

Emlak Konut REIC
SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK
ESG REPORT

	Compliance	Policy Description	
A. General Principles			
A1. Strategy, Policy and Targets			
1	The Board of Directors identifies ESG priority issues, risks and opportunities and develops ESG policies accordingly.	Full Compliance	Risks and opportunities were identified (Table of Risks regarding the Company Scope/Activity (TBL 14) according to the Risk Identification and Assessment Procedure (PRSD 35)). ESG policies were established (Personnel, Wage, Quality, Customer Satisfaction, Information Security, Donation and Aid, Social Responsibility Policies.).
2	Internal directives, business procedures, etc. can be prepared in terms of the effective implementation of these policies. The Board of Directors makes resolutions for these policies and publicly discloses them.	Full Compliance	Internal arrangements such as regulations, procedures, etc. regarding the ESG policies were prepared and announced within the Company. The ESG policies were developed with the Board of High Stewards and publicly disclosed.
3	It identifies the Partnership Strategy according to the ESG policies, risks and opportunities.	Full Compliance	A Strategic Plan is created every five years.
4	It determines and publicly discloses the short and long-term targets in line with the partnership strategy and ESG policies.	Partial Compliance	Annually identified targets are announced to the public.
A2. Implementation/Monitoring			
1	It determines and publicly discloses the committees/units responsible for the execution of the ESG policies.	Full Compliance	A Sustainability Committee was established from the Board Members and publicly disclosed. A Sustainability Working Group was established under the Committee.
2	The responsible committee/unit reports the activities conducted under the policies to the Board of Directors at least once a year and, in any case, within the maximum periods stipulated for the public disclosure of the annual reports in the relevant regulations of the Board.	Full Compliance	Reporting will be made by the end of the year.
3	It develops and publicly discloses implementation and action plans in line with the set short and long term goals.	Partial Compliance	The implementation and action plan will be developed and publicly disclosed.
4	ESG identifies Key Performance Indicators (KPI) and discloses them cooperatively on a yearly basis.	Partial Compliance	ESG KPIs will be determined and disclosed to the public comparatively on a yearly basis.
5	If verifiable data is available, it provides KPIs with local and international industry comparisons.	Partial Compliance	The ESG Working Group started to work on the relevant item.
6	It discloses the innovation activities that improve the sustainability performance for business processes or products and services.	Partial Compliance	The ESG Working Group started to work on the relevant item.
A3. Reporting			
1	It reports and publicly discloses its sustainability performance, goals and actions at least once a year.	Full Compliance	The ESG Working Group started to work on the relevant item.
2	It discloses the information on sustainability activities within the scope of the annual report.	Full Compliance	The ESG Working Group started to work on the relevant item.
3	It is essential to share important information for stakeholders in a direct and concise manner so that they can understand the position, performance and development of the partnership.	Partial Compliance	The ESG Working Group started to work on the relevant item.
4	It can also disclose detailed information and data on the corporate website, and prepare separate reports that directly meet the needs of different stakeholders.	Partial Compliance	The ESG Working Group started to work on the relevant item.
5	It shows utmost care in terms of transparency and reliability.	Full Compliance	In progress.
6	It objectively discloses all kinds of developments about priority issues in disclosures and reports with a balanced approach.	Full Compliance	In progress.
7	It provides information about which of its activities are associated with the United Nations (UN) 2030 Sustainable Development Goals.	Partial Compliance	The ESG Working Group started to work on the relevant item.
8	It makes a disclosure regarding the lawsuits filed against and/or concluded regarding environmental, social and corporate governance issues.	Full Compliance	In progress.

