

2022

INTEGRATED ANNUAL REPORT

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VAKIF REAL ESTATE INVESTMENT TRUST COMPANY INC
a subsidiary of **VakıfBank Finance Group.**

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ABOUT THE REPORT

In our 2022 Integrated Annual Report, in addition to the financial data presented in the 2022 Annual Report, we present to our stakeholders our performance and future targets in the five dimensions of sustainability: “Environment”, “Social Capital”, “Human Capital”, “Business Model and Innovation” and “Leadership and Corporate Governance”.

As Vakıf Real Estate Investment Trust (Vakıf REIT), within the scope of our 2022 Integrated Annual Report covering the period between January 1 - December 31, 2022, we present our performance and future targets in the five dimensions of sustainability, namely “Environment”, “Social Capital”, “Human Capital”, “Business Model and Innovation” and “Leadership and Corporate Governance”, as well as financial data to our stakeholders.

In the preparation of the Integrated Annual Report, which is the integration of the Annual Report and the Sustainability Report, the Integrated Reporting Framework, which constitutes the conceptual framework, is prepared in accordance with the Integrated Reporting Framework. The framework is based on the material sustainability issues that must be reported and sustainability accounting standards. In this context;

The European Union’s Common Assessment Framework (CAF) and the European Foundation for Quality Management’s (EFQM) sustainable performance management model, the EFQM Model, constitute the Integrated Annual Reporting Framework of this report. Our Integrated Management Model has been continuously developed since 2020 and reached its current level of maturity, and its success was crowned with the 2022 Türkiye Excellence Award, which was evaluated within the scope of the EFQM Model. The EFQM Model criteria, which is the framework of this report, is more inclusive and in line with the GRI - Materiality Disclosure Index.

In addition, this report references the material topics and performance metrics of the five sustainability dimensions defined by the IFRS-SASB’s SASB standard for the REIT Sector (SASB Real Estate Sustainability Accounting Standard, v. 2018-10), which defines international sustainability accounting standards. In this context, our report is the first of its kind in Türkiye.



Mikail HİDİR

Chairman of the Board of Directors

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

2022 was a year of increasing uncertainties and risks globally. The negative effects of the Russia-Ukraine war were seen in the world economies. Supply chain disruptions and the sharp rise in energy and commodity prices have created an inflationary atmosphere in the global economy. The tightening monetary policies implemented by the central banks of many developed and emerging economies in this period were closely monitored. While global concerns continued to linger throughout the year, supply constraints and uncertainties affected developed economies the most.

Despite the supply shocks and increasing uncertainties due to the war that affected the whole world, the Turkish economy continued its sustainable growth in 2022. The slowdown in growth in the second half of the year due to weakening external demand was compensated by the strong course of domestic demand. Thus, the Turkish economy continued to grow throughout the year, expanding by 5.6% in 2022.

In 2022, Vakıf REIT continued its investments. Our Company, which continues to grow in line with its vision of becoming a reference organization that directs change in the sector with its symbol structures, has progressed in line with the plans and targets in the construction and sales activities of Cubes Ankara and Tablo Adalar projects in 2022. VakıfBank Headquarters Service Building and Facilities project, which is shown as one of the symbol structures within the Finance Center Project, reached the delivery stage as of the end of 2022. Our portfolio expanded with the land investments we made in line with our company's strategic goals.

On our way to becoming a company where our shareholders, investors, customers and employees, i.e. all our stakeholders, will be happy and highly satisfied, we will continue to work hard to achieve our goals. In the end of 2022, a year in which we continued to achieve significant successes, our Company increased its asset size by 45% year-on-year to TL 6.7 billion. Earning a period profit of TL 2.3 billion in the same period, Vakıf REIT reached the highest period net profit amount of all time in 2022 by earning approximately 5 times the profit compared to the previous period.

In line with our core purpose of "strength of tradition, construction of the future", we have set our focus on leaving a more livable world to future generations on this path illuminated by the experiences from our roots. To this end, we strive to minimize our environmental footprint, and at every point of our projects, from the design stage to the completion stage, we carry out studies that take into account our environmental impact, ensuring energy and resource efficiency at international standards, and considering the future of efficient buildings and sustainable cities. We are moving forward step by step towards the targets we have set in line with our 5-year strategic plan in line with the United Nations Development Goals. We are developing systems and implementing practices that will be taken as reference. With this 2022 integrated annual report, we address our responsibilities to our stakeholders, our country and the world in all its dimensions, and present our decision-making mechanisms on sustainability issues and our short and long-term strategies in an integrated report.

