective temperature control in our buildings. These methods both save energy and increase indoor comfort.

USE OF RENEWABLE ENERGY

With the updates published by the Ministry of Environment, Urbanization and Climate Change, the Energy Performance Regulation in Buildings was changed in 2022. With these updates, it was made mandatory for buildings with a total building construction area of 5000 m² on a parcel until 2025, and larger than 2000 m² thereafter, to be constructed in accordance with the "Nearly Zero Energy Building (NSEB)" high energy efficiency rules and to meet at least 5 percent of their energy needs with renewable energy systems until 2025 and 10 percent thereafter.

We aim to increase environmental sustainability in our projects by encouraging the use of renewable energy sources in a way that complies with this regulation. We integrate renewable energy sources such as solar energy into our projects. In our Sancatepe Center Project, we aim to provide a portion of the energy consumed by the solar panels on the roofs of the blocks from the energy produced by the panels. In this way, we reduce our carbon footprint by reducing fossil fuel use.

BUILDING AUTOMATION SYSTEMS FOR OPTIMIZATION OF ENERGY CONSUMPTION

We use advanced building automation systems to optimize energy consumption in our buildings. These systems prevent unnecessary energy use and increase energy efficiency by monitoring and managing energy consumption. We monitor and optimize energy consumption in real time with smart sensors and control systems.

Energy efficiency was given importance in all service systems used in our Istanbul Financial Center Project. The requirements of the American energy efficiency standard (ASHRAE 90.1.2007) were prioritized in

the design and selection of lighting fixtures, heating, cooling, ventilation and automation, and a building with 28% higher performance/energy efficiency than this standard was constructed.

ENERGY EFFICIENCY

As Vakif REIT, we adopt various strategies to increase energy efficiency in our projects. Energy efficiency is of great importance both in reducing our environmental impact and in reducing costs.

We attach great importance to the energy efficiency of the mechanical equipment used in our buildings. We minimize energy consumption by using highly efficient heating, cooling and ventilation systems. These equipments provide energy saving, long life and low maintenance costs.

In our project Tablo Adalar, high energy efficient devices are used in order to reduce the level of energy consumption, lighting of common areas is automated and energy saving LED fixtures are preferred accordingly. Additionally, electric vehicle charging stations have been included in the project to encourage the use of vehicles that reduce CO2 emissions. In this way, it is aimed to provide many environmental and economic benefits.

In the Sancaktepe Mixed-Use Project, it is aimed to position the buildings in a way that will make the best use of sunlight, to optimize the windows in this direction and to use highly efficient mechanical and electrical systems that will reduce energy consumption and CO2 emissions. There are motion sensor and LED lighting systems in the buildings, lighting automation and underfloor heating systems in the parking lots. Thanks to the facade materials and sun breakers used, heating loads in winter and cooling loads in summer are reduced.

Year	Sub-category	Emission-Causing Operation	tCO ₂	tCH ₄	tN ₂ O	R Gases (tons)	HFC Gases (tons)	Emission tCO ₂ e
2021	Fixed Combustion	Natural Gas-Heating	67,36	0,03	0,03	-	-	67,42
		Generator-Diesel	240,49	0,27	0,52	-	-	241,28
	Sub Total		307,85	0,31	0,55	-	-	308,7
	Mobile Combustion	Vehide Fuels - Diesel	537,06	0,8	11,27	-	-	549,13
	Sub Total		537,06	0,8	11,27	-	-	549,13
	Gas Leakage Occurrence	Fire Extinguisher Leakages	0,01	-	-	-	0,006	7,81
		Fire Extinguisher Filling	-	-	-	-	0,005	6,5
		Gas Leakages	-	-	-	0,007	-	14,7
		Gas Filling	-	-	-	0,007	-	14,62
	Sub Total		0,01	0	0	0,014	0,011	43,63
Category 1 Total		844,91	1,1	11,82	0,014	0,011	901,45	
2022	Fixed Combustion	Natural Gas-Heating	137,24	0,07	0,06	-	-	137,37
		Generator-Diesel	245,05	0,93	0,53	-	-	246,5
	Mobile Combustion	Vehide Fuels - Diesel	590,67	0,03	0,03	-	-	600,68
	Gas Leakage Occurrence	Fire Extinguishing	0,02	-	-	-	-	0,02
		Gases	-	-	-	0,21	-	86,79
Category 2 Total		972,98	1,03	0,62	0,21	0	1071,36	
2023	Fixed Combustion	Natural Gas-Heating	310,82	0,01	0,00	-	-	311,12
		Generator-Diesel	116,81	0,02	0,00	-	-	117,50
	Sub Total		427,63	0,02	0,00	-	-	428,62
	Mobile Combustion	Vehide Fuels - Diesel	106,98	0,01	0,01	-	-	108,63
	Mobile Combustion	Vehide Fuels - Gasoline	131,36	0,05	0,02	-	-	136,70
	Mobile Combustion	Vehide Fuels - LPG	22,36	0,02	0,00	-	-	23,00
	Sub Total		260,70	0,07	0,02	-	-	268,33
	Gas Leakage Occurrence	Fire Extinguisher Leakages	0,35	-	-	-	-	0,35
		Fire Extinguisher Filling	-	-	-	-	-	-
		Gas Leakages	16,67	-	-	0,45	0,00	16,67
Gas Filling		-	-	-	-	-	-	
Sub Total		17,01	-	-	0,45	0,00	17,01	
Category 1 Total		705,34	0,10	0,02	0,45	0,00	713,96	

Figure 6.5. Energy Consumption

Year	Emission-Causing Operation	Unit	Head Office	Tablo Adalar	CUBES ANKARA	IFC	Vakif REIT Total
2021	Electricity (Location Based)	kWh	51.354,60	9.928,41	136.685,00	2.373.298,00	2.571.266,01
		kWh/m ²	36,27	0,15	0,63	9,07	-
2022	Electricity (Location Based)	kWh	65.471,81	4.207.318,06	1.141.419,90	118.195,75	5.532.405,52
		kWh/m ²	46,24	62,00	5,26	0,45	-
2023	Electricity (Location Based)	kWh	1.792.383,60	836.000,00	1.327.450,00	1.888.596,95	5.844.430,55
		tCO ₂ e	858,55	400,44	635,85	904,64	2.799,48

Figure 6.6. Electricity Consumption

6.2.1.2. WATER AND WASTEWATER MANAGEMENT

Aware that our country is facing a high risk of water stress, we pay utmost attention to water conservation during the construction and use of our projects. Considering the flood risks due to climate change, permeable surfaces have been provided as much as possible in our projects to minimize the burden that the construction will impose on the infrastructure and especially the rainwater network. We have significantly reduced the use of tap water by ensuring that the water obtained from systems that collect rainwater and grey water is used in reservoirs and irrigation.

In our Istanbul Finance Center Project, in order to ensure efficiency of the water consuming fixtures in the interior space in accordance with EPA 1992 standards, the sink faucet, kitchen faucet, shower column, cistern and urinals were selected from low water flow models. Thus, with the support of recycled water, it is aimed to save more than 45% in water consumption within the building.

Year	Emission-Causing Operation	Unit	Head Office	Tablo Adalar	Cubes Ankara	IFC
2021	Tap Water	m ³ /m ²	0,69	0,02	0,00	0,03
	Potable Water	liter/m ²	11,43	0,04	0,01	0,02
2022	Tap Water	m ³ /m ²	0,41	0,05	0,04	0,08
	Potable Water	liter/m ²	14,20	0,07	0,01	0,02
2023	Tap Water	m ³ /m ²	0,58	0,005	0,20	0,69
	Potable Water	liter/m ²	11,82	0,24	3,37	3,36

Figure 6.7. Water Consumption

6.2.1.3. GREENHOUSE GAS EMISSIONS

As Vakif REIT, we attach great importance to reducing greenhouse gas emissions as part of our understanding of environmental sustainability. In this context, we analyze the environmental footprint of our projects in detail through emission measurements that we carry out regularly every year. In particular, we take strategic steps to minimize emissions from our construction projects.

One of the most important methods that stands out among these strategies is the supply of low-emission materials. These materials, which have high sustainability standards, significantly reduce the total carbon emissions of our projects. Additionally, we focus on energy efficiency applications and the integration of renewable energy sources. These methods ensure that most of the energy used comes from environmentally friendly sources, which will in turn result of further reduced emissions.

We train our employees on energy efficiency and environmentally friendly practices and inform our customers about energy saving and environmentally friendly practices. In this way, we aim to increase the environmental awareness of all our stakeholders and achieve our sustainability goals. We measure our emissions regularly every year in accordance with the ISO 14064 Standard and prepare the "Greenhouse Gas Inventory Report" in line with these measurements.

Emission Category	2021 Totals (tCO ₂ e)	2022 Totals (tCO ₂ e)	2023 Totals (tCO ₂ e)
Category 1: Direct Greenhouse Gas Emissions	963,55	1.071,37	713,96
Category 2: Greenhouse Gas Emissions due to Imported Energy	1.185,19	2.396,08	2.799,48
Category 3: Greenhouse Gas Emissions due to Transportation	904,88	332,08	6.367,69
Category 4: Greenhouse Gas Emissions due to Products	97.934,94	70.178,49	41.679,30
Total	100.988,57	73.978,02	51.560,44

Figure 6.8. Greenhouse Gas Emissions

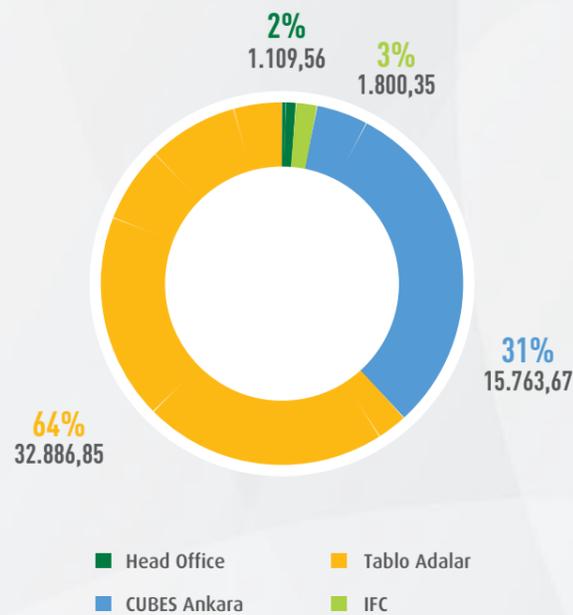


Figure 6.9. 2023 Location Emission Distribution (tCO₂e)

6.2.1.4. WASTE MANAGEMENT

By implementing an effective and efficient waste management policy throughout the construction period, we aim to minimize environmental impacts and ensure a sustainable construction process. Our waste management strategies are based on a comprehensive approach that includes waste reduction, reuse and recycling. We assign responsibilities related to waste management to contractor companies through contracts, thus ensuring that all stakeholders take an active role in this process.

Our waste management goals include minimizing the amount of waste generated in our construction projects, reducing the environmental impact of waste by increasing our recycling rates, and aligning our waste management goals with our broader sustainability goals. We create a comprehensive waste management plan before construction begins. This plan includes how waste will be collected, separated, transported and disposed of. We take care to separate recyclable materials (e.g. metal, wood, concrete, plastic) by separating waste at the source on the construction site.

We prefer to use environmentally friendly and sustainable construction materials and conduct careful planning and material management to reduce unnecessary material use. We create a monitoring system to monitor and record the amount of waste generated during construction, regularly report waste management progress, and evaluate the achievement of targets.

2023					
	Hazardous		Non-Hazardous		Total
	Biogenic Waste	Non-Biogenic Waste	Biogenic Waste	Non-Biogenic Waste	
Head Office	-	-	-	0,49	0,49
Tablo Adalar	-	0,65	-	3.122,00	3.122,65
Cubes Ankara	-	2,93	-	2.138,30	2.141,23
IFC	-	-	-	45,14	45,14
Total	0	3,577	0	5.305,93	5.309,51

Figure 6.10. Waste Amount

6.2.1.5. CIRCULATION AND MATERIAL EFFICIENCY

As a result of the rapid depletion of our world’s resources, “Earth Overshoot Day” is getting shorter. Resource consumption is also related to energy consumption and greenhouse gas emissions. For this reason, we are taking steps to increase circularity by reducing resource consumption in our projects.

We strive to keep material usage as low as possible by using simple structures, smart designs and multifunctional construction elements to reduce energy and resource consumption due to logistics.

To reduce emissions from logistics, we reduce the transportation distance of building materials by sourcing from regional manufacturers.

We aim to maintain our activities in accordance with the principles as set forth within the scope of the circular economy by means of using recycled materials, reusable components and materials based on renewable raw materials. We use durable and long-lasting building materials and designs to increase building life and resource efficiency.

6.2.2. SOCIAL

6.2.2.1. OCCUPATIONAL HEALTH AND SAFETY

In line with our Occupational Health and Safety Policy, in accordance with occupational health and safety legislation and within the scope of the ISO 45001 Occupational Health and Safety (OHS) standard; ensuring the health and safety of our employees is one of our primary responsibilities.

Beyond our employees, we also require our contractors to have ISO 45001 certification, thus creating a safe and healthy working environment in our projects and aiming for “Zero Work Accidents”.

We meticulously include the OHS-related obligations of contractor companies in our contracts.

Number of Occupational Accidents		2018	2019	2020	2021	2022	2023
Vakif REIT Employees	Number of Lost Time Accidents	0	0	0	0	0	0
	Number of Accidents Resulting in Death	0	0	0	0	0	0
Project Contractors	Number of Lost Time Accidents	0	1	4	2	2	32
	Number of Accidents Resulting in Death	0	0	0	0	0	0

Figure 6.11. Number of Occupational Accident (Breakdown: Lost Time and Fatal)

6.2.2.2. WORK ENVIRONMENT AND EMPLOYEE DEVELOPMENT

We see our employees as our greatest asset and aim to provide a healthy and safe work environment that will enable our employees to develop personally in order to strengthen this asset. It constantly develops approaches to increase employee productivity and ensure equal opportunities. In this context, Vakif REIT carries out its activities in accordance with its “Human Rights and Employee Policy”, “Equal Opportunity, Diversity and Gender Equality Policy”, “Occupational Health and Safety Policy” and “Vakif REIT Ethical Principles”.

We aim to increase the knowledge and competence of our employees in these areas by focusing on sustainability and ESG (Environmental, Social and Governance) issues, which have become increasingly important in recent years. In this regard, our employees are regularly given training on various topics. These training sessions not only enable employees to be more effective in their current roles, but also contribute to their preparation for the future by supporting their personal and professional development. All the managers were given awareness training on sustainability and combating climate change.

Training	Number of Participants
Disaster Awareness Training	40
E-GKS Training	1
First Aid Training	2
Growth-Focused Mindset Training	25
Design Thinking Training	17
EFQM Awareness Training	17
Green Transformation and Sustainability Training	14
Container Usage Training	1
Effective Sales Techniques Training	12
Customer Focused Communication Training	9
Effective Communication on the Phone Training	6
Influence and Persuasion Training	9
Payroll Training	5
ISO 14064 Information and Calculation Training	5
ISO 27001 Lead Auditor Training	2
YES-TR	5
OHS Training	15

Figure 6.12. Training

We are also taking decisive steps in the areas of diversity and gender equality. Providing equal opportunities and creating a fair and inclusive work environment where each individual can use their potential at the highest level are among our basic principles. We see diversity as richness and we further strengthen our corporate culture by integrating this understanding into our business processes.

	2020	2021	2022	2023
Female	16	19	16	18
Male	21	22	24	24
Below 30 years	9	9	6	6
Between 30-50 years	28	30	34	36
Total	37	39	40	42

Figure 6.13. Number of Employees (Breakdown: By Age)

6.2.2.3. CORPORATE SOCIAL RESPONSIBILITY

A member of VakıfBank Finance Group, Vakıf REIT has been considering the impact of its activities on society and the world since the day it was founded, with the influence of the foundation heritage in its roots.

In this direction, as Vakıf REIT, we attach priority to:

- Sustainable Cities and Communities
- Industry, Innovation and Infrastructure
- Quality Education
- Reduced Inequality
- Gender Equality

Our Corporate Social Responsibility Projects:

- **Miniature Building- MDC'23 (Miniature Design Competition):** In line with Vakıf REIT's main purpose of "the Power of Custom, the Build of the Future", we aim to instill a culture of sustainability in university students through Miniature Building Competition organized in cooperation with Yıldız Technical University in order to enable young people, who are the architects and engineers of the future, to generate ideas, encourage them, listen to their innovative ideas and projects, work on them and reward the projects and students at the end of the process.
- **Climate Defenders Workshop:** In line with Vakıf REIT's main purpose of "the Power of Custom, the Build of the Future", we aim to increase the awareness of children who will build the future, about the effects of climate change and, instill a culture of sustainability in our students aged 8-12.
- **VakıfBank Sports Club Sponsorship:** As a member of the VakıfBank Finance Group family, we believe that sports are one of the parts that shape a society's lifestyle and form its social capital, and we have been supporting VakıfBank Sports Club since 2018. With this support we provide for VakıfBank Sports Club volleyball schools and infrastructure investments, we aim to both enable our little girls to meet sports and contribute to the national and international success of the club.

Due to the great earthquake disaster that occurred on February 6, 2023 and deeply affected our country; Within the scope of the Urban Development Move initiated under the coordination of the Ministry of Environment, Urbanization and Climate Change of the Republic of Türkiye and under the leadership of TOKI and Emlak Konut REIT, a donation of 10.9 million Turkish Liras

was made to GYODER (Real Estate Investors Association), of which our Company is a member, in order to be used for the revival of the regions affected by the disaster.

COOPERATIONS AND MEMBERSHIP ASSOCIATIONS

As Vakıf REIT, we aim to improve our communication and coordination processes by cooperating with sectoral non-governmental organizations in line with our strategy of "S 7. Strengthening Our Respected Position by Effectively Managing Reputation" included in our integrated strategic plan. In line with this goal, our employees are encouraged to participate in the events and activities of sector NGOs such as GYODER, KONUTDER, TMB, ÇEDBİK, İNDER. Associations of which we are members and collaborations (Figure 6.14);

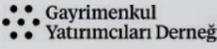
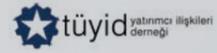
Associations We Are Members Of	Collaborations
	<p>The Real Estate Investors Association (GYODER) was founded in 1999 by representatives of real estate investment trusts in Türkiye. As Vakıf REIT, our representatives actively participate in the association's Real Estate Investment Partnership, Real Estate Technologies and Entrepreneurship, Sustainable Urban Development, Organization, Tourism Investments, Green Buildings and Sustainability committees. Within the scope of the Green Buildings and Sustainability Committee, works on LEED certification, YES TR and Green Agreement are ongoing.</p>
	<p>The Turkish Quality Association (KALDER) was established in 1991 by the coming together of leading representatives of the industrial sector. The association continues its work with the vision of being a non-governmental organization that directs sustainable business and life quality and leads the transformation. Vakıf REIT, which participated in the national quality movement in 2020, was entitled to receive the Superior Performance Competence-4 star certificate in the EFQM recognition and award program in 2021. In 2022, it won the Türkiye Excellence Award with the integrated management model it implemented. In 2023, Vakıf REIT became the first organization to receive the EFQM Türkiye Excellence Grand Award after 6 years.</p>
	<p>The Corporate Governance Association of Türkiye (TYKD) was established in 2003 as a voluntary non-governmental organization with the aim of disseminating and developing the understanding of corporate governance in our country.</p> <p>The association follows the principles of fairness, transparency, accountability and responsibility to serve its purpose operating closely with the private sector, public institutions, media, academia and non-governmental organizations.</p>
	<p>The Investor Relations Association (TÜYİD) was established in 2009 with the aim of producing professional knowledge and reaching world standards in the field of investor relations. The association contributes to its members reaching fair market values; it helps them gain depth in the Turkish capital markets.</p>

Figure 6.14. Associations We Are Members Of

6.2.2.4. SUPPLY CHAIN MANAGEMENT

We adopt high standards and sustainability principles in supply chain management. We require suppliers to have ISO 9001 certification to document their quality management systems, ISO 45001 for occupational health and safety, and ISO 14001 for environmental management.