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A4. Verification		
1	Partial Compliance	The ESG Working Group started to work on the relevant item.
If verified by independent third parties (independent sustainability assurance providers), it discloses its sustainability performance measurements to the public and endeavors to increase the frequency of such verification processes.		
B. Environmental Principles		
1	Partial Compliance	The ESG Working Group started to work on the relevant item.
It discloses the policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs in the environmental management field.		
2	Full Compliance	In progress.
It complies with environmental laws and other relevant regulations and discloses them.		
3	Partial Compliance	The ESG Working Group started to work on the relevant item.
It discloses the environmental report constraints in the report to be prepared in line with the Sustainability Principles including the report constraints, reporting period, reporting date, data collection process and reporting conditions.		
4	Partial Compliance	The ESG Working Group started to work on the relevant item. It can be disclosed at the end of the year following the activities of the Board of Directors.
It discloses the highest authority, relevant committees and their tasks in the partnership concerning environment and climate change issues.		
5	Partial Compliance	The ESG Working Group started to work on the relevant item.
It discloses the incentives it offers for the management of environmental issues, including the achievement of objectives.		
6	Partial Compliance	The ESG Working Group started to work on the relevant item.
It discloses how environmental problems are integrated into business goals and strategies.		
7	Partial Compliance	The ESG Working Group started to work on the relevant item.
It discloses the sustainability performance for business processes or products and services and the activities to improve the performance.		
8	Partial Compliance	The ESG Working Group started to work on the relevant item.
It discloses how it manages environmental issues not just in terms of direct operations but also along the partnership value chain and how it integrates suppliers and customers into its strategies.		
9	Full Compliance	It can be disclosed after activities with NGOs, associations and municipalities on environmental issues such as zero waste, etc.
It discloses whether its is involved in policy-making processes on environmental issues (industry-specific, regional, national and international), its cooperation with the related associations, organizations and non-governmental organizations it is a member, the tasks it has undertaken and the activities, if any, it supports.		
10	Partial Compliance	The ESG Working Group started to work on the relevant item.
In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect) 1), air quality, energy management, water and wastewater management, waste management, biodiversity impacts), it reports information on its environmental impacts in a periodically comparable manner.		
11	Partial Compliance	The ESG Working Group started to work on the relevant item.
It discloses the standard, protocol, methodology and base year details used to collect and calculate its data.		
12	Partial Compliance	The ESG Working Group started to work on the relevant item.
It discloses the status (increase or decrease) of the environmental indicators for the reporting year in comparison with previous years.		
13	Partial Compliance	The ESG Working Group started to work on the relevant item.
It sets short and long-term targets to reduce its environmental impacts and discloses them. It is recommended that these goals be set on the basis of science as recommended by the United Nations Climate Change Conference of the Parties.		
14	Partial Compliance	The ESG Working Group started to work on the relevant item.
It discloses relevant information if there is progress in the reporting year according to the previously set targets.		
15	Partial Compliance	The ESG Working Group started to work on the relevant item.
It discloses its strategy and actions to combat the climate crisis.		
16	Partial Compliance	The ESG Working Group started to work on the relevant item.
It discloses program or procedures to prevent or minimize the potential negative impact of products and/or services it offers. Also, it discloses its actions to make third parties reducer their greenhouse gas emissions.		
17	Partial Compliance	The ESG Working Group started to work on the relevant item.
It discloses the total number of its actions, projects and initiatives it carries out to reduce its environmental impacts as well as their environmental benefits/gains and cost savings.		

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18	It reports the total energy consumption data (excluding raw materials) and discloses the energy consumption under Scope-1 and Scope-2.	Partial Compliance The ESG Working Group started to work on the relevant item.
19	It provides information on electricity, heat, steam and cooling generated and consumed throughout the reporting year.	Partial Compliance The ESG Working Group started to work on the relevant item.
20	It conducts and discloses research on increasing the use of renewable energy, transition to zero or low-carbon electricity.	Partial Compliance The ESG Working Group started to work on the relevant item.
21	It discloses the renewable energy production and usage data.	Partial Compliance The ESG Working Group started to work on the relevant item.
22	It devises energy efficiency projects and discloses their energy consumption and emission savings.	Partial Compliance The ESG Working Group started to work on the relevant item.
23	It reports the amount, sources and procedures for water withdrawn, used, recycled and discharged from underground or surface waters (total water withdrawal by source, water sources affected by withdrawal, percentage and total volume of recycled and reused water, etc.).	Partial Compliance In accordance with the contract, water should be recycled in each project (waste water from blocks other than gray water-toilet closet should be used in garden irrigation). Some contracts also refer to the collection and use of rainwater for garden irrigation. The partnership aims to put both conditions in each contract from now on and make their implementation compulsory.
24	It discloses whether its operations or activities are included in any carbon pricing system (Emission Trading System, Cap&Trade or Carbon Tax).	Unrelated
25	It discloses information on the carbon credit accumulated or purchased during the reporting period.	Unrelated
26	It discloses the details if carbon pricing is applied within the partnership.	Unrelated
27	It discloses all compulsory and voluntary platforms where it announces environmental information.	Partial Compliance The ESG Working Group started to work on the relevant item.
C. Social Principles		
C1. Human Rights and Employee Rights		
1	It forms the Corporate Human Rights and Employee Rights Policy whereby it makes a commitment for full compliance with the Universal Declaration of Human Rights, ILO Agreements ratified by Turkey and the legal framework and regulations governing human rights and labor in Turkey.	Partial Compliance The ESG Working Group started to work on the relevant item.
2	It discloses the policy in question and the roles and responsibilities associated with its implementation.	Partial Compliance The ESG Working Group started to work on the relevant item.
3	It ensures equal opportunity in recruitment processes.	Full Compliance
4	Considering the supply and value chain effects, it includes fair labor, improvement of labor standards, women's employment and inclusion issues (such non-discrimination of women, men, religious beliefs, languages, races, ethnic origins, ages, disabilities, refugees, etc.) in its policies.	Full Compliance It is covered in the Human Resources Policy and Remuneration Policies.
5	It discloses the measures taken along the value chain for the protection of groups sensitive to certain economic, environmental, social factors (low-income groups, women, etc.) or minority rights/equality of opportunity.	Full Compliance
6	It reports developments regarding preventive and corrective practices for discrimination, inequality, human rights violations, and forced labor.	Partial Compliance
7	It discloses the regulations for the prevention of child labor.	Full Compliance The ESG Working Group started to work on the relevant item.
8	It discloses policies regarding investment in employees (training, development policies), compensation, vested benefits, right to unionize, work/life balance solutions and talent management.	Full Compliance It is disclosed in the Personnel Policy and Wage Policy.
9	It identifies dispute resolution processes by creating employee complaint and dispute resolution mechanisms.	Full Compliance It was determined by the Duties, Authorities, Responsibilities, Personnel and Discipline Regulation (GYSPDYÖN 01) and announced within the Company.
10	It regularly discloses the activities undertaken to ensure employee satisfaction.	Partial Compliance The ESG Working Group started to work on the relevant item.