We make a difference in our sector with our financial success, digital transformation investments and the point we have reached in our corporate development journey. In 2022, we participated in the 31st Quality Awards organized by the Turkish Quality Association (KalDer). At the Quality Congress, we won the Türkiye Excellence Award with our Integrated Management Model, which we established within the scope of the EFQM Model, which is recommended to organizations as a management model by the European Foundation for Quality Management. In 2023, we continue our work with the desire to make these achievements sustainable.

As we have done until today, we will continue to add value to our country, to take care to protect our natural resources, and to always think about the world we live in and the welfare of our next generations. We will continue to realize projects in line with this approach and create lasting value for all our stakeholders who have always stood by us and trusted us with the principle of sustainable growth. On behalf of the Board of Directors and myself, I would like to extend my gratitude to our main shareholder Türkiye Vakıflar Bankası T.A.O. and to all our stakeholders who believe in and support a better future together with us through the values we create.

Yours sincerely,

Dear Stakeholders,

I wish God's mercy to our citizens who lost their lives in the earthquake that occurred in Kahramanmaraş and was felt in 11 of our cities, and my condolences to their relatives. I wish a speedy recovery to our wounded and get well soon to our citizens affected by the earthquake. As VakıfBank Finance Group, being aware of our responsibility after the earthquake disaster in our country, we mobilized to provide all necessary assistance to the earthquake region without wasting time. I believe that we will overcome these difficult days together with unity and solidarity.



Onur İNCEHASAN
General Manager

Dear Stakeholders,

On February 6, 2023, I convey my condolences to our citizens who lost their lives in the earthquake centered in Kahramanmaraş and affecting many of our cities, my condolences to their families and our country, and my get well wishes to all our citizens affected by the earthquake. I believe that our country will overcome these difficult times with the awareness of unity and solidarity we have as a nation. As a member of the VakıfBank Family, we will continue to support this process in the region, which requires a long-term struggle, and stand by our country.

With our 2022 Integrated Annual Report, we present Vakıf REIT's financial data as well as its performance and future targets in the five dimensions of sustainability, namely "Environment", "Social Capital", "Human Capital", "Business Model and Innovation", "Leadership and Corporate Governance".

2022 was a year of challenging economic conditions all over the world. At the end of 2021, the upward trend in inflation accelerated further with the Russia-Ukraine war that started in February. The rise in commodity prices, particularly energy and food, has deepened economic difficulties in many sectors. Disruptions in international supply and transportation chains also posed major challenges for business.

In the first half of 2022, disruptions in regional supply chains in addition to rising raw material and energy costs due to the Russia-Ukraine war had limited impact on the growth performance of the Turkish economy. Economic activity

GENERAL MANAGER'S MESSAGE

remained buoyant. The Turkish economy grew by 7.6% in the first quarter and 7.8% in the second quarter of 2022. Services and industrial sectors, particularly tourism and catering, contributed to this performance. In the second half of the year, the Turkish economy grew by 4% in the third quarter and 3.5% in the last quarter due to factors such as increased global inflationary pressure, rising commodity prices, exchange rate developments and price pressure caused by global supply constraints. In this period, the selective credit policy implemented within the scope of the Turkish Economic Model, which aims for qualified and sustainable growth, ensured that the resources in our economy were utilized in effective and productive areas, and the Turkish economy ended 2022 with 5.6% growth.

In this period, Vakıf RIET, with our strong balance sheet structure, product solutions that meet differentiated customer needs, and we continued to set an example for our sector with our operations, the steps we took on our corporate development journey and our sustainability approach. As of the end of 2022, we increased our asset size by 45% compared to last year, reaching TL 6.7 billion. With a profit of TL 2.3 billion, our company reached the highest profit figure in its history.

Located in 3 major cities and with a total construction area of 675 thousand square meters, we continued both the construction and sales activities of our real estate projects with great care and diligence.

At the end of 2022, we reached the delivery stage of our VakıfBank Headquarters Service Building project, consisting of two towers with 52 and 36 floors, which is shown as one of the symbolic buildings in the Istanbul Finance Center.

Our Cubes Ankara project in Ankara and Tablo Adalar project in Istanbul, where we accelerated construction activities, have made noticeable progress in their respective regions. In 2023, we also continued the sales processes of the residential, office and home office type independent sections in our projects that we plan to complete. Within the company, we have developed alternative payment options to meet the expectations of our customers, and thus, we achieved sales revenue of approximately 2.15 billion TL from all our projects in 2022.

We also continued to invest in 2022 in line with our strategic objectives. We have included Sancaktepe, which is zoned for residential and commercial use, and Gebze-Cayırova, which can be designed for commercial warehousing use, in our portfolio.