In addition, supplier companies are expected to comply with the principles of the International Labour Organization (ILO) in their activities. These documents and principles ensure that our suppliers conduct their operations in accordance with international standards and are sensitive to workers' rights, safety and the environment.

It is of great importance to fulfill our duty of care in our relations with our suppliers. In this context, we carry out a careful evaluation process in supplier selection and management. The operational capacities, technical competencies and financial sustainability of our suppliers are examined in detail. In addition, suppliers' compliance with ethical rules and social responsibility principles is also taken into consideration. This evaluation process covers not only the technical and financial competence of our suppliers, but also their ethical and environmental sensitivity in the way they do business.

Performance reports are regularly requested from our suppliers and performance evaluations are carried out in line with these reports accordingly. These evaluations are carried out to check whether suppliers comply with the established quality, environmental and occupational health and safety standards.

Assessments and audits for environmental impacts are carried out according to set performance expectations and the results are reported regularly. Necessary measures are taken to prevent, mitigate and correct negative impacts in the supply chain; these measures include but are not limited to changing procurement practices, adjusting performance expectations, capacity building, training and process changes thereunder. In contracts made with suppliers, targets and objectives for preventing, mitigating and correcting environmental impacts are determined and these targets and objectives are included in the contracts.

As part of our sustainability policies, we encourage our suppliers to minimise their environmental impact.

In this regard, we guide our suppliers on issues such as energy efficiency, waste management and the use of renewable energy resources.

Additionally, we support our suppliers in using innovative and environmentally friendly technologies in their business processes. These efforts not only reduce environmental impacts, but also increase the competitiveness and operational efficiency of our suppliers.

Within the scope of compliance with green building criteria, reduction of greenhouse gas emissions, use of renewable energy and compliance with NSEB criteria are taken into account in the technical specifications.

We implement certain strategies in our tender and contract processes with our suppliers for the purpose of increasing resource efficiency in our projects. Resource efficiency requirements are determined during the planning phase and then implemented through tendering and contracting processes.

Before a project proceeds to the tender process, tender invitations or performance specifications are prepared. In this process, specifications are meticulously prepared, including quantity calculations, in order to ensure resource efficiency and to implement projects with materials/services with low environmental impact.

We regularly review our payment policies and procedures to minimise negative impacts on our supply chain. By accelerating our payment processes and supporting the cash flow of our suppliers, we ensure their financial sustainability. We also make use of automated payment systems in order to avoid payment delays and pay our suppliers fairly and on time in this regard accordingly.

We develop various policies and practices to encourage economic participation in supplier selection. By giving priority to small and medium-sized enterprises (SMEs), we contribute to the growth and development of these enterprises. We also offer special programs and incentives to increase the diversity of our suppliers and support the participation of disadvantaged groups in the economy.

6.2.3. CORPORATE GOVERNANCE

6.2.3.1. CORPORATE GOVERNANCE RATING SCORE

Our company received the award of 'The Organization That Increased Its Score the Most in the Corporate Governance Index' in 2023 compared to the previous year, with a score of 9.33, as a result of the evaluation made by independent rating institutions determined by the Capital Markets Board in the categories of Shareholders, Public Disclosure and Transparency, Stakeholders and Board of Directors. The score received shows that the Company has substantially complied with the Corporate Governance Principles published by the CMB and deserves to be traded in BIST's Corporate Governance Index.

6.2.3.2. CORPORATE RISK SCORE

Within the scope of Internal Control Management, Corporate Risk Assessment has been carried out since 2014. In the Corporate Risk Assessment System, which was developed at the reference application level especially in 2020, risks are determined on a strategic, process and project basis and actions are planned to reduce risks. Performance results clearly show that risks are managed effectively.

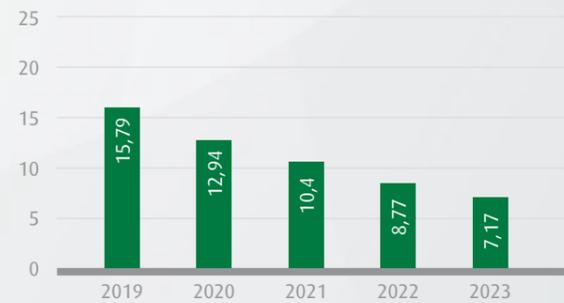


Figure 6.15. Corporate Risk Score

6.2.3.3. LEGISLATIVE CHANGES THAT WILL SIGNIFICANTLY AFFECT ACTIVITIES

There are no significant changes that will affect our company's activities. Further, there is no administrative and/or judicial sanction imposed on the Company and the Board Members due to applications contrary to the applicable legislations.

6.2.3.4. CASES TO WHICH THE COMPANY IS A PARTY

As of December 31, 2023, there are 56 cases in which the Company is a party, and the subject of 34 cases is consumer cases, 11 enforcement proceedings, 9 cases of receivables proceedings, and 2 cases are related to labor cases.



7

FINANCIAL PERFORMANCE

7. FINANCIAL PERFORMANCE

7.1. BALANCE SHEET

VAKIF REAL ESTATE INVESTMENT TRUST

FINANCIAL STATEMENT AS OF 31 DECEMBER 2023 AND 31 DECEMBER 2022 (*)

(Amounts are expressed in Turkish Lira ("TL") based on purchasing power as of December 31, 2023, unless otherwise stated.)

Assets	Footnote References	Independently Audited DECEMBER 31, 2023	Independently Audited DECEMBER 31, 2022
Current Assets		6.519.447.512	1.925.847.137
Cash and cash equivalents	4	897.670.393	1.424.696.083
Financial investments	5	-	186.516.170
Trade receivables			
- Trade Receivables from Non-Related Parties	7	89.747.900	271.297.442
Other receivables			
- Other Receivables from Non-Related Parties	8	4.044.058	13.044.564
Inventories	12	5.163.063.442	183.101
Prepaid expenses	9	75.006.855	13.817.723
Current tax related assets	10	18.502.872	16.287.824
Other current assets	10	271.411.992	4.230
Fixed Assets		8.418.795.260	10.461.910.621
Trade receivables			
- Trade receivables from non-related parties (LT)	7	-	50.092.808
Other receivables			
- Other receivables from non-related parties (LT)	8	1.073.809	81.355
Inventories (LT)	12	1.293.277.106	4.042.860.285
Investment properties	11	6.675.359.935	5.691.130.624
Tangible fixed assets	13	9.711.572	5.163.680
Intangible fixed assets			
- Other intangible fixed assets	14	2.266.003	4.144.695
Prepaid expenses (LT)	9	288.659.531	441.898.468
Other fixed assets	10	148.447.304	226.538.706
Total Assets		14.938.242.772	12.387.757.758

References	Footnote References	Independently Audited DECEMBER 31, 2023	Independently Audited DECEMBER 31, 2022
Short Term Liabilities		3.847.225.792	973.853.693
Short term installments of long term borrowings			
- Short-term portions of long-term borrowings from related parties	3,6	103.625.930	170.789.425
- Short-term portions of long-term borrowings from unrelated parties	6	-	18.760.698
Trade payables			
- Trade payables to related parties	3,7	177.910	239.377
- Trade payables to non-related parties	7	609.344.921	511.021.126
Liabilities under benefits to employees		2.283.077	1.462.302
Other payables			
- Other payables to non-related parties	8	13.655.735	41.448.156
Deferred incomes			
- Deferred income from related parties	3,17	187.876.235	157.364.387
- Deferred income from unrelated parties	17	2.886.047.452	17.785.500
Short term provisions			
- Short-term provisions for employee benefits	16	3.876.596	3.160.882
Other short term liabilities	17	40.337.936	51.821.840
Long Term Liabilities		286.438.130	2.731.743.579
Long term borrowing			
- Long-term borrowings from related parties	3,6	10.139.115	168.154.789
Other payables			
- Other payables to non-related parties (LT)	8	25.054.567	73.253.909
Deferred incomes (LT)			
- Deferred income from unrelated parties	17	227.562.631	2.486.370.476
Long term provisions			
- Long-term provisions for employee benefits	16	3.214.981	3.964.405
- Other long term provisions	16	20.466.836	-
Total Liabilities		4.133.663.922	3.705.597.272
Shareholder's Equity		10.804.578.850	8.682.160.486
Paid-up capital	18	2.950.000.000	1.145.000.000
Distinction from share capital adjustment	18	6.603.303.653	4.413.435.184
Premiums/discounts on shares	18	23.027.353	2.182.307.247
Other accumulated comprehensive incomes or expenses not to be reclassified on profit or loss			
- Revaluation and measurement gains/(losses)	18	(1.658.103)	(918.082)
Reserves on retained earnings		145.648.453	96.408.521
Retained earnings / (losses)		(251.313.643)	(900.681.627)
Net profit for the period		1.335.571.137	1.746.609.243
Total Liabilities		14.938.242.772	12.387.757.758

7.2. INCOME STATEMENT

VAKIF REAL ESTATE INVESTMENT TRUST

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE ACCOUNTING PERIODS

1 JANUARY - 31 DECEMBER 2023 AND 1 JANUARY - 31 DECEMBER 2022 (*)

(Amounts are expressed in Turkish Lira ("TL") based on purchasing power as of December 31, 2023, unless otherwise stated.)

	Footnote References	Independently Audited January 1 - December 31, 2023	Independently Audited January 1 - December 31, 2022
Profit or Loss Section			
Revenue	19	1.418.174.227	6.733.685.660
Cost of sales (-)	19	(648.551.185)	(5.827.325.653)
Gross Profit		769.623.042	906.360.007
General administration expenses (-)	20	(154.349.748)	(64.294.582)
Marketing expenses (-)	20	(67.332.385)	(94.686.084)
Other incomes from main operating activities	21	1.389.869.991	792.679.923
Other expenses from main operating activities (-)	21	(308.314.609)	(64.170.617)
Operating Profit/(Loss)		1.629.496.291	1.475.888.647
Operating Profit/(Loss) Before Financing Income/(Expense)		1.629.496.291	1.475.888.647
Financial expenses (-)	23	(93.053.441)	(40.984.925)
Finance Income/(Expenses), Net		(93.053.441)	(40.984.925)
Profit/(Loss) for the Period Before Continuing Operations		1.536.442.850	1.434.903.722
Monetary Gain/(Loss)		(200.871.713)	311.705.521
Net Profit for the Period		1.335.571.137	1.746.609.243
Other Comprehensive Incomes			
Items Not to be Reclassified to Profit or Loss			
- Defined benefit plans remeasurement gains/(losses)	16	(740.021)	(918.082)
Total Other Comprehensive Income		(740.021)	(918.082)
Total Comprehensive Incomes		1.334.831.116	1.745.691.161
Earnings per Common Share	25	0,514	1,525

(*) Balance Sheet and Income Statement footnotes are available at www.kap.org.tr and www.vakifgyo.com.tr.

7.3. PORTFOLIO TABLE

CHECK COMPLIANCE WITH PORTFOLIO LIMITATIONS

The information provided in the footnote titled "Control of Compliance with Portfolio Limitations" as of December 31, 2023 is summary information derived from financial statements in accordance with Article 16 of the CMB Series: II, No: 14.1 "Communiqué on Principles Regarding Financial Reporting in Capital Markets" and has been prepared within the framework of the provisions regarding control of compliance with portfolio limitations in the "Communiqué on Principles

Regarding Real Estate Investment Partnerships" Series: III, No: 48.1 published in the Official Gazette No. 28660 on May 28, 2013 and the "Communiqué on Amendments to the Communiqué on Principles Regarding Real Estate Investment Partnerships" Series: III, No: 48.1a published in the Official Gazette No. 28891 on January 23, 2014. In this context, information on total assets, total portfolio and portfolio limitations are as attached as of December 31, 2023 and December 31, 2022, and the rates related to these limitations are shown in the table.

Financial Statement Main Account Items	Related Regulation	Current Period	Previous Period
Money and capital market instruments	III-48.1 Communiqué Art. 24/(b)	897.670.393	1.611.212.253
Real estate, real estate-based projects, real estate-based rights	III-48.1 Communiqué Art. 24/(a)	13.131.700.483	9.734.174.010
Subsidiaries	III-48.1 Communiqué Art. 24/(b)	-	-
Receivables from related parties (non-commercial)	III-48.1 Communiqué Art. 23/(f)	-	-
Other assets		908.871.896	1.042.371.495
Total Assets (Sum of Assets)	III-48.1 Communiqué Art. 3/(p)	14.938.242.772	12.387.757.758
Financial payables	III-48.1 Communiqué Art. 31	113.765.045	357.704.912
Other financial liabilities	III-48.1 Communiqué Art. 31	-	-
Financial Leasing Debts	III-48.1 Communiqué Art. 31	-	-
Payables to related parties (non-commercial)	III-48.1 Communiqué Art. 23/(f)	-	-
Shareholder's Equity	III-48.1 Communiqué Art. 31	10.804.578.850	8.682.160.486
Other sources		4.019.898.877	3.347.892.360
Total Liabilities	III-48.1 Communiqué Art. 3/(p)	14.938.242.772	12.387.757.758

Other Financial Details	Related Regulation	Current Period	Previous Period
The portion of money and capital market instruments held for 3-year infrastructure investment and service payments	III-48.1 Communiqué Art. 24/(b)	895.566.252	1.609.263.177
Foreign currency term deposit/demand deposit/special current-participation account and TL term deposit/participation account	III-48.1 Communiqué Art. 24/(b)	2.104.141	1.949.076
Foreign capital market instruments	III-48.1 Communiqué Art. 24/(d)	-	-
Foreign real estate, real estate-based projects, real estate-based rights	III-48.1 Communiqué Art. 24/(d)	-	-
Idle land/plots	III-48.1 Communiqué Art. 24/(c)	3.434.829	3.434.829
Foreign subsidiaries	III-48.1 Communiqué Art. 24/(d)	-	-
Participation in the operating company	III-48.1 Communiqué Art. 28/1 (a)	-	-
Non-cash loans	III-48.1 Communiqué Art. 31	746.762.720	945.768.944
Mortgage amounts on property on which the project will be developed that does not belong to the company.	III-48.1 Communiqué Art. 22/(e)	-	-
The total of money and capital market instruments investments in a single company	III-48.1 Communiqué Art. 22/(1)	2.104.141	1.949.076

Portfolio Limitations	III-48.1 Related Regulation	Current Period	Previous Period	Minimum/Maximum Rate
Mortgage amounts for mortgaged lands on which the project will be developed and whose ownership does not belong to the company	Art.22/(e)	0,00%	0,00%	≤ 10%
Real Estate, Real Estate Based Projects, Real Estate Based Rights (*)	Art. 24 / (a) , (b)	93,90%	91,57%	≥ 51%
Money and Capital Market Instruments and Affiliates Foreign Real Estate, Real Estate Based Projects,	Art. 24/(b)	0,01%	0,02%	≤ 49%
Real Estate-Based Rights, Affiliates, Capital Market Instruments	Art. 24/(d)	0,00%	0,00%	≤ 49%
Idle land/plots	Art. 24/(c)	0,02%	0,03%	≤ 20%
Participation in the operating company	Art. 28/1(a)	0,00%	0,00%	≤ 10%
Borrowing Limit	Art. .31	7,96%	15,01%	≤ 500%
Foreign currency term deposit/demand deposit/special current-participation account and TL term deposit/participation account	Art. 24/(b)	0,01%	0,02%	≤ 10%
The total of money and capital market instruments investments in a single company	Art. 22/(1)	0,01%	0,02%	≤ 10%

(*) In accordance with subparagraph (b) of the first paragraph of Article 24 of the Capital Markets Board Communiqué on Real Estate Investment Partnerships numbered III-48.1, the Company has notified the Capital Markets Board of the planned expenditure amounts for projects whose costs are paid in return for certain entitlements or in installments. The cash surpluses corresponding to these expenses were evaluated through the assets specified in subparagraph (k) of the first paragraph of Article 22 and shown in the main account item "The Portion of Money and Capital Market Instruments Held for 3-Year Real Estate Payments" in the Control of Compliance with Portfolio Limitations table. In addition, as a result of the Company's application to the Capital Markets Board on March 8, 2016, the Board's Decision Making Body decided in its meeting dated March 23, 2016 and numbered 10/305 that the cash amounts evaluated in the time deposit/participation account should be transferred to the Capital Markets Board in accordance with Article 22 of the Communiqué. Since it was decided not to be evaluated within the scope of the 10% issuer limit included in subparagraph (l) of the first paragraph of the article, the cash surpluses subject to these expenses were not included in the calculation. Considering these issues, as of December 31, 2023 and December 31, 2022, there is no incompatibility within the scope of the maximum limit in terms of Article 24/(b) of Communiqué III-48.1 and Article 22/(l) of Communiqué III-48.1.

7.4. REAL ESTATE PORTFOLIO AND RELATED ACTIVITIES

7.4.1. COMPLETED PROJECTS

BİZİMTEPE AYDOS

Province	: İstanbul
District	: Sancaktepe
Block / Parcel	: 8085/36

Together with Halk REIT, our company has completed a project consisting of 17 residential blocks within a site on a residential zoned land of 95,221.84 m² located in İstanbul province, Sancaktepe district, Samandıra neighborhood, Karapınar location, adjacent to the Metro İstanbul M5 Çekmeköy-Sultanbeyli extension line, which is under construction. In this project, which includes social reinforcement areas, indoor and outdoor swimming pools and a landscape area of approximately 80 decares, the construction activities have been completed and people started to settle. 100% of the residential and commercial stock (1037 Housing + 47 Commercial Units) has been sold and, the sales and marketing activities have been completed.

TABLO ADALAR

Province	: İstanbul
District	: Maltepe
Block / Parcel	: 15646/44
Purchase Date	: 17.05.2016
Appraisal Date	: 29.12.2023
Appraisal Value	: TL 2.625.371.694

The land of 15,268.61 m², registered under block no. 15646, parcel no. 44, with a zoning plan for residential purposes, located in Zümrütevler neighborhood, Maltepe district, İstanbul province, was purchased by the ordinary partnership established with Obaköy Gayrimenkul Geliştirme İnşaat Yatırım Taahhüt Sanayi ve Ticaret A.Ş., with 50% of the shares to be paid by Vakıf REIT and 50% by Obaköy.

On January 31, 2018, Obaköy, the 50% shareholder of the Ordinary Partnership, transferred 49% of its shares to our Company for a total of TL 76,111,607, including the land and development expenses incurred up to that date and the share transfer fee. After this transfer, our share in the ordinary partnership was increased to 99%. In order to find the most appropriate and accurate design for the project to be carried out on the land, a request for a preliminary concept was made along with offers from 5 companies well referenced and recognized, and as a result of the concept presentations, an agreement was signed with Tabanlıoğlu Architecture company.

It was thought that the project, which will be realized under the coordination of Tabanlıoğlu Architecture and Vakıf REIT, would have a high brand value and increase the projected sales figures and speed. Currently, Building Licenses have been renewed by Maltepe Municipality on October 14, 2021, and the project tenders: "Main Contractor Service" and "Project Management Service" have been concluded. The completion rate of the project is 99.18% as of December 31, 2023. The provisional acceptance process started on 03.08.2023, the process was completed on 03.10.2023, and the building use permit (occupancy) process continues.

The provisional acceptance process started on 03.08.2023. The sales process was initiated by holding a launch meeting for the project on December 01, 2021, and as of December 31, 2023, a sales promise agreement was signed for 264 independent units.

The turnkey delivery process started on November 29, 2023. According to the completion rate in the 2023 year-end appraiser's report, the year-end value is TL 2,625,371,694, and the total value of the project in case of 100% completion is TL 2,649,327,271.

7.4.2. ONGOING PROJECTS

VYENİKONAK

Province	: İzmir
District	: Konak
Block / Parcel	: 8601/2
Purchase Date	: 19.08.2015
Appraisal Date	: 29.12.2023
Project Current Appraisal Value	: TL 1.886.779.444

The land located in İzmir province, Konak district, Mersinli neighborhood, under block no. 8601, parcel no. 1, with a surface area of 17,673.63 m², in the MİA (Central Business Area) legend, was purchased on August 19, 2015.