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11	It develops and publicly discloses occupational health and safety policies.	Full Compliance	The ESG Working Group started to work on the relevant item.
12	It discloses the precautions taken and accident statistics to prevent occupational accidents and health.	Partial Compliance	The ESG Working Group started to work on the relevant item.
13	It develops and publicly discloses personal data protection and data security policies.	Full Compliance	In progress.
14	It develops and publicly discloses an ethics policy (including business, work ethics, compliance processes, advertising and marketing ethics, open disclosure, etc.).	Partial Compliance	The ESG Working Group started to work on the relevant item.
15	It discloses its activities for social investment, social responsibility, financial inclusion and access to finance.	Full Compliance	In progress.
16	It organizes informative meetings and training programs for employees on ESG policies and practices.	Full Compliance	In progress.
C2. Stakeholders, International Standards and Initiatives			
1	It undertakes its sustainability-focused activities by taking into account the needs and priorities of all stakeholders (employees, customers, suppliers and service providers, public institutions, shareholders, society and non-governmental organizations, etc.).	Full Compliance	In progress.
2	It develops and publicly discloses a customer satisfaction policy regarding the management and resolution of customer complaints.	Full Compliance	Customer Satisfaction Policy was developed and publicly disclosed.
3	It conducts communication with stakeholders continuously and transparently disclosing which stakeholders were contacted for what purposes, issues and frequencies, and the developments in sustainability activities.	Full Compliance	In progress.
4	It publicly discloses the adopted international reporting standards (Carbon Disclosure Project (CDP), Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC), Sustainability Accounting Standards Board (SASB), Climate-Related Financial Disclosures Task Force (TCFD), etc.).	Partial Compliance	The ESG Working Group started to work on the relevant item.
5	It publicly discloses international organizations or principles (Equator Principles, United Nations Environment Program Finance Initiative (UNEP-FI), United Nations Global Compact (UNGC), United Nations Principles for Responsible Investment (UNPRI) etc.) where it is a signatory or member as well as adopted international principles (such as the International Capital Markets Association (ICMA) Green/Sustainable Bond Principles).	Partial Compliance	The ESG Working Group started to work on the relevant item.
6	It exerts concrete efforts to be included in Borsa Istanbul Sustainability Index and international sustainability indices (Dow Jones Sustainability Index, FTSE4Good, MSCI ESG Indices, etc.).	Partial Compliance	The ESG Working Group started to work on the relevant item.
D. Corporate Governance Principles			
1	It exerts maximum effort to comply with all Corporate Governance principles as well as the mandatory Corporate Governance principles under the Capital Markets Board Corporate Governance Communiqué No II-17.1.	Full Compliance	In progress.
2	It takes into account the sustainability issue, the environmental impacts of its activities and the principles in this regard while determining its corporate governance strategy.	Full Compliance	In progress.
3	As stated in the Corporate Governance Principles, it takes the necessary measures to comply with the principles regarding the stakeholders and to strengthen the communication with the stakeholders.	Full Compliance	In progress.
4	It takes the the opinions of stakeholders in determining sustainability-related measures and strategies.	Full Compliance	In progress.
5	It works on raising awareness on the sustainability issue and its importance through social responsibility projects, awareness activities and trainings.	Full Compliance	In progress.
6	It strives to become a member of international sustainability standards and initiatives and to contribute to those efforts.	Full Compliance	In progress.

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7	It discloses the policies and programs for the fight against bribery and corruption and the principle of tax integrity.	Full Compliance In progress.