As we continue to prepare the report, we have completed the architectural design phase of our mixed project in Sancaktepe, which we started in 2022, and obtained the building license. We believe that our project, designed with an understanding of economic and environmental sustainability, will add value to the region where it is located. We continue our work without slowing down to offer our project, which aims to meet the needs of the city and the expectations of our customers, for sale in 2023.

In addition to the rising momentum in the realization performance of our active projects in our portfolio, we also achieved significant success in other performance criteria we monitor.

We won the Türkiye Excellence Award with the sector's first Integrated Strategic Plan.

In today's VUCA world of change and disruptive transformation, it is necessary to understand the drivers of change in the ecosystem and create differentiation strategies that will provide competitive advantage by taking these factors into consideration. In this context, we have implemented the EFQM Excellence Model, an international management system with a holistic approach, in our Company in order to increase our corporate level. In order to raise our corporate performance to a superior level, we have established and continue to continuously improve many necessary functional systems such as strategic planning, process management and corporate risk management with a well-founded approach. Our focus has been on achieving results that meet or even exceed the expectations of our stakeholders. Within the scope of sustainability efforts, we are committed to working in line with the principles defined and generally accepted in the United Nations Sustainability Program. Beyond the 3P Model (Economic, Social, Environmental sustainability), we have adopted the 4P Model (Economic, Social, Environmental and Product sustainability). We have integrated the United Nations Sustainable Development Goals into our strategic planning work. Our Integrated Strategic Plan, which we prepared as a long term and the first application of the sector, will be presented in 2022 at the 31st Quality Conference organized by the Turkish Quality Association (KalDer). Quality Congress as a good practice, and thus our Company became the first company in its sector to win the Turkish Excellence Award in the award program, which has been running since 1993. Thus, by winning one of the most prestigious awards of the business world, we have taken another step in line with our vision of becoming a company that is exemplary in our sector.

We continue to invest in our future.

We continue to pursue our corporate social responsibility projects in line with our core purpose of "Strength of Tradition,

Building the Future". We continued our support for the Yıldız Technical University Miniature Building Competition, organized with the aim of introducing the culture of sustainability to university students who will be the architects and engineers of the future. In this process where we encouraged the students and listened to their innovative ideas and projects, we also had the opportunity to renew our energy and broaden our innovative perspective. We also contributed to another project that will provide social benefits to our university students. We supported the renovation of the Marmara University School of Banking and Insurance building, which was designed under the umbrella of GYODER (Real Estate Investors Association), of which our company is a member, and made it ready to be used as a student dormitory in the new term. On the other hand, we came together with 8-12 year old children who will build the future in the Climate Defenders Workshop we established in our Cubes Ankara Sales office. We contributed to raising awareness about the effects of climate change.

As a member of VakıfBank Finance Group, our Company has been taking into consideration the impact of its activities on society and the world since the day it was founded with the influence of the foundation heritage at its roots. In this direction, we continued to support VakıfBank Sports Club, which set out with the goal of 5 cups in 5 lanes in 2022. I would like to congratulate once again VakıfBank Women's Volleyball Team, which became the Turkish, European and World Champion by winning the championship in all tournaments this season.

In 2023, when we will celebrate the 100th anniversary of our Republic, I believe that with the strength we derive from VakıfBank's culture and our continuously developed corporate capabilities, we will achieve proud new successes based on sustainability principles. With our vision of being an exemplary company in its sector, we continue to grow, to contribute to our country's economy, to build a sustainable economy, and to ensure sustainable growth in the coming period, we will continue to create value in every field in the light of sustainable environment and sustainable society.

We would like to thank all our partners who share our goal of realizing the symbolic projects of the future with the power of tradition, our investors who trust us, and our customers who are joining our family in increasing numbers every day. I would like to sincerely thank our customers, my valuable colleagues who have contributed greatly to our success, and VakıfBank's Senior Management and Board of Directors for their unwavering support.

Yours sincerely,



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**ABOUT
VAKIF REIT**

ABOUT VAKIF REIT

Company Information

Authorized Capital	TL 1.750.000.000
Issued Capital	TL 1.145.000.000
Activity Center*	Serifali Mah. Bayraktar Bulvari Nutuk Sok. No: 4 Umraniye/Istanbul
Date of Establishment	1996
Trade Registry/No	Istanbul Chamber of Commerce/653731
Telephone/Fax	+90 216 265 40 50 / +90 216 265 40 55
Website	www.vakifgyo.com.tr
Mersis No	0922008334600018
E-Mail	info@vakifgyo.com.tr
KEP Address	vakifgayrimenkul@hs01.kep.tr
Non-central organizations	None