Aiming to create a mixed-use project on the block/parcel no. 8601/1, a main contractor tender was held under the name "İzmir Konak Mixed Project" and with the method "Revenue Sharing in Return for Land Sale", and İlk İnşaat and Kaf Teknik Business Venture with the best offer committed a Company Share Income of based on a Company Share Income of 30% to Vakıf REIT in return for the land sales.

The TEIAS land, located in the northern neighborhood of our land, was purchased by the company on April 04, 2019, based on the unification condition in the zoning status document received from the relevant Municipality, and due to the changes arising from the "Unification and Abandonment to the Public Without Charge" transaction, it was registered with the title deed as a land of 17,703.70 m² under block no. 8601 and parcel no. 2, and then subsequently qualified as "Land" by means of demolishing the risky buildings on the parcel.

The project design based on the license has been completed by the contractor company and the building license was obtained on April 16, 2020. The procedures for the implementation project are in progress. The respective site construction activities were started by the Main Contractor in October 2020. In line with the needs in the region, certain arrangements were made in the license project by the main contractor and the renovation license dated December 31, 2021 was obtained accordingly.

In addition to the fact that construction implementation activities have been started as of 2021, while the project progress level is still at ~ 4.81%, it was decided to terminate the service contract based on the Board's Decision dated/13.09.2022/108 due to the contractor's failure to fulfill its obligations in the contract.

The company has put out a tender for the "İzmir Konak Mixed Project Revenue Sharing in Return for Land Sale" project to be built on block no. 8601, and parcel no. 2, in Mersinli neighborhood, Konak district, İzmir province, which is in its portfolio, and a main contractor contract was signed with Rec Uluslararası İnşaat Yatırım San. ve Tic. A.Ş., which submitted the most suitable bid, on 09.03.2023 with a 35% company share income rate on the total income in return for land sale. Although the construction permit for the project was obtained on 12.05.2023 and all legal processes regarding the site delivery to Rec Uluslararası İnşaat Yatırım San. ve Tic. A.Ş. were completed on 16.06.2023, the ongoing legal processes with the previous contractor and the legal permission processes regarding the renovations carried out in the project are still ongoing.

It is considered that the project to be carried out in İzmir, one of the important metropolises of the country, will be extremely beneficial in terms of both continuing the growth vision of the Company and increasing its profitability.

According to the appraisal report of the real estate dated December 29, 2023, the "current status of the project" appraisal value was estimated at TL 1,886,779,444.

CUBES ANKARA

Province	: Ankara
District	: Çankaya
Block / Parcel	: 16124/5 ve 16125/4
Purchase Date	: 06.07.2020
Appraisal Date	: 29.12.2023
Appraisal Value	: TL 4.473.360.173

In order to include the Cubes Ankara Project, which is under construction in 2 separate blocks with a total area of 16,778.93 m² with residential, office, commercial and social facilities and a closed construction area of 207,853 m² on plots with the block/parcel numbers 16124/5 and 16125/4 in Çukurambar neighborhood, Çankaya district, Ankara province, in our Company's portfolio, a contract was signed with T. Vakıflar Bankası T.A.O. on May 13, 2020. On 06 July 2020, the title deed transfer of the "Cubes Ankara Project" to our Company was completed. A renovation license for the project was received on April 20, 2021, and according to the renovation license, the project has a closed construction area of 215,984.66,15 m².

The project's tenders for "Main Contractor Service" and "Project Management Service" were finalized and, the construction activities were initiated by means of signing contracts with the relevant companies. The completion rate of the Cubes project is 88.97% as of December 31, 2023.

The sales process was initiated by holding a launch meeting for the project on October 13, 2021, and as of December 31, 2023, a sales promise agreement was signed for 402 independent units.

In the appraisal report dated December 29, 2023; according to the year-end completion rate of the project, the total value was estimated at TL 4,473,360,173.

VSANCAKTEPE CENTER

Province	: İstanbul
District	: Sancaktepe
Block / Parcel	: 6770/2
Purchase Date	: 09.12.2016
Appraisal Date	: 26.12.2023
Appraisal Value	: TL 641.090.794

The 17,518.17 m² commercial + residential zoned land located in Samandıra neighborhood, Sancaktepe district, Istanbul province, registered in the land registry office under the title deed 243EE4D sheet, block no. 6770, parcel no. 2, was purchased on 09.12.2016.

Aiming to develop a mixed-use project on the parcel, the "Sancaktepe Mixed Project Design Tender" was held on 16.02.2022. Mental Tasarım Proje Geliştirme ve Yapı San. Tic. Ltd. Şti. was awarded the contract, the Building Licenses were obtained on 14.03.2023, and the Building Licenses were renewed on 22.12.2023. The procedures for the design and implementation project have been completed. The "Main Contractor Service" tender under the project was finalized and the construction activities were initiated by signing the contract.

According to the completion rate in the 2023 year-end appraiser's report, the year-end value is TL 641,090,794, and the total value of the project in case of 100% completion is TL 2,248,565,000.

IFC - VAKIFBANK HEAD OFFICE SERVICE BUILDING AND FACILITIES

Province	: İstanbul
District	: Ümraniye
Block / Parcel	: 3328/12
Purchase Date	: 07.06.2011
Appraisal Date	: 29.12.2023
Project Current Appraisal Value	: TL 3.938.422.300

The land of 8,774.05 m² located in Istanbul province, Ümraniye district registered under block no. 3328, and parcel no. 5, and the land of 7,225.80 m² located in Istanbul province, Ümraniye district registered under block no. 3328, parcel no. 12, are within the Istanbul International Finance Center, and 5 parcels have a frontage to the ring road in the direction of 15 July Martyrs Bridge, and 12 parcels have frontage to Şenol Güneş Boulevard. It was purchased by our company in 2011.

According to the report of December 29, 2023 by R&D Gayrimenkul Değerleme ve Danışmanlık A.Ş.' which is authorized by the CMB to provide appraisal services, the fair value of Istanbul Finance Center, located on block no. 3328, parcel no. 12, as determined according to the market and cost comparison method, is TL 3,938,422,300 excluding VAT.

Lands located in Ümraniye were purchased with the aim of developing a mixed project consisting of office and commercial areas in the Istanbul International Finance Center, which will be the capital of finance in the national and international arena and, will provide ease of transportation due to its proximity to the city's business center-dense districts. The concept project studies have been completed to carry out the "T. Vakıflar Bankası T.A.O. Head Office Service Building and Facilities Project" on a land of 8,774.05 m² located in Istanbul province, Ümraniye district, Küçükbakkalköy neighborhood, registered under block no. 3328, parcel no. 5 and a land of 7,225.80 m² located in Istanbul province, Ümraniye district, Küçükbakkalköy neighborhood, under block no. 3328, parcel no. 12 within the Istanbul International Finance Center, and this project has been approved under the Ministry of Environment and Urbanization Aesthetics Board Decision dated 22.05.2014. Following the approval, license projects were completed and prepared, and the construction licenses for both parcels were obtained from the Municipality of Ümraniye on June 22, 2015.

Due to the metro construction adjacent to the relevant parcels, which is being carried out within the scope of the Istanbul International Finance Center project, it was necessary to add 3 additional basement floors in both parcels of the project, and thus the excavation and shoring works, which started in 2016, were completed in 2017. After the completion of the main contractor tender process for the T. Vakıflar Bankası T.A.O. Head Office Service Building and Facilities Project, which our company will carry out in the Istanbul International Finance Center, we have signed a contract with REC Uluslararası İnşaat Yatırım San. ve Tic. A.Ş. for the said work.

At the meeting of the Company's Board of Directors dated 15.11.2018, it was decided to sell a total of 22,900 m² of area in the 52-storey block of the "T Vakıflar Bankası T.A.O. Head Office Service Building and Facilities Project" as included in the portfolio of our Company, which is planned to be used as our Bank's Head Office Service Building, to T. Vakıflar Bankası T.A.O., and a "Real Estate Sales Promise Agreement" was signed with T. Vakıflar Bankası T.A.O. on 23.11.2018.

At the meeting of the Company's Board of Directors dated 26.10.2020, it was decided to sell a total of 28,001.20 m² of area in the 52-storey block of the "T Vakıflar Bankası T.A.O. Head Office Service Building and Facilities Project" as included in the portfolio of our Company, which is planned to be used as Bank's Head Office Service Building, to T. Vakıflar Bankası T.A.O.

At the meeting of the Company's Board of Directors dated 06.01.2021, it was decided to sell the area of 4,785.68 m² in the 52-storey block, which is planned to be used as VakıfBank Head Office service building.

At the meeting of the Company's Board of Directors dated 06.01.2021, it was decided to sell the area of 25,718.12 m² in the 52-storey block, which is planned to be used as VakıfBank Head Office service building. In order to ensure compliance with the revision made in the Istanbul International Financial Center Project Master Work Program, additional protocols were signed with the contractor company, project management company and professional supervision services company.

The provisional acceptance process of the project, which is planned to be completed in 2023, has started and the Contractor company continues to complete the deficiencies related to the manufacturing. The testing and commissioning process continues.

The provisional acceptance process of the project, which is planned to be completed in 2023, was completed on 15.09.2023 and the building use permit (occupancy) process continues.

7.4.3. INVESTMENTS

REAL ESTATE BASED ON PROPERTY ACQUISITION

TRANSFORM FİKİRTEPE PROJECT INDEPENDENT SECTIONS

Province	: İstanbul
District	: Kadıköy
Block / Parcel	: 3412/3
Purchase Date	: 09.05.2018
Appraisal Date	: 28.12.2023
Appraisal Value	: TL 165.015.000

Our Company invested in 30 independent units with a total saleable area of 2,728.92 m² on May 9, 2018, located on the 13th, 14th and 15th floors of Block C in the Transform Fikirtepe Project, registered on block no. 3412, parcel no. 3 in Merdivenköy neighborhood, Kadıköy district, Istanbul province, on a land area of 7,813.31 m².

In the appraisal report dated December 28, 2023, the completion rate of the project was determined as 75%, and it was estimated that if the independent sections in our Company's portfolio are completed 100%, the fair value will be TL 165,015,000 + VAT, according to the betterment study within the framework of the market approach method. After our Company received the title deeds, the independent sections were transferred to the investment properties.

NİDAPARK KÜÇÜKYALI PROJECT INDEPENDENT SECTIONS

Province	: İstanbul
District	: Maltepe
Block / Parcel	: 16772/1
Purchase Date	: 30.11.2018
Appraisal Date	: 29.12.2023
Project Current Appraisal Value	: TL 238.230.000

Our Company has invested in a total of 102 independent units with a gross sales area of 20,439.61 m² located in the office towers of the Nidapark Küçükalyalı Project B10 and B11 blocks, registered with the parcel number 16772 and block number 1 in the Küçükalyalı neighborhood, Maltepe district, İstanbul province, on November 30, 2018. According to the additional protocol signed on October 13, 2020, the gross sales area is 20,427.73 m² and the number of independent sections is 106.

According to the appraisal report dated December 29, 2023, it has been estimated that if the 12 independent sections owned by our Company are completed, the revenue value in today's market conditions will be TL 238,230,000 + VAT.

REAL ESTATE INVESTMENTS WITH RENTAL INCOME**IFC - VAKIFBANK HEAD OFFICE SERVICE BUILDING AND FACILITIES**

Province	: İstanbul
District	: Ümraniye
Block / Parcel	: 3328/12
Purchase Date	: -
Appraisal Date	: 29.12.2023
Appraisal Value	: TL 3.938.422.300

Information on Rental Income

The Company has signed an agreement to lease the remaining 51,563.30 m² area, excluding the shops allocated as shop-mix area, of the B Tower Block, located on a parcel area of 7,225.80 m² and registered with block no. 3328, parcel no. 12, with a total saleable/leasable area of 54,582.90 m² and a construction area of 112,603.97 m², of the "T. Vakıflar Bankası T.A.O. General Directorate Service Building and Facilities Project" included in its portfolio, to Türkiye Vakıflar Bankası TAO as Shell&Core, starting from 05.08.2022 for a period of 5+5 years. Monthly rental fee is 21,491,925 TL + VAT as of December 31, 2023.

KAVAKLIDERE SHOP

This real estate is located in Ankara province, Çankaya district, Tunalı Hilmi avenue registered under block no. 2537, parcel no. 6. The surroundings of the property, which is centrally located and conveniently located in terms of transportation, consist mainly of shops, stores, commercial buildings, office floors and residences.

The building consists of a total of 8 floors and 12 independent sections, including 1 Basement floor + Ground floor + 6 Normal floors. 1. The independent section number 1, which is a warehouse shop with a total gross area of 1,062 m² located on the basement floor, ground floor and 1st normal floor, belongs to our Company.

In determining the value of the real estate, the convenience of transportation by private and public transportation, the fact that the building faces Tunalı Hilmi avenue, one of the main arteries of the city, and its size have been taken into consideration. It was included in the portfolio on 30 December 2004. According to the Appraisal Report dated, December 26, 2023, a total of TL 108,220,000 + VAT, including the land share, was assessed for the fair value of the real estate, which was determined according to the market approach method.

il	: Ankara
ilçe	: Çankaya
Ada/Parsel	: 2537/6
Alış Tarihi	: 30.12.2004
Ekspertiz Tarihi	: 26.12.2023
Ekspertiz Değeri	: TL 108.220.000

Information on Rental Income

It was rented to be used as VakıfBank Kavaklıdere branch on 01.01.2020 with a 10-year contract. The current monthly rental fee is TL 222,134.13 + VAT.

KÜTAHYA BUSINESS CENTER

Province	: Kütahya
District	: Merkez
Block / Parcel	: 63/224
Purchase Date	: 31.01.2011
Appraisal Date	: 08.11.2023
Project Current Appraisal Value	: TL 52.765.633

Kütahya Business Center is located in Kütahya province, Merkez district, Alipaşa neighborhood, Cumhuriyet avenue, at the corner of its intersection with Karagöz Street, registered under block no. 63, parcel no. 224. It was included into the portfolio of the Company in January, 2011. Historical buildings on the avenue, the small bathhouse under protection and the Karagöz Ahmed Pasha Mosque are in the immediate vicinity of the property. Most of the banks are located on Cumhuriyet avenue, where our building is also located.

The building, which consists of a total of 9 floors and 9 independent sections, including 1 basement floor + ground floor + 7 normal floors, has a gross usable area of 2,060 m².

The fact that it is located in a corner location on Cumhuriyet avenue, one of the most lively places of Kütahya market center, where commercial activity is intense, that its surroundings are open due to its view of the square, that its visibility from the surroundings is high, that it has been recently renovated, and in this context, its workmanship and construction quality are better than the surrounding buildings are the factors that positively affect its value.

Kütahya Business Center was included in the portfolio on January 31, 2011. According to the Appraisal Report dated, November 8, 2023, a total of TL 52,765,633 + VAT, including the land share, was assessed for the fair value of the real estate, which was determined according to the market approach method.

Information on Rental Income

It was rented to be used as VakıfBank Kütahya branch on 01.02.2021 with a 10-year contract. The current monthly rental fee is TL 141,999.23 + VAT.

ALIAĞA BUSINESS CENTER

Province	: İzmir
District	: Aliağa
Block / Parcel	: -/5637
Purchase Date	: 31.01.2011
Appraisal Date	: 26.12.2023
Appraisal Value	: TL 40.735.000

Aliağa Business Center is located in İzmir province, Aliağa district, Aliağa neighborhood, İstiklal Avenue, on parcel no. 5637. In the immediate vicinity of the property, there are Democracy Square, Çarşı Mosque and City Park. The buildings in the area have 6-7 floors.

The building, which consists of a total of 7 floors, including 1 basement floor + ground floor + 5 normal floors, is registered in the title deed as 9 separate independent sections with a gross area of 1,323 m².

In determining the value, the fact that the real estate is located in an area with easy transportation facilities, that the commercial activity of the surrounding area is high, that it is suitable for workplace purposes and that its infrastructure is trouble-free are the factors that have a positive impact.

Aliağa Business Center was included in the portfolio on January 31, 2011. According to the Appraisal Report dated December 26, 2023, a total of TL 40,735,000 + VAT, including the land share, was assessed for the fair value of the real estate, which was determined according to the market method.

Information on Rental Income

The current monthly rental fee is TL 87,183 + VAT.

The 1st basement, ground and 1st floors of the building, with a total area of 448 m², were rented as VakıfBank Aliağa branch on 01.01.2020 with a 10-year contract. The current monthly rental fee is TL 65,173.22 + VAT. In addition, out of the independent sections in the building, 8 real estate properties were rented for TL 20,974.58 TL + VAT.

FATİH BUSINESS CENTER

Province	: İstanbul
District	: Fatih
Block / Parcel	: 2123/9
Purchase Date	: 08.02.2011
Appraisal Date	: 26.12.2023
Appraisal Value	: TL 42.800.000

Fatih Business Center is located in İstanbul Province, Fatih District, on Macar Kardeşler avenue, at the corner of the intersection of the avenue and Hulusi Noyan Avenue, registered under block no. 2123, parcel no. 9. There are adjacent buildings around it, with shops and stores on the ground floors and workplaces and residences on the normal floors.

The total gross area of the building, which consists of 4 floors, 2 Basement floors + Ground floor + 2 Normal floors, and 1 independent section, is 509 m². In order for the real estate to be subject to sale and rental as separate independent sections in the future, the title deed records of the real estate were updated as 3 separate independent sections on April 20, 2021.

The fact that it is located on Macar Kardeşler avenue, where many bank branches are located, that the workmanship and construction quality is better than the surrounding buildings, that it is located in a corner location and that the shop fronts are wide, are the factors that have a positive impact on the value of the real estate.

Fatih Business Center was added to the portfolio via leasing from Vakıf Finansal Kiralama A.Ş. on February 8, 2011. According to the Appraisal Report dated December 26, 2023, a total of TL 42,800,000 + VAT, including the land share, was assessed for the fair value of the real estate, which was determined according to the market method.

Information on Rental Income

The current monthly rental fee is TL 91,707.8 + VAT.

It was rented to be used as VakıfBank Kütahya branch on 01.02.2021 with a 10-year contract.

BİZİMTEPE AYDOS COMMERCIAL UNITS

İstanbul / Bizimtepe Aydos project is located in İstanbul province, Sancaktepe district, Samandıra avenue registered under block no. 8085, parcel no. 36. The company has sold all of its commercial sections and there is no commercial section as of December 31, 2023.

LANDS

İZMİR- KONAK LANDS

	Block no. 8603, Parcel no. 1	Block no. 8604, Parcel no. 1	Block no. 8604, Parcel no. 4
Province	İzmir	İzmir	İzmir
District	Konak	Konak	Konak
Purchase Date	19.08.2015	19.08.2015	19.08.2015
Appraisal Date	27.10.2023	05.10.2023	27.10.2023
Appraisal Value	TL 396.669.363	TL 505.105.115	TL 476.084.027

The lands of 56,100,000 m² registered under block no. 8603, parcel no. 1; of 6,600.52 m² registered under block no. 8604, parcel no. 1, and; of 6,221.25 m² registered under block no. 8604, parcel no. 4, located in İzmir province, Konak district, Mersinli neighborhood, all zoned as CBA (Central Business Area) was included to our portfolio. The fair value of our land according to the market approach method in the 2023 year-end appraisal report is TL 1,377,858,505.

ANKARA - ETİMESGUT LANDS

Province	: Ankara
District	: Etimesgut
Purchase Date	: 48750/1 and 48744/5
Purchase Date	: 12.04.2000
Appraisal Date	: 31.10.2023
Appraisal Value	: TL 9.686.004

The real estate properties are registered lands located in Ankara province, Etimesgut district, Eler neighborhood registered under no. 48750, parcel no. 1 parcel and block no. 48744, parcel no. 5. Since the lands are located in the Energy Transmission Line area, there is no construction on them. The parceling plan no. 85170/1, which includes the immovable properties of our company, was canceled by the decision of Ankara 5th Administrative Court dated 04 December 2018 and numbered 2018/2472, and the legal process continues. The surface area of the land registered under block no. 48750, parcel no. 1 is 19,023 m² and Vakıf REIT's shares thereon are 2,111/19,023. The land registered under block no. 48744, parcel no. 5 is 2,399 m².

The fair value of our land according to the market approach method in the 2023 year-end appraisal report is TL 9,686,004.

İSTANBUL , SANCAKTEPE - SAMANDIRA LAND

Province	: İstanbul
District	: Sancaktepe
Block / Parcel	: 100
Purchase Date	: 12.08.2022
Appraisal Date	: 12.12.2023
Appraisal Value	: TL 469.649.000

The land of 21,000 m² located in Istanbul province, Sancaktepe district, Samandıra neighborhood, registered under parcel no. 100 land is under the construction conditions of detached settlement, H(max): 12.50 meters, TAKS: 0.40 KAKS: 1.00. According to the appraisal report dated 12.12.2023, the value of the land was estimated as TL 469,649,000.

KOCAELİ , GEBZE - ÇAYIROVA LAND

Province	: Kocaeli
District	: Gebze
Block / Parcel	: 6365/8
Purchase Date	: 02.09.2022
Appraisal Date	: 29.12.2023
Appraisal Value	: TL 479.894.497

As a result of an appraisal report dated 18.08.2022, the estimated price was TL 210,241,158 for the land m² located in Kocaeli province, Gebze district, Çayırova neighborhood, registered under parcel no. 6365/8, within the "Commercial Area" suitable for construction with storage function in the 1/1000 Scale Gebze Revision Implementation Zoning Plan, separate layout, floor 12 H(max): 36,50 meters, KAKS: 1.98, and this land was purchased ON 02.09.2022 for TL 167,500,000 and included to our portfolio. According to the appraisal report dated 12.12.2023, the value of the land was estimated as TL 479,894,497.

7.4.4. REAL ESTATE PORTFOLIO DEVELOPMENT

Our company attaches importance to the fact that its real estate portfolio consists of properties that have been qualitatively and financially analyzed and, the risk impact of which has been reduced. Feasibility studies and real estate appraisal studies are carried out on all real estate included in the portfolio to determine the correct target groups, and these studies based on scientific data are taken as basis in purchasing and leasing transactions.

In order to achieve its investment goals, our company has adopted the principle of including in its portfolio real estate with different features that are safe, efficient, stable, high in income-generating factors and free of risk parameters, by keeping up to date with the global and national real estate market and taking new investment actions. In this direction, our company's Department of Business Development and Planning was established. It is carried out in accordance with the performance criteria of the strategy "Business development with innovative and conceptual projects", which is the first of our 7 main strategies.

7.5. OTHER FINANCIAL DETAILS

FINANCIAL RESOURCES AND RISK MANAGEMENT POLICIES OF THE BUSINESS

As of December 31, 2023, there are TL 85,066,469 worth of letters of guarantee given, the details are as follows:

Location	Project	Amount (TL)
İller Bankası A.Ş.	Istanbul International Financial Center Project	82.104.182
Ankara 25 th Civil Court of First Instance	Cubes Ankara Project	270.000
Ankara 28 th Enforcement Office	Cubes Ankara Project	275.699
Istanbul 23 rd Enforcement Office	Bizimtepe Aydos Project	121.076
Istanbul 7 th Enforcement Office	Bizimtepe Aydos Project	77.500
Istanbul 6 th Enforcement Office	Bizimtepe Aydos Project	116.500
Istanbul 18 th Enforcement Office	Bizimtepe Aydos Project	340.000
Istanbul 8 th Enforcement Office	Bizimtepe Aydos Project	332.000
Istanbul 17 th Enforcement Office	Bizimtepe Aydos Project	109.512
Istanbul Metropolitan Municipality	Sancaktepe Mixed Project	1.145.000
Istanbul 21 st Enforcement Office	Bizimtepe Aydos Project	75.000
Istanbul 25 th Enforcement Office	Bizimtepe Aydos Project	100.000
Total		85.066.469

This refers to the guarantee fee given to the banks in question in return for the loan amount, in case the buyers of houses and offices in the Company's ongoing projects purchase the relevant projects by using a house/workplace loan from the banks with which the Company has agreements. The ratio of other GPMs given by the Company in this context to the Company's equity is 7.58% (31 December 2022: 19.82%). The details as of December 31, 2023 and December 31, 2022 are as follows:

	31 DECEMBER 2023		31 DECEMBER 2022	
	Sales Made Under Guarantee	Company Share	Sales Made Under Guarantee	Company Share
Cubes Ankara Project (100%)	94.612.053	94.612.053	105.950.082	105.950.082
Tablo Adalar Project (99%)	410.029.502	405.929.207	421.469.175	417.254.484
Total	504.641.555	500.541.260	527.419.257	523.204.566

On July 6, 2020, the "Cubes Ankara Project" with a construction progress level of 15% was transferred to the Company. The total amount of GPMs given in favor of third parties in relation to this transfer as of December 31, 2023 is TL 161,154,991. The Company monitors the amounts of independent sections for which a sales promise agreement was

signed by the owner of the project before the transfer and for which collections were made, under its contingent liabilities. The relevant independent sections will be delivered to the customers once the construction is completed.

Our company has short-term and long-term loans from banks totaling TL 113,765,045 as of December 31, 2023. Considering the current status of our Company, the risks foreseen in this context are under control.

BASIC RATIOS REGARDING FINANCIAL SITUATION, PROFITABILITY AND DEBT PAYMENT STATUS CALCULATED BASED ON FINANCIAL STATEMENTS AND INFORMATION

Ratios	Percentage
Current Percentage	1,69
Liquid Ratio	0,35
Cash Ratio	0,23

PRICES OF THE GOODS AND SERVICES UNDER THE SCOPE OF ACTIVITY, SALES REVENUES, SALES CONDITIONS AND DEVELOPMENTS IN THESE DURING THE YEAR, DEVELOPMENTS IN YIELD AND PRODUCTIVITY COEFFICIENTS, REASONS FOR SIGNIFICANT CHANGES IN THESE COMPARED TO PREVIOUS YEARS.

As can be seen from the table below, the rental income was obtained regularly within the framework of the lease agreements for the real estate in our Company's portfolio during the period.

2023	Kavaklıdere Shop	Aliğa Business Center	Aliğa Housing	Kütahya Business Center	Fatih Business Center	İstanbul Financial Center	Sancaktepe Land	Total
January	₺343.198	₺100.693	₺27.525	₺127.500	₺82.344	-	-	₺681.260
February	₺332.733	₺97.623	₺27.086	₺212.700	₺137.369	₺20.446.245	-	₺21.253.756
March	₺325.286	₺95.438	₺27.800	₺207.939	₺134.294	₺19.988.610	-	₺20.779.367
April	₺317.707	₺93.214	₺27.878	₺203.094	₺131.165	₺19.522.889	-	₺20.295.947
May	₺317.570	₺93.174	₺28.573	₺203.007	₺131.108	₺19.514.483	-	₺20.287.915
June	₺305.590	₺89.659	₺28.855	₺195.348	₺126.162	₺18.778.281	-	₺19.523.895
July	₺279.106	₺81.888	₺26.354	₺178.418	₺115.228	₺17.150.866	-	₺17.831.860
August	₺255.857	₺75.067	₺23.756	₺163.556	₺105.630	₺24.754.635	-	₺25.378.501
September	₺244.247	₺71.661	₺22.678	₺156.135	₺100.837	₺23.631.408	-	₺24.226.966
October	₺236.138	₺69.282	₺21.925	₺150.951	₺97.489	₺22.846.851	-	₺23.422.636
November	₺228.636	₺67.081	₺21.229	₺146.156	₺94.392	₺22.121.038	₺270.184	₺22.948.716
December	₺222.134	₺65.173	₺21.325	₺141.999	₺91.708	₺21.491.925	₺315.000	₺22.349.264
Total	₺3.408.202	₺999.953	₺304.984	₺2.086.803	₺1.347.726	₺230.247.231	₺585.184	₺238.980.083

8

DECLARATIONS OF COMPLIANCE

8. DECLARATIONS OF COMPLIANCE

8.1. DECLARATION OF CONFORMITY FOR FINANCIAL REPORTING

INDEPENDENT AUDIT OPINION

Independent Audit Firm	Audit Type	Opinion Type
GÜNEY BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK AŞ	Perpetual	Positive

INDEPENDENT AUDITOR'S REPORT

Vakıf Real Estate Investment Trust General Assembly

A) Financial Statements Independent Audit

1) Opinion

We have audited the statement of financial position of Vakıf Real Estate Investment Trust (the "Company") ending as of December 31, 2023 and the attached financial statements comprising of the square and loss statement, other comprehensive income statement, statement of changes in equity and cash flow statement as well as the footnotes summarizing the significant accounting policies and other explanatory notes for the special accounting period ending as of the same date.

We are of the opinion that the financial statements attached hereto reflect the actual and true financial situation of the Company as of December 31, 2023, its financial performance and cash flows for the special accounting period ending on the same date in respect of all the significant aspects thereof pursuant to the pertinent provisions of the Turkish Financial Reporting Standards.

2) Basis for Opinion

Our independent audit was conducted in accordance with the Independent Auditing Standards ("IAS", which are part of the Turkish Auditing Standards adopted within the framework of the Capital Markets Board regulations and published by the Public Oversight, Accounting and Auditing Standards Authority ("POA"). Our responsibilities under the IAS are explained in detail in the Independent Auditor's Responsibilities for the Independent Audit of the Financial Statements section of our report. We declare that we are independent from the Company in accordance with the Ethical Rules for Independent Auditors (Ethical Rules) published by the POA and the ethical principles regarding the independent audit of financial statements in the Capital Markets Board legislation and other relevant legislation. Other ethics-related responsibilities within the scope of the Code of Ethics and legislation have also been fulfilled by us. We believe that the independent auditing evidence we have obtained during the performance of the independent audit constitutes a sufficient and appropriate basis for the formation of our opinion.

3) Key Audit Issues

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. Key audit matters have been addressed in the context of our audit of the financial statements as a whole and in forming our opinion on the financial statements, and we do not express a separate opinion on these matters.

Key Audit Issue	How the Key Audit Matter Was Addressed in the Audit
Presentation of investment properties in the financial statements and important information disclosed	
As explained in Notes 2 and 11, the Company values its investment properties using the fair value method after initial recognition.	We have evaluated the qualifications, competence and impartiality of the real estate appraisers appointed by the management.

Key Audit Issue	How the Key Audit Matter Was Addressed in the Audit
The fair value of investment properties worth TL 6,675,359,935 shown in the financial statements as of December 31, 2023 has been determined by independent valuation companies and the details are explained in Note 11. Since the investment properties constitute a significant portion of the Company's total assets and the valuation methods applied involve significant estimates and assumptions thereunder, the valuation of investment properties is considered a key audit matter by us accordingly.	In our audit, the appropriateness of the valuation methods used by the appraisers in the valuation reports of investment properties selected by sample method was evaluated. The reconciliation of the values assessed by the valuation experts for the independent sections in the valuation reports with the amounts explained in footnote 11 has been checked. In addition, we have checked the reconciliation of the inputs used in the valuation reports. The audit procedures that we perform include the aspects of reviewing market data for sampled appraisal reports against the assumptions appraisers use in their appraisals accordingly (including but not limited to real discount rates, market rents and estimated occupancy rates). For this evaluation, another Company valuation expert from our audit network was included in the study. Due to the existence of high-level judgments used in valuation reports as well as alternative estimates and valuation methods, we have evaluated whether the value assessed by the valuation experts is within an acceptable range for the valuation reports selected by sample method. In addition, we questioned the appropriateness of the information in the financial statements and explanatory footnotes, taking into account the importance of the disclosed information for the readers of the financial statements.

Inventories

As of December 31, 2023, the Company's financial statements include such stocks that are accounted in current assets of TL 5,163,063,442 and in fixed assets of TL 1,293,277,106. Stocks consist of land acquired by the Company for the purpose of building houses for sale in the short term and the costs of houses constructed on these lands. The accounting policy regarding stocks is explained in footnote 2, and the relevant stock amounts are explained in footnote 12. Stocks are considered a key audit matter for our audit because they constitute a significant portion of the Company's total assets and account for issues such as purchasing, conversion-capitalization and other costs incurred.

Within the scope of our audit procedures regarding stocks, the following issues are focused on;

Comparing the development costs added to stocks in the current period with documents such as invoices and progress payments,

Checking the net realizable values of stocks with valuation reports and realized sales.

Application of inflation accounting

As explained in footnote 2.1, the Company has started to apply the "TAS 29 Financial Reporting in Hyperinflationary Economies" standard since the Company's (Group's) functional currency (Turkish Lira) is considered as a hyperinflationary economy currency as of 31 December 2023.

The audit procedures applied are explained below;

Meetings were held with the management responsible for financial reporting, and reviews were conducted on the principles taken into consideration during the application of TAS 29, the determination of non-monetary accounts and the tests performed on the designed TAS 29 models.

In accordance with TAS 29, the financial statements and financial information for previous periods have been restated to reflect changes in the general purchasing power of the Turkish Lira and, as a result, are presented in terms of the purchasing power of the Turkish Lira as of the reporting date.

The inputs and indexes used have been tested to ensure the completeness and accuracy of the calculations,

The financial statements and related financial information restated in accordance with IAS 29 have been checked.

In accordance with the guidelines of TAS 29, the Company used Turkish consumer price indices to prepare inflation-sensitive financial statements. The principles applied for inflation adjustment are explained in footnote 2.1.

The adequacy of the information provided in the financial statements and related footnote explanations using inflation accounting has been evaluated in terms of TAS 29.

Given the significant impact of TAS 29 on the Company's reported results and financial position, hyperinflation accounting was considered a key audit matter.

4) Responsibilities of Management and Those Charged with Governance Regarding the Financial Statements

The Company's management is responsible for the internal control it deems necessary to ensure that the financial statements are prepared in accordance with the TFRS, presented fairly and are free from material misstatements resulting from error or fraud.

When preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing issues related to continuity when necessary, and using the going concern principle unless there is an intention or obligation to liquidate the Company or terminate commercial activity.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

5) Responsibilities of the Independent Auditor Regarding the Independent Audit of Financial Statements

In an independent audit, we, the independent auditors, have the following responsibilities:

Our aim is to obtain reasonable assurance as to whether the financial statements as a whole contain material misstatements due to error or fraud and to issue an independent auditor's report containing our opinion. Reasonable assurance provided as a result of an independent audit conducted in accordance with the independent auditing standards and IASs published by the Capital Markets Board is a high level of assurance, but it does not guarantee that a significant misstatement will always be detected. Inaccuracies may be the result of error or fraud. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users of financial statements based on these statements.

As required by the independent audit conducted in accordance with the independent audit standards and IASs published by the Capital Markets Board, we use our professional judgment and maintain our professional skepticism throughout the independent audit. We also ensure as follows:

- Risks of "material misstatement" in the financial statements due to error or fraud are identified and assessed; audit procedures that respond to these risks are designed and implemented, and sufficient and appropriate audit evidence is obtained to form the basis of our opinion. (Since fraud can include collusion, forgery, intentional omission, misrepresentation or override of internal control, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error.)
- Internal control relevant to the audit is evaluated not for the purpose of expressing an opinion on the effectiveness of the Company's internal control, but for the purpose of designing audit procedures appropriate to the situation.
- The appropriateness of the accounting policies used by the management and the reasonableness of the accounting estimates and related disclosures are evaluated.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we must draw attention to the relevant disclosures in the financial statements in our report or, if these disclosures are inadequate, express a different opinion. Our conclusions are based on audit evidence obtained up to the date of the independent auditor's report. However, future events or circumstances may cause the Company to cease to exist as a going concern.
- The overall presentation, structure and content of the financial statements, including the explanations, and whether they reflect the underlying transactions and events in a way that provides a fair presentation are evaluated.

Among other things, we inform those charged with governance about the planned scope and timing of the independent audit and significant audit findings, including any significant internal control deficiencies we identify during the audit.

We have notified those responsible for senior management that we comply with ethical provisions regarding independence.

We have also communicated all relationships and other issues that may be considered to have an impact on independence and, if applicable, the relevant measures to those responsible for senior management.

Among the issues reported to those responsible for senior management, we determine the issues that are of most importance in the independent audit of the financial statements of the current period, namely the key audit matters. In cases where the legislation does not allow the matter to be disclosed to the public, or in very exceptional cases where it is reasonably expected that the negative consequences of disclosing the matter to the public will outweigh the public benefit of disclosing the matter, we may decide not to report the relevant matter in our independent auditor report.

B) Other Obligations Arising from Legislation

1) In accordance with the fourth paragraph of Article 402 of the Turkish Commercial Code No. 6102 ("TCC"), no significant issue was found indicating that the Company's bookkeeping system and financial statements were not in compliance with the provisions of the law and the Company's articles of association regarding financial reporting in the accounting period of January 1 – December 31, 2023.

2) In accordance with the fourth paragraph of Article 402 of the TCC, the Board of Directors has made the requested explanations and provided the requested documents within the scope of the audit.

3) The Auditor's Report on the Early Detection of Risk System and Committee, prepared in accordance with the fourth paragraph of Article 398 of the TCC, was submitted to the Board of Directors on May 9, 2024.

The responsible auditor who conducted and concluded this independent audit is Birkan Bilal Avci.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited
Birkan Bilal Avci, CPA Responsible Auditor
May 09, 2024, İstanbul, Türkiye

8.2. ANNUAL REPORT DECLARATION OF CONFORMITY**ANNUAL REPORT (NON-CONSOLIDATED)****INDEPENDENT AUDIT OPINION**

Independent Audit Firm	Audit Type	Opinion Type
GÜNEY BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK AŞ	Perpetual	Positive

INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT**Vakıf Real Estate Investment Trust General Assembly****1) Opinion**

We have audited the annual activity report of Vakıf Real Estate Investment Trust ("Company") for the accounting period of January 1, 2023 – December 31, 2023.

We are of the opinion that the financial information included in the Board of Directors' annual activity report and the Board of Directors' examination of the Company's situation are consistent with the audited full set of financial statements and the information we obtained during the independent audit, in all its important aspects, and reflect the truth.

2) Basis for Opinion

Our independent audit was conducted in accordance with the Independent Auditing Standards ("IAS", which are part of the Turkish Auditing Standards adopted within the framework of the Capital Markets Board regulations and published by the Public Oversight, Accounting and Auditing Standards Authority ("POA"). Our responsibilities under the IAS are explained in detail in the Independent Auditor's Responsibilities for the Independent Audit of the Annual Report section of our report. We declare that we are independent from the Company in accordance with the Ethical Rules for Independent Auditors (Ethical Rules) published by the POA and the ethical provisions in the legislation on independent auditing. Other ethics-related responsibilities within the scope of the Code of Ethics and legislation have also been fulfilled by us. We believe that the independent auditing evidence we have obtained during the performance of the independent audit constitutes a sufficient and appropriate basis for the formation of our opinion.

3) Our Auditor's Opinion on the Full Set Financial Statements

We have expressed a positive opinion in our auditor's report dated May 9, 2024, on the Company's full set of financial statements for the accounting period of January 1, 2023 - December 31, 2023.

4) Responsibility of the Board of Directors Regarding the Annual Report

According to Articles 514 and 516 of the Turkish Commercial Code (TTC) No. 6102 and the Capital Markets Board ("CMB") Communiqué No. II-14.1 on "Principles of Financial Reporting in Capital Markets" ("Communiqué"), the Company management is responsible for the following in relation to the annual report:

- Prepares the annual activity report within the first three months following the balance sheet date and submits it to the general assembly.
- Prepares the annual activity report in a way that accurately, completely, straightforwardly, truthfully and honestly reflects the flow of the Company's activities and financial situation for that year. In this report, the financial situation is evaluated according to the financial statements. The report also clearly indicates the development of the Company and the risks it may encounter. The evaluation of the Board of Directors regarding these issues is also included in the report.
- The annual report also includes the following matters:
 - Events of particular importance that occurred in the Company after the end of the operating year
 - The Company's research and development activities,
 - Financial benefits such as wages, premiums, bonuses paid to board members and senior managers, allowances, travel, accommodation and representation expenses, in-kind and cash opportunities, insurance and similar guarantees.