1.1. HISTORY AND SHAREHOLDING STRUCTURE

Founded on January 12, 1996 as Türkiye's first Real Estate Investment Trust Company, Vakıf REIT has an important place in the sector with its strong capital, ever-increasing portfolio size and market value, as well as its reliable shareholding structure. At the forefront of the banking sector, T. Vakıflar Bankası T.A.O. and T.C. Vakıflar Bankası T.A.O., which has been providing great support in terms of housing production and financing in its field of activity for many years. Established with the

partnership of the Housing Development Administration of the Ministry of Environment, Urbanization and Climate Change, our Company offered its shares to the public on December 24, 1996 and has a free float of 47.28%. Our Company, which has the vision of being a reference organization that directs change in the sector with its symbolic buildings, continues its determination to grow by providing regular rent and high portfolio returns while adding value to our country and the sector.

	April 18, 2023		December 31, 2022		December 31, 2021	
	Share Amount (TL)	Share Rate (%)	Share Amount (TL)	Share Rate (%)	Share Amount (TL)	Share Rate (%)
T. Vakıflar Bank Turkish Joint Stock Company	610.354.864,08	53,31	568.490.095	49,65	489.533.418	48,95
Vakıfbank Personnel Private Social Security Serv. Foundation	86.039.910,97	7,51	86.039.911	7,51	75.144.026	7,51
Vakıfbank Civil Servants and Services Pension Fund	78.801.207,96	6,88	78.801.208	6,88	68.822.015	6,88
T.C. Environment and Urbanization Climate Change Look. Housing Development Administration (*)	-	-	41.864.755	3,66	36.563.104	3,66
Other	369.804.016,99	32,30	369.804.031	32,3	329.937.437	33
TOTAL	1.145.000.000	100	1.145.000.000	100	1.000.000.000	100

(*) On 18.04.2023, T.C. A total of 41,864,754.63 shares, including 25,916,266.63 shares of the non-circulating privileged Group A and 15,948,488 shares of the non-circulating Group B, owned by the Ministry of Environment and Urbanization Climate Change Housing Development Administration of the Ministry of Environment and Urbanization, were sold at a price of TL 3.8376 per share to our main shareholder T.Vakıflar Bank of Türkiye Joint Stock Company. Ministry of Environment and Urbanization Climate Change Housing Development Administration does not have any shareholding in our Company.