While preparing the annual report, the board of directors also takes into account the secondary legislation regulations made by the Ministry of Trade and relevant authorities.

5) Responsibility of the Independent Auditor Regarding the Independent Audit of the Annual Activity Report

Our aim is to determine whether the financial information included in the annual report within the framework of the provisions of the Communiqué and the Turkish Commercial Code as well as the analysis made by the Board of Directors using the information in the audited financial statements about the Company's situation are consistent with the audited financial statements of the Group and the information we obtained during the independent audit and, whether they reflect the truth, and give an opinion on whether it reflects our opinion and prepare a report containing this opinion.

Our independent audit was conducted in accordance with the IASs and the independent audit standards published by the Capital Markets Board. These standards ensure compliance with the ethical provisions and requires that the independent audit is planned and carried out to ensure reasonable assurance is obtained on whether the financial information included in the annual report and the analysis made by the Board of Directors using the information in the financial statements about the situation of the Group are consistent with the financial statements and the information obtained during the audit and whether they reflect the truth.

The responsible auditor who conducted and concluded this independent audit is Birkan Bilal Avcı.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited
Birkan Bilal Avcı, CPA Responsible Auditor
May 09, 2024, İstanbul, Türkiye

Board Resolution adopted in accordance with Article 9 of the Communiqué on Principles of Financial Reporting in the Capital Markets (II-14.1);

Meeting No :
 Meeting Date :
 Resolution No. :
 Meeting Place : Vakıf Real Estate Investment Trust

VAKIF REAL ESTATE INVESTMENT TRUST
BOARD RESOLUTION

AGENDA Financials and Annual Report for the accounting period 01.01.2023-31.12.2023.

DECISION: The Board of Directors reviewed the Financial Statements and Footnotes as well as the Board's Annual Report, which have been independently audited, in line with the resolution of the Audit Committee on the subject. Accordingly;

- We have reviewed and approved the Company's Financial Statements and Footnotes as well as the Board Annual Report for the accounting period of 01.01.2023-31.12.2023.
- Within the framework of the information our Company has in its field of duty and responsibility, it has been observed that the Financial Statements and Footnotes as well as the Board's Annual Report do not contain any untrue statements on important matters or any deficiencies that may result in misleading as of the date the statement was made.
- Within the framework of the information our Company has in its field of duty and responsibility, it has been observed that the Financial Statements and Footnotes as well as other financial information included in the Board's Annual Report accurately reflect the truth about the financial situation and operating results of our Company.

Resolved to approve the Financial Statements and their footnotes as well as the Board's Annual Report, which have been independently audited, for the accounting period of 01.01.2023-31.12.2023.

Mikail HİDİR
Chairman

Assoc. Prof. Şükrü Mete TEPEGÖZ
Vice Chairman

Onur İNCEHASAN
Board Member

ARZU SEYAN
Board Member

Tevfik ERPEK
Board Member

Korhan TURGUT
Board Member

Rifat DEMİRBAŞ
Board Member

Ömer DEMİR
Board Member

Mustafa ŞENGÜL
Board Member

State of Responsibility in accordance with Article 9 of the Communiqué on Principles of Financial Reporting in the Capital Markets (II-14.1);

BOARD'S RESOLUTION ON THE APPROVAL OF THE FINANCIAL STATEMENTS

DECISION DATE :
DECISION NUMBER :

OUR DECLARATION IN ACCORDANCE WITH
THE CAPITAL MARKETS BOARD'S COMMUNIQUE NO. II-14.1, ARTICLE 9

- a) We hereby declare that we have reviewed our Company's Financial Statements and the Board's Annual Report for the activity period ending on 31.12.2023 as prepared within the framework of the Communiqué No. II-14.1 published by the Capital Markets Board,
- b) Within the framework of the information our Company has in its field of duty and responsibility, it has been observed that the Financial Statements and the Board Annual Report do not contain any untrue statements on important matters or any deficiencies that may result in misleading as of the date the statement was made.
- c) Within the framework of the information our Company has in its field of duty and responsibility, the Financial Statements prepared in accordance with the CMB's Communiqué No. II-14.1 fairly reflect the truth about the assets, liabilities, financial position and profit & loss of the business and, the Board's Annual Report fairly reflects the development and performance of the business, the financial position of the business, including the significant risks and uncertainties we face.

Best regards,
VAKIF REAL ESTATE INVESTMENT TRUST
HEAD OFFICE

Mustafa ŞENGÜL
Board Member

Rıfat DEMİRBAŞ
Board Member

Onur İNCEHASAN
General Manager

Meeting No : 2024 /
Meeting Date : / / 2024
Resolution No. : 2024 /
Meeting Place : Vakıf REIT Head Office

VAKIF REAL ESTATE INVESTMENT TRUST
CORPORATE GOVERNANCE COMMITTEE'S DECISION

Our company's Corporate Governance Compliance Report, Corporate Governance Information Form and CMB Sustainability Principles Compliance Report for the activity period of 01.01.2023 - 31.12.2023 have been examined by us. It has been observed that the Corporate Governance Compliance Report, the Corporate Governance Information Form and the CMB Sustainability Principles Compliance Report do not contain any untrue statements on important issues or any deficiencies that may result in the statements being misleading as of the date they were made, and that the information on other financial issues included in the Corporate Governance Compliance Report, the Corporate Governance Information Form and the CMB Sustainability Principles Compliance Report accurately reflect the truth about the financial situation and activity results of our Company as of the relevant period, and it has been decided that the Corporate Governance Compliance Report, the Corporate Governance Information Form and the CMB Sustainability Principles Compliance Report for the activity period of 01.01.2023 - 31.12.2023 be found appropriate by our Committee and that our opinion on their approval be submitted to the Board of Directors.

Ömer DEMİR
Corporate Governance
Committee
Chairman

Tevfik ERPEK
Corporate Governance
Committee
Member

Tülay ÖZTÜRK
Corporate Governance
Committee
Member

8.3. DECLARATIONS OF INDEPENDENCE

DECLARATION WITHIN THE SCOPE OF THE COMMUNIQUE ON DETERMINATION AND IMPLEMENTATION OF CORPORATE GOVERNANCE PRINCIPLES

- 1) There has been no employment relationship in a management position assuming significant duties and responsibilities between me, my spouse and my relatives by blood or marriage up to the second degree on one hand and the company, the partnerships, over which the company has management control or significant influence, and the partners, who have management control of the company or have significant influence in the company, and the legal entities, over which these partners have management control, and I do not own more than 5% of the capital or voting rights or privileged shares, either jointly or individually, or no significant commercial relationship has been established with them, within the last five years.
- 2) I have not been holding any management position assuming significant duties and responsibilities or I have not been a Board Member or a shareholder (5% and more) in such companies, from which the company has purchased or sold a significant amount of services or products within the framework of the respective agreements, especially for the company's audit (including tax audit, legal audit, internal audit), rating and consultancy, during the period when such services or products have been purchased or sold, within the last five years.
- 3) I have the professional training, knowledge and experience to properly fulfill the duties I will undertake as an independent member of the Board of Directors,
- 4) I will not work full-time in public institutions and organizations after being elected as a board member, except as a university faculty member, provided that it complies with the relevant legislation,
- 5) I am considered to be settled in Türkiye according to the Income Tax Law (Income Tax Law),
- 6) I have strong ethical standards, professional reputation and experience to make positive contributions to the company's activities, to maintain my impartiality in conflicts of interest between the company and its shareholders, and to make decisions freely by taking into account the rights of stakeholders,
- 7) I have not served as a Board Member on the Company's Board of Directors for more than six years in the last ten years,
- 8) I am able to devote enough time to the company affairs to follow the functioning of the company activities and fully fulfill the requirements of the duties I undertake,
- 9) I do not serve as an Independent Member of the Board of Directors in more than three of the companies, where the management control of the company or the partners holding the management control of the company is controlled, and in more than five of the companies traded on the stock exchange in total,
- 10) I have not been registered and announced on behalf of the legal entity elected as a member of the Board of Directors,
- 11) In case any situation arises that eliminates my independence, I will immediately convey this situation and its justification to the board of directors to be disclosed on the Public Disclosure Platform, and simultaneously convey this situation and its justification to the Board in writing, and resign in principle,

I hereby declare, agree and undertake accordingly.
Rifat DEMİRBAŞ

DECLARATION WITHIN THE SCOPE OF THE COMMUNIQUE ON DETERMINATION AND IMPLEMENTATION OF CORPORATE GOVERNANCE PRINCIPLES

- 1) There has been no employment relationship in a management position assuming significant duties and responsibilities between me, my spouse and my relatives by blood or marriage up to the second degree on one hand and the company, the partnerships, over which the company has management control or significant influence, and the partners, who have management control of the company or have significant influence in the company, and the legal entities, over which these partners have management control, and I do not own more than 5% of the capital or voting rights or privileged shares, either jointly or individually, or no significant commercial relationship has been established with them, within the last five years.
- 2) I have not been holding any management position assuming significant duties and responsibilities or I have not been a Board Member or a shareholder (5% and more) in such companies, from which the company has purchased or sold a significant amount of services or products within the framework of the respective agreements, especially for the company's audit (including tax audit, legal audit, internal audit), rating and consultancy, during the period when such services or products have been purchased or sold, within the last five years.
- 3) I have the professional training, knowledge and experience to properly fulfill the duties I will undertake as an independent member of the Board of Directors,
- 4) I will not work full-time in public institutions and organizations after being elected as a board member, except as a university faculty member, provided that it complies with the relevant legislation,
- 5) I am considered to be settled in Türkiye according to the Income Tax Law (Income Tax Law),
- 6) I have strong ethical standards, professional reputation and experience to make positive contributions to the company's activities, to maintain my impartiality in conflicts of interest between the company and its shareholders, and to make decisions freely by taking into account the rights of stakeholders,
- 7) I have not served as a Board Member on the Company's Board of Directors for more than six years in the last ten years,
- 8) I am able to devote enough time to the company affairs to follow the functioning of the company activities and fully fulfill the requirements of the duties I undertake,
- 9) I do not serve as an Independent Member of the Board of Directors in more than three of the companies, where the management control of the company or the partners holding the management control of the company is controlled, and in more than five of the companies traded on the stock exchange in total,
- 10) I have not been registered and announced on behalf of the legal entity elected as a member of the Board of Directors,
- 11) In case any situation arises that eliminates my independence, I will immediately convey this situation and its justification to the board of directors to be disclosed on the Public Disclosure Platform, and simultaneously convey this situation and its justification to the Board in writing, and resign in principle,

I hereby declare, agree and undertake accordingly.
Ömer DEMİR

DECLARATION WITHIN THE SCOPE OF THE COMMUNIQUE ON DETERMINATION AND IMPLEMENTATION OF CORPORATE GOVERNANCE PRINCIPLES

1) There has been no employment relationship in a management position assuming significant duties and responsibilities between me, my spouse and my relatives by blood or marriage up to the second degree on one hand and the company, the partnerships, over which the company has management control or significant influence, and the partners, who have management control of the company or have significant influence in the company, and the legal entities, over which these partners have management control, and I do not own more than 5% of the capital or voting rights or privileged shares, either jointly or individually, or no significant commercial relationship has been established with them, within the last five years.

2) I have not been holding any management position assuming significant duties and responsibilities or I have not been a Board Member or a shareholder (5% and more) in such companies, from which the company has purchased or sold a significant amount of services or products within the framework of the respective agreements, especially for the company's audit (including tax audit, legal audit, internal audit), rating and consultancy, during the period when such services or products have been purchased or sold, within the last five years.

3) I have the professional training, knowledge and experience to properly fulfill the duties I will undertake as an independent member of the Board of Directors,

4) I will not work full-time in public institutions and organizations after being elected as a board member, except as a university faculty member, provided that it complies with the relevant legislation,

5) I am considered to be settled in Türkiye according to the Income Tax Law (Income Tax Law),

6) I have strong ethical standards, professional reputation and experience to make positive contributions to the company's activities, to maintain my impartiality in conflicts of interest between the company and its shareholders, and to make decisions freely by taking into account the rights of stakeholders,

7) I have not served as a Board Member on the Company's Board of Directors for more than six years in the last ten years,

8) I am able to devote enough time to the company affairs to follow the functioning of the company activities and fully fulfill the requirements of the duties I undertake,

9) I do not serve as an Independent Member of the Board of Directors in more than three of the companies, where the management control of the company or the partners holding the management control of the company is controlled, and in more than five of the companies traded on the stock exchange in total,

10) I have not been registered and announced on behalf of the legal entity elected as a member of the Board of Directors,

11) In case any situation arises that eliminates my independence, I will immediately convey this situation and its justification to the board of directors to be disclosed on the Public Disclosure Platform, and simultaneously convey this situation and its justification to the Board in writing, and resign in principle,

I hereby declare, agree and undertake accordingly.

Mustafa ŞENGÜL

8.4. REPORT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Vakıf Real Estate Investment Trust 2023 Corporate Governance Compliance Report						
	Compliance Status					Remarks
	Yes	Partial	No	Exempted	Not applicable	
1.1. Facilitating the Use of Shareholder Rights						
1.1.2 - Information and explanations that may affect the exercise of shareholding rights are made available to investors on the partnership's corporate website.	x					
1.2. Right to Information and Review						
1.2.1- The company management avoided taking any action that would make it difficult to conduct a special audit.	x					
1.3. General Assembly						
1.3.2 - The Company has ensured that the General Assembly agenda is clearly stated and that each proposal is submitted under a separate heading.	x					
1.3.7 - Persons who have privileged access to partnership information have informed the board of directors about the transactions they have made on their behalf within the scope of the partnership's field of activity, to be added to the agenda in order to ensure that information is provided at the general assembly.					x	
1.3.8 - Members of the board of directors, other relevant persons, officers responsible for the preparation of the financial statements and auditors were present at the general assembly meeting regarding the specific issues on the agenda.	x					
1.3.10-The amounts of all donations and aids and those who benefit from them are included in a separate item on the general assembly agenda.	x					
1.3.11 - The General Assembly meeting was held open to the public, including stakeholders and the media, without the right to speak.	x					
1.4. Voting Right						
1.4.1 - There are no restrictions or practices that make it difficult for shareholders to exercise their voting rights.	x					
1.4.2-The company does not have any shares with privileged voting rights.			x			In the election of the members of the Board of Directors, each Group A share has 15 (fifteen) votes; each Group B share has 1 (one) vote.
1.4.3 - The Company has not exercised its voting rights at the General Assembly of any partnership with which it has a cross-shareholding relationship that entails a dominant relationship.					x	
1.4. Minority Rights						
1.5.1- The Company has taken utmost care in ensuring that minority rights are exercised.	x					
1.5.2- Minority rights have been granted to those who own less than one twentieth of the capital by the articles of association, and the scope of minority rights has been expanded by being regulated in the articles of association.			x			There is no provision in the Articles of Association granting minority rights to shareholders who own less than one twentieth of the capital.
1.6. Right to Dividend						
1.6.1 - The profit distribution policy approved by the general assembly is disclosed to the public on the company's corporate website.	x					
1.6.2 - The profit distribution policy contains the minimum information that will enable shareholders to foresee the methods and principles of distribution of profits that the company will obtain in future periods.	x					
1.6.3 - Reasons for non-distribution of profit and the method of using undistributed profit are specified in the relevant agenda item.					x	
1.6.4 - The board of directors reviewed whether the balance was achieved between the interests of shareholders and the company in the profit distribution policy.	x					
1.7. Share Transfers						
1.7.1 - There are no restrictions that make it difficult to transfer shares.	x					

	Compliance Status					Remarks
	Yes	Partial	No	Exempted	Not applicable	
2.1. Corporate Website						
2.1.1 - The company's corporate website includes all the elements in the corporate governance principle numbered 2.1.1.	x					
2.1.2- Shareholding structure (names of individual shareholders owning more than 5% of the issued capital, their privileges, number and percentage of shares) is updated on the corporate website at least every 6 months.	x					
2.1.4 - The information on the company's corporate website has been prepared in foreign languages selected as needed, with exactly the same content as Turkish.	x					
2.2. Annual Report						
2.2.1 - The board of directors ensures that the annual activity report fully and accurately reflects the company's activities.	x					
2.2.2 - The annual activity report includes all the elements in principle 2.2.2.	x					
3.1. Company Policy Regarding Stakeholders						
3.1.1- The rights of stakeholders are protected within the framework of relevant regulations, contracts and good faith rules.	x					
3.1.3 - Policies and procedures regarding stakeholders' rights are published on the company's corporate website.	x					
3.1.4 - Necessary mechanisms have been established for stakeholders to report transactions that are against the legislation and unethical.	x					
3.1.5 - The Company handles conflicts of interest among stakeholders in a balanced manner.	x					
3.2. Supporting Stakeholder Participation in Company Management						
3.2.1 - Employees' participation in management is regulated by the articles of association or internal company regulations.	x					
3.2.2 - Methods such as surveys / consultations have been applied to obtain the opinions of stakeholders on important decisions that have consequences for stakeholders.	x					
3.3. Company's Human Resources Policy						
3.3.1 - The Company has adopted an equal opportunity employment policy and succession planning for all key management positions.	x					
3.3.2 - Criteria for personnel recruitment are determined in writing.	x					
3.3.3 - The company has a Human Resources Development Policy and organizes training for employees within this scope.	x					
3.3.4 - Meetings were held to inform employees about issues such as the company's financial situation, remuneration, career planning, education and health.	x					
3.3.5 - Decisions that may affect employees are notified to them and their employee representatives. The opinions of the relevant unions were also taken into account on these issues.		x				Our company is not affiliated with a union.
3.3.6 - Job descriptions and performance criteria were prepared in detail for all employees and announced to employees and used in remuneration decisions.			x			Job Descriptions and Performance Criteria have been prepared in detail for all employees and communicated to them. However, it is not used in decisions regarding remuneration.
3.3.7 - Measures such as procedures, training, awareness-raising, targets, monitoring and complaint mechanisms have been taken to prevent discrimination among employees and to protect employees against physical, mental and emotional mistreatment within the company.	x					
3.3.8 - The Company supports freedom of association and the effective recognition of the right to collective bargaining.	x					
3.3.9 - A safe working environment is provided for employees.	x					
3.4. Relationships with Customers and Suppliers						
3.4.1-The company has measured customer satisfaction and operated with the understanding of unconditional customer satisfaction.	x					
3.4.2 - If there is a delay in processing the customer's requests for goods and services purchased, this is notified to the customer.	x					
3.4.3 - The company adheres to quality standards regarding goods and services.	x					
3.4.4 - The Company has controls in place to protect the confidentiality of sensitive trade secret information of customers and suppliers.	x					

	Compliance Status					Remarks
	Yes	Partial	No	Exempted	Not applicable	
3.5. Code of Ethics and Social Responsibility						
3.5.1 - The board of directors has determined the Code of Ethical Conduct and published it on the company's corporate website.	x					
3.5.2- The Company is sensitive about social responsibility. It has taken measures to prevent corruption and bribery.	x					
4.1. Function of the Board of Directors						
4.1.1-The board of directors ensures that strategies and risks do not threaten the long-term interests of the company and that effective risk management is implemented.	x					
4.1.2-The meeting agenda and minutes reveal that the board of directors discussed and approved the company's strategic objectives, determined the required resources, and audited the management's performance.	x					
4.2. Principles of Activity of the Board of Directors						
4.2.1-The board of directors documented its activities and presented them to the shareholders.	x					
4.2.2-The duties and authorities of the board members are explained in the annual activity report.	x					
4.2.3 - The board of directors has established an internal control system appropriate to the scale of the company and the complexity of its activities.	x					
4.2.4-Information on the functioning and effectiveness of the internal control system is provided in the annual activity report.	x					
4.2.5 - The duties of the chairman of the board of directors and the chief executive officer (general manager) are separated and defined.	x					
4.2.7-The board of directors ensures that the investor relations department and the corporate governance committee work effectively and works in close cooperation with the investor relations department and the corporate governance committee in resolving disputes between the company and shareholders and in communicating with shareholders.	x					
4.2.8 - The Company has taken out directors' liability insurance for damages that may be caused to the company by the faults of the board members during their duties, for an amount exceeding 25% of the capital.	x					
4.3. Board Structure						
4.3.9- The company has established a policy to achieve this goal by setting a minimum target of 25% for the female member ratio on the board of directors. The board structure is reviewed annually and the nomination process is carried out in accordance with this policy.	x					
4.3.10 - At least one of the members of the audit committee has 5 years of experience in auditing/accounting and finance.	x					
4.4. Form of Board Meetings						
4.4.1 - All board members attended most board meetings, either physically or electronically.	x					
4.4.2 - The board of directors has defined a minimum period for sending information and documents related to the agenda items to all members before the meeting.	x					
4.4.3- The opinions of a member, who does not attend the meeting but, provides the Board of Directors with their opinions, are provided to the other members.	x					
4.4.4- Each member of the Board of Directors is entitled to one vote to cast.	x					
4.4.5 - The manner in which the board of directors meetings will be held is set out in written form in the company's internal regulations.	x					
4.4.6 - The board meeting minutes show that all items on the agenda have been discussed and the decision minutes are prepared to include dissenting opinions.	x					
4.4.7 - Board members are restricted from taking on other duties outside the company. The duties undertaken by board members outside the company were presented to shareholders at the general assembly meeting.		x				Members of the Board of Directors are not restricted from taking on other duties or tasks outside the company, and the provisions of the Turkish Commercial Code regarding non-competition are complied with. The Board Members are able to devote enough time to the company affairs to follow the functioning of the company activities and fully fulfill the requirements of the duties they undertake,

	Compliance Status					Remarks
	Yes	Partial	No	Exempted	Not applicable	
4.5. Committees Established Within the Board of Directors						
4.5.5 - Each board member serves on only one committee.			x			Since the Corporate Governance Principles require that committee chairmen be independent members, some Board Members have served on more than one committee.
4.5.6-The committees invited the people they deemed necessary to the meetings to get their opinions and received their opinions.					x	
4.5.7 - Information about the independence of the person/ organization from which the Committee receives consultancy services is included in the annual activity report.					x	
4.5.8 - A report on the results of the committee meetings was prepared and presented to the board members.	x					
4.6. Financial Rights Granted to Board Members and Executives with Administrative Responsibilities						
4.6.1 - The board of directors has conducted a performance evaluation of the board of directors to assess whether it has effectively discharged its responsibilities.			x			The Board of Directors has not conducted a Performance Evaluation.
4.6.4 - The Company has not provided loans, lent money or extended the term of the loaned debt to any of its board members or executives with administrative responsibility, improved the conditions, provided loans under the title of a personal loan through third parties or provided guarantees such as suretyship in their favor.	x					
4.6.5 - Remuneration paid to board members and executives with administrative responsibility is disclosed on an individual basis in the annual activity report.					x	The salaries and benefits provided to the members of the Board of Directors are disclosed on an individual basis, and the salaries and benefits provided to senior executives are disclosed collectively.

2023 Corporate Governance Information Form

Shareholders	
1.1. Facilitating the Use of Shareholder Rights	
Number of investor conferences and meetings organized by the company during the year	-
1.2. Right to Information and Review	
Number of special auditor requests	None.
Number of special auditor requests accepted at the general assembly meeting	None.
1.3. General Assembly	
Link to the PDP announcement announcing the information requested under Principle 1.3.1 (ad)	https://www.kap.org.tr/Bildirim/1170901
Whether the documents related to the general assembly meeting are presented in English simultaneously with Turkish	Presented.
Links to the PDP announcements regarding transactions that do not require the approval of a majority of independent members or unanimous vote of participants, as per Principle 1.3.9.	None.
Links to the PDP announcements regarding related party transactions carried out within the scope of Article 9 of the Corporate Governance Communiqué (II-17.1)	-
Links to the PDP announcements regarding widespread and continuous transactions carried out within the scope of Article 10 of the Corporate Governance Communiqué (II-17.1)	None.
The name of the section on the company's corporate website that includes the policy on donations and aid.	https://www.vakifgyo.com.tr/#!bagis-yardim-politikasi
Link to the PDP announcement containing the minutes of the general assembly where the policy on donations and aid was approved	https://www.kap.org.tr/Bildirim/475672
Article number of the articles of association regulating the participation of stakeholders in the general assembly	Article 19
Information about stakeholders attending the general assembly	There was no participation in the General Assembly meeting other than the shareholders. However, there is no restriction on the participation of stakeholders in the General Assembly.
1.4. Voting Rights	
Whether there are voting privileges	Yes
If there is a voting privilege, the privileged shareholders and their voting rates	In the election of the members of the Board of Directors, each Group A share has 15 (fifteen) votes; each Group B share has 1 (one) vote.
Partnership ratio of the largest shareholder	53.77%
1.5. Minority Rights	
Whether minority rights are expanded (in terms of content or percentage) in the company's articles of association	No
If minority rights have been expanded in terms of content and proportion, please indicate the number of the relevant articles of association.	None.
1.6. Right to Dividend	
The name of the section on the corporate website that includes the profit distribution policy	https://www.vakifgyo.com.tr/#!kar-dagitim-politikasi
If the board of directors proposes to the general assembly not to distribute the profit, the minutes of the general assembly agenda item stating the reasons for this and the method of using the undistributed profit.	In accordance with the decision taken at the General Assembly Meeting, it was decided to distribute TL 788,106,823 of the net profit corresponding to 34.4247% of the net profit as bonus shares.
If the board of directors proposes to the general assembly not to distribute profits, the link to the PDP announcement containing the relevant general assembly minutes	https://www.kap.org.tr/Bildirim/1183224

General Assembly Meetings	
General Assembly Date	09/08/2023
Number of requests for additional clarification sent to the company regarding the general assembly agenda	0
Shareholders' participation rate in the general assembly	70.39%
Proportion of shares directly represented	68.8%
Proportion of shares represented by proxy	1.63%
The name of the section on the company's corporate website that contains the general assembly meeting minutes, showing the positive and negative votes for each agenda item.	https://www.vakifgyo.com.tr/#!genel-kurul
The name of the section on the corporate website that contains all questions asked at the general assembly meeting and the answers provided to them.	https://www.vakifgyo.com.tr/#!genel-kurul
Article or paragraph number of the general assembly meeting minutes regarding related parties	Article 14
Number of people who have privileged access to the company information and report to the board of directors (Insider list)	326
Link to the general assembly notice published on the PDP	https://www.kap.org.tr/Bildirim/1183224

Public Disclosure and Transparency

2.1. Corporate Website	
Names of the sections on the corporate website that contain the information requested in the corporate governance principle numbered 2.1.1.	https://www.vakifgyo.com.tr/#!yatirimci-iliskileri
The section on the corporate website that contains the list of individual shareholders who directly or indirectly own more than 5% of the shares.	https://www.vakifgyo.com.tr/#!kurulus-ortaklik-ve-sermaye-yapisi
Languages in which the corporate website is prepared	Turkish and English
2.2. Annual Report	
Page numbers or section names in the annual report where the information specified in the corporate governance principle numbered 2.2.2.	
a) Page number or section name containing the duties of the board members and managers outside the company and the members' declarations of independence.	Annual Report> Board Members and Senior Executives> Duties of Board Members and executives outside the company and independence declarations of the members
b) Page number or section name of information regarding committees established within the Board of Directors.	Annual Report>Board Members and Senior Executives>2023 Activities of Board Committees
c) Page number or section name of the number of board meetings during the year and the attendance status of the members at the meetings.	Annual Report>Board Members and Senior Executives>Board Meetings
d) Page number or section name of information on legislative changes that may significantly affect the company's activities.	Annual Report>Other Information About Activities>Cases to Which the Company is a Party
e) Page number or section name of information about important lawsuits filed against the company and their possible outcomes.	Annual Report>Other Information About Activities>Cases to Which the Company is a Party
f) Page number or section name of the information regarding the conflicts of interest between the Company and the institutions from which it receives services such as investment consultancy and rating, and the measures taken to prevent these.	Annual Report>Other Information About Activities>Consultancy Services
g) Page number or section name of the information regarding cross-shareholdings where the direct participation rate in the capital exceeds 5%.	Annual Report>Other Information About Activities>Direct or Indirect Subsidiaries of the Company
h) Page number or section name of information on corporate social responsibility activities related to employees' social rights, vocational training and other company activities that have social and environmental consequences.	Annual Report>Other Information About Activities>Corporate Social Responsibility

Stakeholders	
3.1. Company Policy Regarding Stakeholders	
The name of the section on the corporate website that includes the compensation policy	https://www.vakifgyo.com.tr/#!tazminat-politikasi
Number of final court decisions against the company due to violation of employee rights	None.
Title of the person responsible for the reporting mechanism	Ethics Committee
Access information to the company's whistleblower mechanism	etik@vakifgyo.com.tr
3.2. Supporting Stakeholder Participation in Company Management	
The name of the section on the corporate website that contains internal regulations regarding employee participation in management bodies.	https://www.vakifgyo.com.tr/#!calisanlarin-yonetim-organlarina-katilimina-iliskin-prosedur
Management bodies where employees are represented	Employees are represented on the Board of Directors by the General Manager.
3.3. Company's Human Resources Policy	
The role of the board in developing a succession plan for key management positions	Within the scope of the authority delegated by the Board of Directors to the General Manager, a succession plan has been created for all employees, especially key managers.
The name of the section on the corporate website that includes the human resources policy covering equal opportunities and personnel recruitment criteria, or a summary of the relevant articles of the policy.	https://www.vakifgyo.com.tr/#!firsat-esitligi-cesitlilik-ve-toplumsal-cinsiyet-esitligi-politikasi
Whether there is a share acquisition plan	There is no share acquisition plan.
The name of the section on the corporate website that includes the human resources policy, which includes measures to prevent discrimination and mistreatment, or a summary of the relevant articles of the policy.	https://www.vakifgyo.com.tr/#!insan-kaynaklari-ve-calisan-haklari-politikasi
Number of final court decisions against the company due to liability related to work accidents	None.
3.5. Code of Ethics and Social Responsibility	
The name of the section on the corporate website that includes the ethical rules policy	http://www.vakifgyo.com.tr/files/vakifgyo-etik-ilkeler.pdf
The name of the section on the corporate website where the corporate social responsibility report is located. If there is no corporate social responsibility report, measures taken on environmental, social and corporate governance issues	https://www.vakifgyo.com.tr/#!sosyal-sorumluluk-sponsorluklar
Measures taken to combat all forms of corruption, including bribery and extortion	In Article 3.18 of the Vakıf REIT Ethics Regulation titled "Fight Against Bribery and Corruption", Vakıf REIT employees ensure compliance with anti-bribery and anti-corruption legal regulations and other relevant international standards. There is a provision that states, "They shall take measures to protect themselves from bribery, embezzlement, favoritism, corruption and suspicions of corruption." In addition, in Article 20 of the Vakıf REIT Disciplinary Directive / Disciplinary Penalty Schedule titled Attempting to bribe, attempting to take or give a bribe / taking or giving a bribe are among the disciplinary offenses that may result in the dismissal of the employee.
Board of Directors-1	
4.2. Principles of Activity of the Board of Directors	
Date of the last board performance review	None
Whether independent experts are used in the board of directors' performance evaluation	No
Whether all board members have been discharged	Yes
The names of the board members to whom authority is delegated, with the distribution of duties, and the content of the said authority.	Mikail HİDIR (Chairman of the Board of Directors - 1 st Degree Signature Authority) Assoc. Prof. Şükrü Mete TEPEGÖZ (Deputy Chairman of the Board of Directors - 1 st Degree Signature Authority) Onur İNCEHASAN (Board Member - General Manager - 1 st Degree Signature Authority) Announced in the Turkish Trade Registry Gazette dated 14.08.2023 and numbered 10892
Number of reports submitted by the internal control unit to the audit board or other relevant committees	6
The name or page number of the section in the annual report that includes the evaluation of the effectiveness of the internal control system.	Annual Report > Effectiveness of Internal Control System, Risks and Evaluations of the Management Body
Name of the chairperson of the board of directors	Mikail HİDIR
Name of chief executive officer/general manager	Onur İNCEHASAN
Link to the PDP announcement stating the reason for the chairman of the board and the chief executive officer/general manager being the same person	Not the same person.
Link to the announcement on the Public Disclosure Platform (PDP) stating that any damages that board members may cause to the company due to their negligence during their duties are insured for an amount exceeding 25% of the company's capital.	Damages to the company caused by the faults of board members during the performance of their duties are insured for an amount below 25% of the capital. No PDP statement has been made regarding the issue.
The name of the section on the corporate website that provides information about the diversity policy aimed at increasing the proportion of female board members.	https://www.vakifgyo.com.tr/#!firsat-esitligi-cesitlilik-ve-toplumsal-cinsiyet-esitligi-politikasi
Number and percentage of female members	1 - 11.11%

Board Structure							
Name & Surname	Whether There Is An Executive Duty	Whether or not an independent member	Date of First Election to the Board of Directors	Link to the PDP Announcement Containing the Declaration of Independence	Whether the Independent Member Has Been Considered by the Nomination Committee	Whether There Are Any Members Who Have Lost Their Independence	Whether or not he/she has at least 5 years of experience in auditing, accounting and/ or finance
MIKAIL HIDIR	Not Executive	Not Independent Member	Chairman	-	Not applicable	Not applicable	Yes
Assoc. Prof. ŞÜKRÜ METE TEPEGÖZ	Not Executive	Not Independent Member	Vice Chairman	-	Not applicable	Not applicable	Yes
ONUR İNCEHASAN	Executive	Not Independent Member	General Manager	-	Not applicable	Not applicable	Yes
ARZU SEYAN	Not Executive	Not Independent Member	Board Member	-	Not applicable	Not applicable	Yes
TEVFİK ERPEK	Not Executive	Not Independent Member	Board Member	-	Not applicable	Not applicable	Yes
KORHAN TURGUT	Not Executive	Not Independent Member	Board Member	-	Not applicable	Not applicable	Yes
RIFAT DEMİRBAŞ	Not Executive	Independent Member	Independent Board Member	-	Evaluated	No	Yes
ÖMER DEMİR	Not Executive	Independent Member	Independent Board Member	-	Evaluated	No	Yes
ABDULLAH AYZAZ	Not Executive	Independent Member		-	Evaluated	No	Yes

Board of Directors- II	
4.4. Form of Board Meetings	
Number of board meetings held physically or electronically during the reporting period	75
Average attendance rate at board meetings	100%
Whether an electronic portal is used to facilitate the work of the board of directors	Yes
In accordance with the board of directors' working principles, how many days before the meeting should information and documents be provided to the members?	2 day
The name of the section on the corporate website that contains information about the internal company regulations that determine how board meetings will be held.	https://www.vakifgyo.com.tr/#!yonetim-kurulu-toplantilari-proseduru
The upper limit set in the policy limiting members from taking other positions outside the company	Members of the Board of Directors are not restricted from taking on other duties or tasks outside the company, and the provisions of the Turkish Commercial Code regarding non-competition are complied with. The Board Members are able to devote enough time to the company affairs to follow the functioning of the company activities and fully fulfill the requirements of the duties they undertake,
4.5. Committees Established Within the Board of Directors	
Page number or name of the relevant section in the annual report containing information on board committees	Annual Report>General Information>Board Members and Senior Executives>2023 Activities of Board Committees
Link to the PDP announcement announcing the committee's working principles	https://www.kap.org.tr/Bildirim/918505

Board Committees - I			
Names of the Board Committees	Name-Surname of the Committee Members	Whether or not there is a Committee Chair	Whether or not a member of the Board of Directors
Corporate Governance Committee	ÖMER DEMİR	Yes	Board Member
Corporate Governance Committee	TEVFİK ERPEK	No	Board Member
Corporate Governance Committee	TÜLAY ÖZTÜRK	No	Not a Board Member
Audit Committee	ABDULLAH AYZAZ	Yes	Board Member
Audit Committee	RIFAT DEMİRBAŞ	No	Board Member
Early Detection of Risk Committee	RIFAT DEMİRBAŞ	Yes	Board Member
Early Detection of Risk Committee	TEVFİK ERPEK	No	Board Member

Board of Directors- III	
4.5. Committees Established Within the Board of Directors- II	
Please indicate the section of the annual report or corporate website where information about the audit committee's activities is provided (page number or section name)	Annual Report>Board Members and Senior Executives> 2023 Activities of Board Committees
Please indicate the section of the annual report or corporate website that provides information about the activities of the corporate governance committee (page number or section name)	Annual Report>Board Members and Senior Executives> 2023 Activities of Board Committees
Please indicate the section of the annual report or corporate website where information about the nomination committee's activities is provided (page number or section name)	Annual Report>Board Members and Senior Executives> 2023 Activities of Board Committees
Please indicate the section of the annual report or corporate website where information about the early detection of risk committee's activities is provided (page number or section name)	Annual Report>Board Members and Senior Executives> 2023 Activities of Board Committees
Please indicate the section of the annual report or corporate website where information about the audit committee's activities is provided (page number or section name)	Annual Report>Board Members and Senior Executives> 2023 Activities of Board Committees
4.6. Financial Rights Granted to Board Members and Executives with Administrative Responsibilities	
Page number or section name of the annual report where information is given regarding operational and financial performance targets and whether they have been achieved.	Annual Report> Strategic Management and Goals
The name of the section of the corporate website that includes the remuneration policy for executive and non-executive members.	https://www.vakifgyo.com.tr/#!ucretlendirme-esaslari
Page number or section name of the annual report that specifies the fees and other benefits provided to the board members and executives with administrative responsibility.	Annual Report>General Information>Board Members and Senior Executives> Benefits and Rights Provided to Board Members and Senior Executives

Board Committees - II				
Names of the Board Committees	Percentage of Non-Executive Directors	Percentage of Independent Members in the Committee	Number of Physical Meetings Held by the Committee	Number of Reports Submitted to the Board of Directors by the Committee on Its Activities
Corporate Governance Committee	33%	33%	11	11
Audit Committee	100%	100%	10	5
Early Detection of Risk Committee	100%	50%	6	6

8.5. REPORT OF COMPLIANCE WITH THE SUSTAINABILITY PRINCIPLES

If the compliance status with the principles is determined as "Yes" or "Partially", report information/link regarding the publicly disclosed information must be included. Explanations regarding compliance with the principles are included in the "Remarks" column. The scope to which the requested information is presented as consolidated or solo must be specified in the "Remarks" column.	Compliance Status				Remarks	Report Information on Publicly Disclosed Information (Page number should also be stated) / Partial Link
	Yes	No	Partial	Not applicable		
A. General Principles						
A1. Strategies, Policies and Goals						
A1.1	Priority environmental, social and corporate governance (ESG) related issues, risks and opportunities have been determined by the Company's board of directors.				In the 2024-2028 Strategic Planning study, ESG priority issues, threats (risks) and opportunities were determined with the PESTEL analysis made in the Current Situation Analysis. In addition, strategic risks in the relevant processes have been determined and approved by the Board of Directors. Policies have been created accordingly, approved by the board of directors and published on the website.	In the Integrated Annual Report - Corporate Governance - Activities and Website - Investor Relations - Corporate Governance (Will be announced when the Integrated Report is published.)
	ESG policies (e.g.: Environmental Policy, Energy Policy, Human Rights and Employee Policy, etc.) were formed by the issued by the Board of Directors and disclosed to the public.	x			In the 2024-2028 Strategic Planning study, ESG priority issues, threats (risks) and opportunities were determined with the PESTEL analysis made in the Current Situation Analysis. In addition, strategic risks in the relevant processes have been determined and approved by the Board of Directors. Policies have been created accordingly, approved by the board of directors and published on the website.	In the Annual Report - Strategic Management and Targets and on the Website - Investor Relations - Corporate Governance
A1.2	Short and long-term targets determined within the scope of ESG policies have been disclosed to the public.				In the Strategic Planning study, the Main Strategy, which is the Mission, Vision and Partnership strategy, was determined. In line with the main strategy, 5-year strategies and annual performance programs have been prepared. The Strategic Plan has been disclosed to the public in the annual report and on the website.	In the Annual Report - Strategic Management and Targets and on the Website - Investor Relations - Corporate Governance
A2. Application/Monitoring						
A2.1	The committees and/or units responsible for the execution of the ESG policies, as well as the senior responsible persons and their duties in the Company regarding the ESG issues, have been determined and disclosed to the public.	x			The Department of Corporate Development and Sustainability responsible for sustainability management has been established and reports to the top management. All information about the unit is disclosed to the public through an integrated report.	Integrated annual report - Sustainability Processes (Will be announced when the Integrated Report is published.)

If the compliance status with the principles is determined as "Yes" or "Partially", report information/link regarding the publicly disclosed information must be included. Explanations regarding compliance with the principles are included in the "Remarks" column. The scope to which the requested information is presented as consolidated or solo must be specified in the "Remarks" column.	Compliance Status				Remarks	Report Information on Publicly Disclosed Information (Page number should also be stated) / Partial Link
	Yes	No	Partial	Not applicable		
A2.1	The activities carried out by the responsible committee and/or unit within the scope of the policies have been reported to the board of directors at least once during the year.	x			By defining the sustainability management process, strategic activities and targets regarding economic, social and environmental sustainability are determined and their realization is monitored on a monthly basis. The work carried out within the scope of sustainability is reported to the board of directors with an integrated report.	Integrated annual report - Sustainability Processes (Will be announced when the Integrated Report is published.)
A2.2	Practice and action plans have been created in line with the ESG targets and disclosed to the public.				The 5-year long-term "Vakif REIT Strategic Plan" and the annual short-term "Vakif REIT Performance Program" Strategic Planning Implementation actions and plans regarding the strategy including sustainability targets have been created and will be disclosed to the public with an integrated report.	https://www.vakifgyo.com.tr/#raporlar-ve-yatirimci-sunumlari
A2.3	ESG Key Performance Indicators (KPI) and the level of achievement of these indicators on a yearly basis have been disclosed to the public.				In the 2023 Performance Program, the KPIs of ESG activities have been determined and explained in the annual report. The comparison data monitored together with sectoral comparison data will be made public with the 2023 Integrated Report.	Integrated annual report - Strategic Performance (Will be announced when the Integrated Report is published.)
A2.4	Activities to improve the sustainability performance of the business processes or products and services are disclosed to the public..				Activities to improve sustainability performance for business processes or products and services will be disclosed to the public through an integrated report.	Integrated annual report - Sustainability Performance (Will be announced when the Integrated Report is published.)
A3. Reporting						
A3.1	In the annual reports, information regarding the Company's sustainability performance, targets and actions is provided in an understandable, accurate and sufficient manner.	x			Sustainability performance, targets and actions are included in the annual report. The detailed report will be disclosed in the Integrated Report.	Integrated annual report - Sustainability Performance (Will be announced when the Integrated Report is published.)
A3.2	Information, about which of the United Nations (UN) 2030 Sustainable Development Goals its activities are related to, has been disclosed to the public by the Company.				Included in the Annual Report.	https://www.vakifgyo.com.tr/#raporlar-ve-yatirimci-sunumlari
A3.3	Lawsuits filed against and/or concluded adversely on the ESG issues, that are important in terms of the ESG policies and/or that will significantly affect the activities, have been disclosed to the public.				Disclosure regarding lawsuits filed and/or concluded against us on environmental, social and corporate governance issues has been made public.	Integrated annual report - Corporate Governance Performance Results and Legal Compliance (Will be announced when the Integrated Report is published.)
A4. Verification						
A4.1	The Company's ESG Key Performance metrics have been verified by an independent third party and publicly disclosed.				Within the scope of Integrated Reporting, third-party verification studies are carried out by ISO 14064, CDP, GRI and UNGC parties. Will be announced with the 2023 Annual Report.	Integrated annual report - Compliance Declarations (Will be announced when the Integrated Report is published.)

If the compliance status with the principles is determined as "Yes" or "Partially", report information/link regarding the publicly disclosed information must be included. Explanations regarding compliance with the principles are included in the "Remarks" column. The scope to which the requested information is presented as consolidated or solo must be specified in the "Remarks" column.	Compliance Status				Remarks	Report Information on Publicly Disclosed Information (Page number should also be stated) / Partial Link
	Yes	No	Partial	Not applicable		
B. ENVIRONMENTAL PRINCIPLES						
B1					Since the construction activities are carried out by main contractors; ISO 14001 Environmental Management System certificate prerequisite is included in our technical specifications. It will be explained with the Integrated Report.	Integrated annual report - Sustainability Performance (Will be announced when the Integrated Report is published.)
B2					Regarding the environmental reports prepared to provide information concerning environmental management, the , scope of the report, reporting period, reporting date, reporting conditions and restrictions have been disclosed to the public.	https://www.vakifgyo.com.tr/#!raporlar-ve-yatirimci-sunumlari
B4					Efforts are being carried out on this subject.	
B5					It has been integrated with the PESTEL study in the current situation analysis and will be explained in the annual report.	Integrated annual report- Current Situation Analysis (Will be announced when the Integrated Report is published.)
B7					The environmental performance of all suppliers in the value chain is carried out by the main contractor under the control of the contractor responsible for project management. The collaborations it has made and the activities it supports on environmental issues are included in the annual report and on its website within the scope of social responsibility.	Integrated annual report - Value Creation (Will be announced when the Integrated Report is published.)
B8					We continue to collaborate with many NGOs operating in the field of sustainability, such as GYODER Sustainability Committee Membership, GYODER GYO Committee Membership, Corporate Governance Association Membership, Investor Relations Association, KalDer Türkiye Quality Association.	Integrated annual report - Social Capital and Second-Degree Priority Issues (Will be announced when the Integrated Report is published.)
B9					The Integrated Report explains the comparative status of environmental indicators.	Integrated activity report - Environment (Will be announced when the Integrated Report is published.)

If the compliance status with the principles is determined as "Yes" or "Partially", report information/link regarding the publicly disclosed information must be included. Explanations regarding compliance with the principles are included in the "Remarks" column. The scope to which the requested information is presented as consolidated or solo must be specified in the "Remarks" column.	Compliance Status				Remarks	Report Information on Publicly Disclosed Information (Page number should also be stated) / Partial Link
	Yes	No	Partial	Not applicable		
B10					Details of the standard, protocol, methodology and base year used to collect and calculate the data have been disclosed to the public.	Our data on our environmental impacts are collected in accordance with the ISO 14064 standard and reported to CDP. Integrated activity report - Environment (Will be announced when the Integrated Report is published.)
B11					The increase or decrease in environmental indicators for the report year compared to previous years have been disclosed to the public.	The Integrated Report explains the comparative status of environmental indicators. Integrated activity report - Environment (Will be announced when the Integrated Report is published.)
B12					Short and long-term targets have been determined to reduce environmental impacts, and progress against these targets and the targets set in previous years has been disclosed to the public.	Starting from design and throughout the project implementation phases, actions are taken to reduce negative impacts on the environment in accordance with the LEED rating. Istanbul Financial Center Project has the LEED Gold Certificate. It is disclosed to the public within the scope of integrated reporting. Integrated annual report - Business Model and Innovation and Priority Topics (Will be announced when the Integrated Report is published.)
B13					A strategy to combat the climate crisis has been created and the planned actions have been disclosed to the public.	Under the Sustainability Policy, targets for combating the climate crisis have been determined and announced to the public on the Public Disclosure Platform and website. Integrated activity report - Policies (Will be announced when the Integrated Report is published.)
B14					Programs or procedures have been established and disclosed to the public in order to prevent or minimize the potential negative impact of products and/or services on the environment. Actions have been taken to reduce the greenhouse gas emissions of third parties (e.g. suppliers, subcontractors, dealers, etc.) and these actions have been disclosed to the public.	Project-based greenhouse gas inventory calculations and remedial actions are explained in the integrated report in order to prevent or minimize the potential negative impact of products and/or services on the environment. Within the scope of compliance with green building criteria, conditions for reducing greenhouse gas emissions to third parties are defined in the technical specifications. Integrated activity report - Environment (Will be announced when the Integrated Report is published.) Integrated annual report - Business Model and Innovation and Priority Topics (Will be announced when the Integrated Report is published.)
B15					The environmental benefits/gains and cost savings provided by initiatives and projects aimed at reducing environmental impacts have been disclosed to the public.	Efforts are being carried out on this subject.
B16					Energy consumption data (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) have been disclosed to the public as Scope-1 and Scope-2.	It is carried out within the scope of ISO 14064 and will be explained in the Integrated report. Integrated activity report - Environment (Will be announced when the Integrated Report is published.)
B17					Public disclosure has been made about the electricity, heat, steam and cooling produced in the reporting year.	It is carried out within the scope of ISO 14064 and will be explained in the Integrated report. Integrated activity report - Environment (Will be announced when the Integrated Report is published.)
B18					Works have been carried out on increasing the use of renewable energy and switching to zero or low-carbon electricity and the results have been disclosed to the public.	Within the scope of compliance with Green Building criteria, the use of renewable energy and compliance with nSEB criteria are taken into account in our projects. Integrated annual report - Business Model and Innovation and Priority Topics (Will be announced when the Integrated Report is published.)

	If the compliance status with the principles is determined as "Yes" or "Partially", report information/link regarding the publicly disclosed information must be included. Explanations regarding compliance with the principles are included in the "Remarks" column. The scope to which the requested information is presented as consolidated or solo must be specified in the "Remarks" column.	Compliance Status				Remarks	Report Information on Publicly Disclosed Information (Page number should also be stated) / Partial Link
		Yes	No	Partial	Not applicable		
B19	Renewable energy production and usage data have been disclosed to the public.					In our Sancaktepe Mixed Use Project, photovoltaic solar energy systems are designed on the roofs of the buildings within the scope of the use of renewable energy sources and a part of the energy needs of the building are provided by means of the panels here.	Integrated activity report - Environment (Will be announced when the Integrated Report is published.)
B20	Energy efficiency projects have been carried out and the amount of energy consumption and emission reduction achieved thanks to energy efficiency projects has been disclosed to the public.					In order to ensure energy efficiency in our Istanbul International Finance Center project, the glass and frame products to be used in the façade system were required to comply with LEED criteria such as color, reflection and transparency level, light and energy transfer, shading coefficient, mechanical devices were selected from high energy efficiency, least damaging to the ozone layer and environmentally friendly equipment against global warming, and the lighting control system was designed with the DALI (Digital Addressable Lighting Interface) system, one of the most modern systems of our day, for the purpose of preventing energy consumption. For the project Tablo Adalar, it is aimed to reduce energy loads by using high energy efficient devices, lighting automation in common areas and selecting LED fixtures in the project. For the project Sancaktepe Mixed Use Project, an integrated design approach has been adopted to position buildings according to the sun and optimize their openings accordingly, select high-efficiency mechanical and electrical systems that will reduce energy consumption and CO2 emissions, and reduce heating and cooling demand. The buildings are equipped with motion sensors and LED lighting fixtures, lighting automation in parking areas, and underfloor heating. The selected facade materials aim to reduce heating loads in winter and sunshades to reduce cooling loads in summer. For the Sancaktepe Mixed Used project, photovoltaic solar energy systems are designed on the roofs of the buildings within the scope of the use of renewable energy sources and a part of the energy needs of the building are provided by means of the panels here.	Integrated activity report - Environment (Will be announced when the Integrated Report is published.)
B21	Water consumption, if any, amounts of water withdrawn from underground or above ground, recycled and discharged, their sources and procedures have been disclosed to the public.					Design and implementation activities are carried out to reduce water consumption on a project-specific basis (grey water usage, rain water usage, etc.).	Integrated activity report - Environment (Will be announced when the Integrated Report is published.)

	If the compliance status with the principles is determined as "Yes" or "Partially", report information/link regarding the publicly disclosed information must be included. Explanations regarding compliance with the principles are included in the "Remarks" column. The scope to which the requested information is presented as consolidated or solo must be specified in the "Remarks" column.	Compliance Status				Remarks	Report Information on Publicly Disclosed Information (Page number should also be stated) / Partial Link
		Yes	No	Partial	Not applicable		
B22	It has been publicly disclosed whether the operations or activities are included in any carbon pricing system (Emission Trading System, Cap & Trade or Carbon Tax).					The Company's operations or activities are not included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).	
B23	Carbon credit information accumulated or purchased during the reporting period has been disclosed to the public.					This issue is not within the scope of company activities.	
B24	If carbon pricing is applied within the Company, the details of which have been disclosed to the public.					Carbon pricing is not applied.	
B25	The platforms where the partnership discloses its environmental information have been disclosed to the public.					Environmental information has been verified under ISO14064 and is publicly available.	Integrated activity report - Environment (Will be announced when the Integrated Report is published.)
C. SOCIAL PRINCIPLES							
C1. Human Rights and Labor Rights							
C1.1	Corporate Human Rights and Employee Rights Policy has been formed to cover the Universal Declaration of Human Rights, ILO Conventions ratified by Türkiye and other relevant legislation, those responsible for the implementation of the policy have been determined and the policy and those responsible have been disclosed to the public.					Under the Sustainability Policy, targets regarding Human Rights have been determined and disclosed to the Public Disclosure Platform, and the Human Rights and Employee Rights Policy has been made public on the website.	https://www.vakifgyo.com.tr/#!insan-kaynaklari-ve-calisan-haklari-politikasi
C1.2	Considering supply and value chain impacts, fair labor, improvement of labor standards, women's employment and inclusion issues (gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, (such as non-discrimination on issues such as disability, social and cultural differences, etc.) have been included in the policy regarding the employee rights.					The Human Rights policy includes fair labor, improvement of labor standards, women's employment and inclusivity issues and is publicly disclosed on the website.	https://www.vakifgyo.com.tr/#!firsat-esitligi-cesitlilik-ve-toplumsal-cinsiyet-esitligi-politikasi
C1.3	Measures taken throughout the value chain to protect segments sensitive to certain economic, environmental and social factors (low-income segments, women, etc.) or minority rights/equality of opportunity have been disclosed to the public.					Equal opportunities are provided and are publicly disclosed on the website.	https://www.vakifgyo.com.tr/#!firsat-esitligi-cesitlilik-ve-toplumsal-cinsiyet-esitligi-politikasi
C1.4	Developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced labor and child labor have been disclosed to the public.					A human rights policy against discrimination, inequality, human rights violations, forced labor and child labor is in place and has been made public.	https://www.vakifgyo.com.tr/#!tazminat-politikasi http://www.vakifgyo.com.tr/files/vakifgyo-etik-ilkeler.pdf
C1.5	Activities carried out during the reported period to ensure employee satisfaction have been disclosed to the public.					Activities are carried out within the scope of the Human Resources Regulation and the HR and Climate Management process. Employee satisfaction is measured every year through surveys conducted by an independent survey firm and improvements are made. Additional regulations and regulations have been created within the framework of the HR policy regarding compensation, fringe benefits, unionization rights, work/life balance solutions and talent management issues.	Integrated annual report - Human Capital (Will be announced when the Integrated Report is published.)

	If the compliance status with the principles is determined as "Yes" or "Partially", report information/link regarding the publicly disclosed information must be included. Explanations regarding compliance with the principles are included in the "Remarks" column. The scope to which the requested information is presented as consolidated or solo must be specified in the "Remarks" column.	Compliance Status				Remarks	Report Information on Publicly Disclosed Information (Page number should also be stated) / Partial Link
		Yes	No	Partial	Not applicable		
C1.6	Occupational health and safety policies have been formed and disclosed to the public.					Occupational health and safety policies have been created and announced to the public on the website.	https://www.vakifgyo.com.tr/#!is-sagligi-ve-guvenligi-politikasi
	Measures taken to prevent occupational accidents and protect health and accident statistics have been disclosed to the public.					It is carried out under the control of the Company by the main contractors selected with the prerequisite of being ISO 45001 certified, and the occupational accident statistics are monitored and disclosed to the public on the Public Disclosure Platform with the corporate governance information form.	https://www.kap.org.tr/tr/cgif/4028e4a140f2ed72014101a0d3b501f7
C1.7	Personal data protection and data security policies have been created and disclosed to the public.					The PDPL policy and Information Security Policy have been created and announced to the public on the PDPL Policy website.	Vakıf REIT: Confidentiality and Personal Data Protection (vakifgyo.com.tr)
C1.8	An ethics policy has been formed and disclosed to the public.					An ethics policy has been created and shared with the public on the Public Disclosure Platform and the website.	vakifgyo-etik-ilkeler.pdf
C1.9	Works within the scope of social investment, social responsibility, financial inclusion and access to finance have been explained.					Activities carried out within the scope of social investment and social responsibility are shared with the public on the website.	Vakıf REIT: Corporate Social Responsibility Policy (vakifgyo.com.tr)
C1.10	Informational meetings and training programs have been organized for the employees on the ESG policies and practices.					Informational meetings and training programs have been organized for the employees on the ESG policies and practices.	Integrated annual report - Human Capital
C2. Stakeholders, International Standards and Initiatives							
C2.1	A customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed to the public.					A customer satisfaction policy has been created and shared with the public on the website.	https://www.vakifgyo.com.tr/#!musteri-memnuniyet-politikasi
C2.2	Information about the communication carried out with the stakeholders (which stakeholders, subject and frequency) has been disclosed to the public.					Communication with stakeholders is carried out through stakeholder experience management processes defined separately for 5 main stakeholder groups and will be disclosed to the public with the Integrated Report.	Integrated activity report - Stakeholders (Will be announced when the Integrated Report is published.)
C2.3	International reporting standards adopted in reporting have been described.					The European Union's Common Assessment Framework (CAF) and the European Foundation for Quality Management's (EFQM) sustainable performance management model known as the EFQM Model, constitute the Integrated Activity Reporting Framework of this report accordingly. The EFQM Model criteria, which form the framework of this report, are compatible with the GRI - Materiality Disclosure Index and are more comprehensive.	Integrated annual report - About the Report (Will be announced when the Integrated Report is published.)

	If the compliance status with the principles is determined as "Yes" or "Partially", report information/link regarding the publicly disclosed information must be included. Explanations regarding compliance with the principles are included in the "Remarks" column. The scope to which the requested information is presented as consolidated or solo must be specified in the "Remarks" column.	Compliance Status				Remarks	Report Information on Publicly Disclosed Information (Page number should also be stated) / Partial Link
		Yes	No	Partial	Not applicable		
C2.4	The principles adopted regarding sustainability, the international organizations, committees and principles of which we are signatories or members have been disclosed to the public.					The principles adopted regarding sustainability will be disclosed to the public through the Integrated Strategic Plan and Integrated annual report.	Integrated activity report - Sustainability Management (Will be announced when the Integrated Report is published.)
C2.5	Improvements have been made and efforts have been carried out to be included in the sustainability indices of the Istanbul Stock Exchange and/or the respective international index providers.					Efforts have been initiated to be included in the Borsa Istanbul Sustainability Index, and entry into the index is planned in 2024 with the 2023 integrated report.	
D. CORPORATE GOVERNANCE COMMITTEE							
D1	Stakeholders' opinions have been consulted in determining measures and strategies in the field of sustainability.					Stakeholders' opinions have been consulted in determining measures and strategies in the field of sustainability.	Integrated annual report- Current Situation Analysis (Will be announced when the Integrated Report is published.)
D2	Efforts have been made to raise awareness about the issue of sustainability and its importance through social responsibility projects, awareness events and training.					Efforts have been made to raise awareness about the issue of sustainability and its importance through social responsibility projects, awareness events and training.	Integrated annual report - Social Capital (Will be announced when the Integrated Report is published.)

STATEMENT OF COMPLIANCE WITH THE CORPORATE GOVERNANCE PRINCIPLES

Our company has complied with and implemented all of the mandatory Corporate Governance Principles and most of the non-mandatory principles. Efforts are being made to comply with other principles.

In accordance with the decision of the Capital Markets Board dated 10/01/2019 and numbered 2/49; our Company's Corporate Governance Compliance Reporting for 2022, prepared in accordance with the Corporate Governance Communiqué No. II-17.1, was published on the PDP Platform on 21.02.2023, using the templates of Corporate Governance Compliance Report (URF) and the Corporate Governance Information Form (KYBF). Additionally, the Sustainability Principles Compliance Report was announced on the PDP on the same date.

These reports are available on the PDP with the following links:

[PDP Corporate Governance Information Form](#),
[PDP URF Corporate Governance Compliance Report](#) and
[Sustainability Principles Compliance Report 2022](#)



9

ANNEXES

9. ANNEXES

ANNEX-1. BIOGRAPHIES OF THE BOARD MEMBERS



Mikail HıDIR
Chairman

Born in Kepsut/Balıkesir in 1979, Mikail Hıdır graduated from the Faculty of Law, Ankara University in 2000 and worked as a lawyer for a while. He started his banking career in 2003 as an Assistant Inspector at VakıfBank; after this position as an Inspector, he served as Follow-up Teams Manager, Compliance Manager, Credit Monitoring and Follow-up Head and Internal Control Head, respectively. Additionally, Hıdır served as Assistant General Manager at Güneş Sigorta A.Ş. and as a Board Member at VakıfBank International AG Vienna. Mikail Hıdır was appointed as Assistant General Manager, VakıfBank on December 13, 2018, and speaks English. He was elected as a Board Member at the 2019 Ordinary General Assembly Meeting held on 22.06.2020 and serves as the Chairman of the Board of Directors.



Assoc. Prof. Şükrü Mete TEPEGÖZ
Vice Chairman

Şükrü Mete Tepegöz graduated from the Department of Business Administration, the Faculty of Economics and Administrative Sciences, Karadeniz Technical University in 1991, received his master degree from the Department of Business Administration, the Graduate School of Social Sciences in the same university and, completed his doctorate in 2018 and received PhD degree from the Department of Accounting and Audit, the Institute of Social Sciences, Istanbul Commerce University, in the field of "Internal Control in Financial Institutions". He began his career in 1995 as an inspector for Rumeli Holding A.Ş. He has held various positions in Türkiye Vakıflar Bankası T.A.O. between 1997 and 2013 as Inspector; Assistant Manager, Department of Commercial Loans, Head Office; Branch Manager, Dolayoba, Istanbul; Branch Manager, Merter; Branch

Manager, Levent; and Manager, Corporate Loans, Head Office respectively.

Mr. Tepegöz has served as Branch Manager, Bankalar Caddesi; Branch Manager, Bayrampaşa Çarşı; Branch Manager Beşyüzevler for QNB Finansbank A.Ş. between 2013 and 2018 and, he has been serving as President, Management of Special Loans, Head Office, Türkiye Vakıflar Bankası T.A.O. since 2019. As of 02.03.2020, he was appointed as a Member of the Board of Directors of Vakıf Real Estate Investment Trust.



Onur İNCEHASAN
Board Member
General Manager

Onur İncehasan graduated from the Department of Mechanical Engineering at Faculty of Engineering and Architecture, Gazi University in 1997. He received his Master Degree from the Department , Business Administration, (MBA), Gazi University between 2014 and 2015. After a short private sector experience, İncehasan began his professional career as a Project Manager for İstanbul Gaz Dağıtım Sanayi ve Ticaret Anonim Şirketi (İGDAŞ) in 1998. Between 1998 and 2020, he worked at İGDAŞ as a Training Specialist, Interior Installation Manager, Quality Manager, Anatolian Regional Manager, Assistant General Manager (Business Administration) and Management Consultant, respectively. During his career as an executive, he has led many projects intended to issue technical specifications and principles, prepare directives and standards, use public funding in an efficient and productive manner and, improve customer processes and, on the occasion of one of these projects, he was honored by the National Productivity Center as the "Employer of 2007". İncehasan has served as an executive for various non-governmental organizations. Onur İncehasan started to hold the position of General Manager of our Company as of March 2020 and, he is married and father of 3 children. He was elected to the position of Member of the Board of Directors of our Company on 19.03.2020.



Arzu SEYAN
Board Member

Born on 28.09.1975, Arzu Seyan completed her high school education at Private Darüşşafaka High School and her university education at the Department of Finance, Faculty of Economics and Administrative Sciences, Marmara University. She started working as an assistant inspector at Türkiye Vakıflar Bankası T.A.O. in 1998 and worked as a manager at the Mecidiyeköy, Esentepe Corporate Center, Kozyatağı Corporate Center and İMES Dudullu Commercial Branches of the same bank. As of January 2020, Seyan has been serving as the Head of Corporate Banking Marketing at T. Vakıflar Bankası T.A.O. She was elected to the position of the Board of Directors of our Company at the Ordinary General Assembly Meeting for 2019 held on 22.06.2020.



Tevfik ERPEK
Board Member
Member of the Early Detection of Risk Committee;
Member of the Corporate Governance Committee

Born in Ankara in 1981, Tevfik Erpek completed his primary and secondary education in Ankara and his university education in 2003 at Department of Economics, Faculty of Economics and Administrative Sciences, Anadolu University. Erpek started his banking career in 2004 at Türkiye Vakıflar Bankası T.A.O. and served as Çarşı/Kadıköy Branch Manager and Commercial Banking Sales Coordination Manager, respectively. Mr. Erpek, who was appointed as the Head of SME Banking Marketing at the same bank in 2019, continues to serve as the President therein. He was elected to the position of the Board of Directors of our Company at the Ordinary General Assembly Meeting for 2019 held on 22.06.2020.



Korhan TURGUT
Board Member

Born in Diyarbakır in 1983, Korhan Turgut graduated from the Department of Economics, Hacettepe University, in 2005 and completed his master's degree at the Department of Economics, Hacettepe University. He is currently continuing his doctoral studies at Marmara University Banking Department. Korhan Turgut, who started working as an Assistant Inspector at T. Vakıflar Bankası T.A.O. in 2006, worked as an Inspector until 2013 and then as a Manager in the Credit Reporting and Financial Control Department. He has been serving as the Head of General Accounting and Financial Affairs at T. Vakıflar Bankası T.A.O. since June 2016. He was elected to the position of the Board of Directors of our Company at the Ordinary General Assembly Meeting for 2021 held on 02.04.2020.



Rifat DEMİRBAŞ
Board Member (Independent)
Chairman of the Early Detection of Risk Committee
Member, Audit Committee

Rifat Demirbaş was born in Kırşehir in 1965. Completing his primary, secondary and high school education in Ankara, Demirbaş graduated from the Department of Architecture, Faculty of Engineering and Architecture, Ankara Gazi University, in 1988. He started his master's degree in 1990 at the Department of Architecture, Faculty of Engineering and Architecture, Gazi University, and completed it in 1993. Between 1989 and 1994, he worked as an Architect and Control Manager at Obaköy A.Ş., an investment firm belonging to the Vakıflar Bankası Retirement and Health Aid Fund Foundation. In 1995, he started working as a Senior Architect at the Construction and Real Estate Group of the Vakıflar Bank Head Office. Between 1995 and 2007, he served as Control Manager and Deputy Manager in the bank's projects and construction works throughout Türkiye. During the same period, he carried out the purchase, sale and rental of bank service buildings and real estate transactions as assistant real estate manager and deputy real estate manager. Demirbaş, who has

been working on various projects and construction contracting works in the private and public sectors since 2007, is married and has a daughter. He was elected to the position of the Board of Directors of our Company at the Ordinary General Assembly Meeting for 2019 held on 22.06.2020.



Ömer DEMİR
Board Member (Independent)
Chairman of the Corporate
Governance Committee.

Ömer Demir was born in Trabzon in 1973. After completing his primary, secondary and high school education in Trabzon, he graduated from Rize Vocational School, Department of Construction in 1995. He worked as a Field Technician between 1997-2002. He graduated from the Department of Pharmacy, Azerbaijan Medical University, in 2011. Ömer Demir, who is married and has three children, is engaged in freelancing. He was elected to the position of the Board of Directors of our Company at the Ordinary General Assembly Meeting for 2020 held on 02.04.2021.



Abdullah AYAZ
Board Member,
Chairman of the Audit Committee

Born in 1981 in Trabzon. He graduated from the Department of Architecture, Yeditepe University, in 2007 and completed his master's degree at Yeditepe University. He served as a member of the Üsküdar Municipality Council for 3 terms in 2009-2014-2019-2024 and is continuing for the 4th term. Between 2009 and 2024, he served as the President of the Üsküdar Municipality Zoning Committee for 3 terms and as the Deputy President of Technical Affairs of the Üsküdar Municipality for 2 terms (10 years). He has served as an executive for various non-governmental organizations. Abdullah AYAZ speaks English, is married and father of 1 child. He was elected as a Board Member at the 2023 Ordinary General Assembly Meeting held on 12.06.2024 and serves as an Independent Board Member.

ANNEX-2. TSRS INDEX

Checklist 1: Reporting Content			Page Number, Source, Description
1.1. Governance			
Question	What Article Does It Correspond To in TSRS?		
a) Do your existing disclosures address the governance body responsible for overseeing sustainability-related risks and opportunities by disclosing the following items?			
Does the individual(s), board, committee or equivalent body's oversight of sustainability-related risks and opportunities include:			
Responsibilities reflected in job descriptions, mandates or policies	Q1.27(a)(i), Q2.6 (a)(i)		40
Skills and competencies	Q1.27(a)(ii), Q2.6(a)(ii)		41
Frequency and type of communication	Q1.27(a)(iii), Q2.6(a)(iii)		39
The process of overseeing the company's strategy, making decisions and setting targets to manage sustainability-related risks and opportunities.	Q1.27(a)(iv)-(v); Q2.6(a)(iv)-(v)		38-39
b) Do your existing disclosures address the role of management in governance by describing the controls and procedures used to manage and oversee the sustainability-related risks and opportunities identified below?			
Controls and procedures used to manage and monitor sustainability-related risks and opportunities include:			
Delegation of tasks to management bodies	Q1.27(b)(i), Q2.6(b)(i)		40
What controls and procedures are used and how they are integrated with other control functions	Q1.27(b)(ii), Q2.6(b)(ii)		38
1.2. Strategy			
a) Do your existing disclosures address sustainability-related risks and opportunities that could reasonably be expected to impact the company's prospects?			
Sustainability risks and opportunities that could reasonably be expected to impact the company's future include:			
A description of the effects	Q1.30(a)		55-56-57-58
Time horizons (short, medium or long term)	Q1.30(b), Q1.30(c), Q2.10(c),(d)		55-56-57-58
If it is a climate-related risk, it should be stated whether it is a physical or transition risk.	Q2.10(b)		55-56-57-58
Are you using the Industry Guidance on the Application of IFRS S2 to measure, monitor and assess climate-related risks and opportunities?	Q2.12		4
b) Do your existing disclosures address the impacts to the business model and value chain?			
Does it provide information about the current and expected impacts of sustainability-related risks and opportunities on the business model and value chain:			
Description of the effects?	Q1.32(a), Q2.13(a)		55-56-57-58
Where does it occur in the business model and value chain?	Q1.32(b), Q2.13(b)		55-56-57-58
c) Do your existing disclosures address the implications for strategy and decision making?			
Does it explain your company's current and planned responses to sustainability risks and opportunities and how this is reflected in strategy and decision-making:			
Past and future planned responses to risks and opportunities and to achieve set or required goals?	Q1.33(a), Q2.14(a)		55-56-57-58
Current and anticipated climate-related risks and opportunities.			
How do you plan to finance the above plans?	Q2.14(b)		59-60
Progress against plans reported in your previous reporting?	Q1.33(b), Q2.14(c)		26-27-28
Evaluated trade-offs?	Q1.33(c)		55-56-57-58

Checklist 1: Reporting Content		Page Number, Source, Description
d) Do your existing disclosures address the impact on financial position, financial performance and cash flows by explaining:		
Does it provide information on the current financial impacts of sustainability-related risks and opportunities:		55-56-57-58
How are financial position, performance and cash flows affected?	Q1.34(a), Q1.35(a), Q2.15(a), Q2.16(a)	-
Any significant adjustments to the carrying values of assets and liabilities?	Q1.35(b), Q2.15(b), Q2.16(b)	58-59
Does it provide information on the expected financial impacts of sustainability-related financial risks and opportunities in the short, medium and long term:	Q1.34(b), Q1.35(d), Q2.15(b), Q2.16(d) Q1.35(c), Q2.16(c)	58-59
Planned funding sources and investment and divestment plans to implement the strategy?	Q1.35(c)(i-ii), Q2.16(c)(iii)	59-60
e) Do your current statements address organizational resilience by explaining:		
Does it provide information about the capacity to adapt to uncertainties arising from sustainability-related risks:		
Assessment used to determine durability?	Q1.41, Q2.22(a)	51-52
Whether scenario analysis is used, including:	Q2.22(a)(i-ii) Q2.22(a)(iii) Q2.22(b)(i-iii)	51-52 51-52 51-52
1.3. Risk Management		
a) Do your current statements address organizational resilience by explaining:		
Do your existing disclosures address the identification, assessment, prioritization and monitoring of sustainability-related risks and opportunities by explaining:		
Does it provide information on the processes and related policies used to identify, assess, prioritize and monitor sustainability-related risks:	Q1.44(a)(i), Q2.25(a)(i)	57
	Q1.44(a)(ii), Q2.25(a)(ii)	53-60
	Q1.44(a)(iii-v), Q2.25(a)(iii-v)	53-60
	Q1.44(a)(vi), Q2.25(a)(vi)	53-60
Processes used to identify, assess, prioritize and monitor sustainability opportunities?	Q1.44(b), Q2.25(b)	53-60
How are these processes integrated into the company's overall risk management process?	Q1.44(c), Q2.25(c)	57
1.4. Metrics and Goals		
a) Do your existing disclosures address sustainability-related risks and opportunities by describing their progress and measurement:		
Does it provide information on performance on climate-related metrics:	Q2.29(a) Q2.29(b-d) Q2.29(e) Q2.29(f) Q2.29(g)	59-76 59-76 59-76 59-76 59-76
Performance on applicable industry-based measures in accordance with industry-based guidance outlined in the IFRS S2 Application Guide?	S2.32	59-76
The metrics used for each sustainability risk or opportunity that is reasonably expected to impact the company's future, how it is defined and calculated, and performance on this?	S1.46(b)	59-76

Checklist 1: Reporting Content		Page Number, Source, Description
b) Do your existing disclosures address sustainability-related risks and opportunities by clarifying targets:		
Does it provide information on the targets used to achieve strategic goals and monitor targets established by law or regulation:		
The determined target, its purpose, the criteria used to determine the target and the revisions made?	Q1.51(a,b,g), Q2.33(a,b)	67
For climate-related targets, what part of the company does the target apply to, the type of measurement, and its alignment with international agreements?	Q2.33(c,g,h)	
Target period, baseline period and milestones or interim targets?	Q1.51(c-e), Q2.33(d-f)	14-15
For climate-related targets, an approach to setting and reviewing targets, including:	Q2.34(a,b) Q2.34(c,d), Q2.35	
For Greenhouse Gas (GHG) emissions targets, here are the details:	Q2.36(a-c) Q2.36(d) Q2.36(e)	

ANNEX-3. GRI INDEX

GRI Standard	Notification	Page Number, Source, Description
General Notifications		
Corporate Profile		
GRI 2: General Notifications 2021	2-1 Organization Details	12-13
	2-2 Organizations included in sustainability reporting	1-4
	2-3 Reporting period, frequency and contact point	1-4
	2-4 Information revised from previous reports	-
	2-5 External audit	100-103
	2-6 Operations, value chain and other business relations	18-21
	2-7 Employees	74
	2-8 Employees of subcontractor companies	-
	2-9 Governance structure and composition	34-36
	2-10 Nomination and election of the highest level governance body	35
	2-11 Chairman of the highest level governance body	36
	2-12 The role of the highest governance body in managing the impacts arising from the organization's activities	35
	2-13 Delegation of responsibility for managing impacts	38-39
	2-14 Role of the highest level governance body in the sustainability reporting	38-39
	2-15 Conflicts of interest	-
	2-16 Communicating critical concerns	45
	2-17 Collective knowledge of the highest governance body	34-36
	2-18 Evaluating the performance of the highest governance body	41
	2-19 Remuneration policies	41
	2-20 Remuneration process	41
	2-21 Annual total compensation rate	41
	2-22 Declaration on sustainable development strategy	67-68
	2-23 Policy commitments	68
	2-24 Policy commitments placement	68
	2-25 Process to correct negative impacts	22
	2-26 Mechanisms for seeking advice and raising concerns	22
	2-27 Compliance with laws and regulations	102-107
	2-28 Memberships	75
	2-29 Stakeholder engagement approach	53-54
	2-30 Collective labor agreements	-

GRI Standard	Notification	Page Number, Source, Description
General Notifications		
Priority Issues		
GRI 3: Important Topics	3-1 Process to determine the priority issues	57
	3-2 List of the priority issues	57
Topic Standards		
GRI 3: Important Topics	3-3 Managing important issues	
GRI 201: Economic Performance	201-1 Direct economic values manufactured and distributed	80-83
	201-2 Financial impacts of climate change and other risks and opportunities	58
	201-3 Defined benefit plan obligations and other retirement plans	-
	201-4 Financial assistance received from the state	-
GRI 3: Important Topics	3-3 Managing important issues	
GRI 202: Market Presence	202-1: Rates of standard entry-level wage compared to local minimum wage by gender	-
	202-2: Proportion of senior managers recruited from the local community	-
GRI 3: Important Topics	3-3 Managing important issues	
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and supported services	-
	203-2 Significant indirect economic impacts	-
GRI 3: Important Topics	3-3 Managing important issues	
GRI 204: Purchasing Practices 2016	204-1 Proportion of expenditure on local suppliers	-
GRI 3: Important Topics	3-3 Managing important issues	
GRI 205: Anti-corruption 2016	205-1 Activities assessed for corruption-related risks	Vakif REIT Ethics Regulation
	205-2 Communication and training on anti-corruption policies and procedures	Vakif REIT Ethics Regulation
	205-3 Confirmed cases of corruption and measures taken	Vakif REIT Ethics Regulation
GRI 3: Important Topics	3-3 Managing important issues	
GRI 206: Unfair Competition 2016	206-1 Legal proceedings regarding anti-competitive behavior, anti-trust and monopoly practices	-
GRI 3: Important Topics	3-3 Managing important issues	
GRI 207: Taxes 2019	207-1 Tax Approach	Vakif REIT Taxation Procedure
	207-2 Tax governance, control and risk management	Vakif REIT Taxation Procedure
	207-3 Stakeholder engagement and management of tax concerns	Vakif REIT Taxation Procedure
	207-4 Country-based reporting	Vakif REIT Taxation Procedure
GRI 3: Important Topics	3-3 Managing important issues	
GRI 301: Materials 2016	301-1 Materials used as weights or volumes	-
	301-2 Recycled input materials used	-
	301-3 Recovered products and their packaging materials	-

GRI Standard	Notification	Page Number, Source, Description
General Notifications		
GRI 3: Important Topics	3-3 Managing important issues	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	73-74
	302-2 Energy consumption outside the organization	73-74
	302-3 Energy density	73-74
	302-4 Reducing energy consumption	73-74
	302-5 Reduction in the demands for energy for products and services	73-74
GRI 3: Important Topics	3-3 Managing important issues	
GRI 303: Water and Waste 2016	303-1 Interactions with water as a shared source	71
	303-2 Management of the impacts concerning water discharge	71
	303-3 Water Draft	71
	303-4 Water discharge	71
	303-5 Water consumption	71
GRI 3: Important Topics	3-3 Managing important issues	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas	-
	304-2 Significant impacts of activities, products and services on biodiversity	-
	304-3 Protected and restored habitats	-
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	-
GRI 3: Important Topics	3-3 Managing important issues	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) greenhouse gas emissions	71-72
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