Figure 1.1 Shareholding Structure

1.2. VAKIF REIT ORGANIZATION CHART

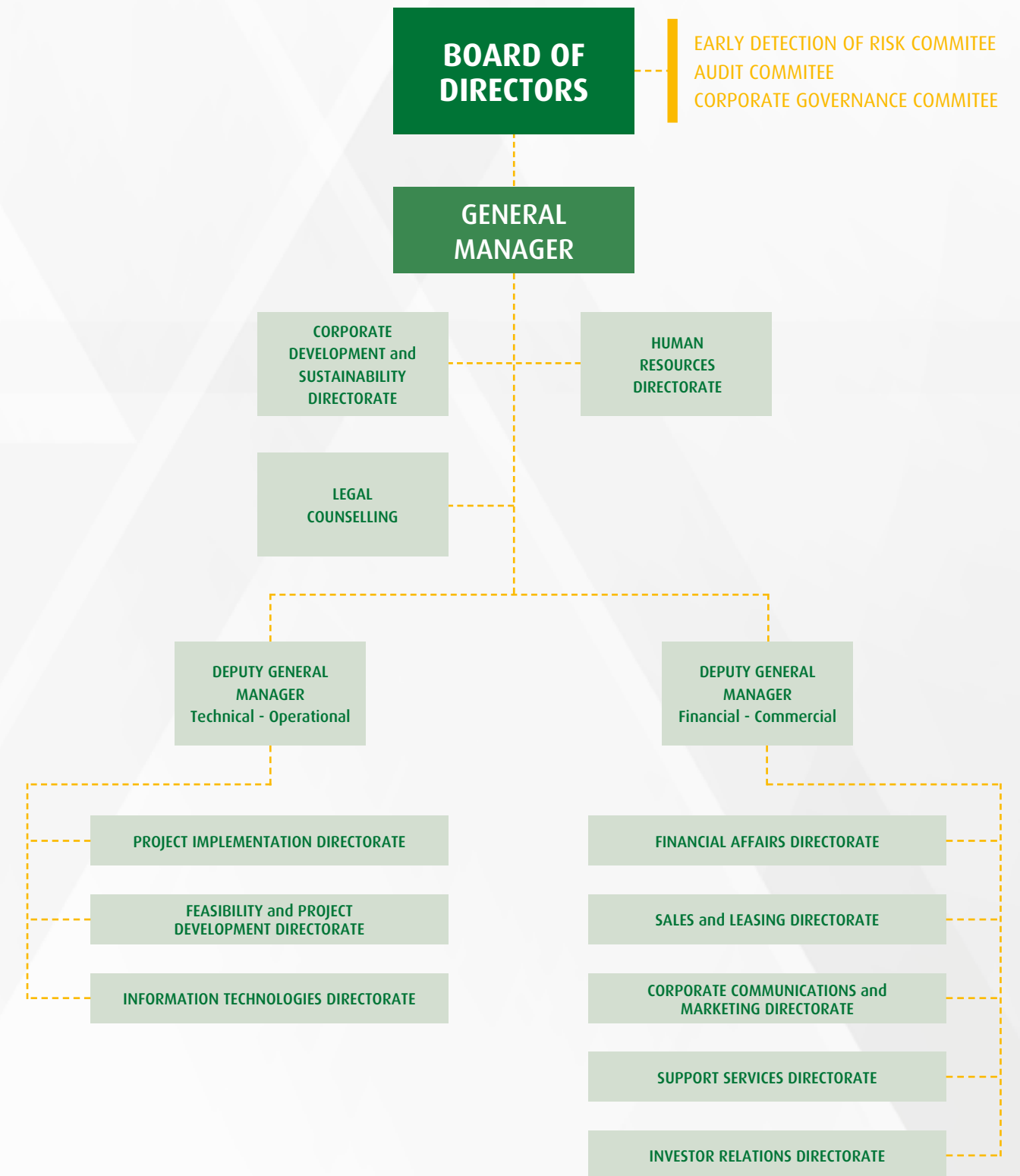


Figure 1.2 Organization Chart

1.3. VAKIF REIT MILESTONES



2017

3rd prize in the "Real Estate Investment Increase" category organized by TSPB.

The foundations of the Istanbul International Finance Center were laid.

2018

Independent units purchased for investment purposes from Transform Fikirtepe and Nidapark Kucukyali projects were included in the portfolio.

Became a partner in Iconova, Gaziantep's most prestigious project.

2019

Vakıf REIT, established with a capital of 250 thousand ₺, reached 230 million ₺.

2020

Institutional Development Project launched.

ISO 9001 Quality Management System Certificate was obtained.

Our capital increased by 100% to 460 million ₺.

Cubes Ankara Project was included in the portfolio.

2021

EFQM Competence in Superior Performance - 4 Stars" certificate was obtained.

A 5-year Integrated Strategic Plan was developed.

Our capital increased to 1 billion ₺.

The sector's first Integrated Report was published.

Corporate Governance Rating was announced and the Company was included in the Corporate Governance Index.

2022

We became the first REIT to receive the EFQM Türkiye Excellence Award.

Sancaktepe 100 land with residential + commercial zoning and Gebze Cayirova land with commercial and storage zoning were included in the portfolio.

ISO 27001 Information Security Management System Certificate was obtained.

ISO 10002 Customer Satisfaction Management System Certificate was obtained.

ISO 14064 Greenhouse Gas Inventory Verification Certificate was obtained.

Our capital reached TL 1.145 billion.

1.4. STRATEGIC DIRECTION AND STRATEGIES

1.4.1 STRATEGIC DIRECTION

	DEFINITION	SDG	KPI
KEY OBJECTIVE	Building the future based on traditional values.		Real Estate Portfolio Size Total Portfolio Size
OUR VISION	To be a reference organization that directs change in the sector with its symbol structures.	   	Share Value Corporate Governance Rating
OUR MISSION	With the strength we derive from our tradition, we build the living spaces of the future and offer sustainable value to our stakeholders.	  	Customer Satisfaction Rate Corporate Reputation Rate Employee Satisfaction Rate
MAIN STRATEGY	Growth by differentiating with innovative and sustainable solutions.	 	Asset Size Equity Size Net Profit Return on Assets

Figure 1.3 Our Strategic Direction

1.4.2. STRATEGIES

We currently have seven strategies;

01 Business Development with Innovative and Conceptual Projects	05 Managing the Organizational Climate
02 Strengthening the Financial Structure with Effective Sales and Marketing	06 Managing Institutional Development
03 Effective and Efficient Management of Project Portfolio	07 Strengthening Our Reputable Position by Managing Reputation Effectively
04 Managing Customer Experience Effectively	

Performance results related to our strategies are presented in Section 3.6.

1.5. BUSINESS RESULTS

1.5.1 KEY OBJECTIVE INDICATORS

PORTFOLIO SIZE

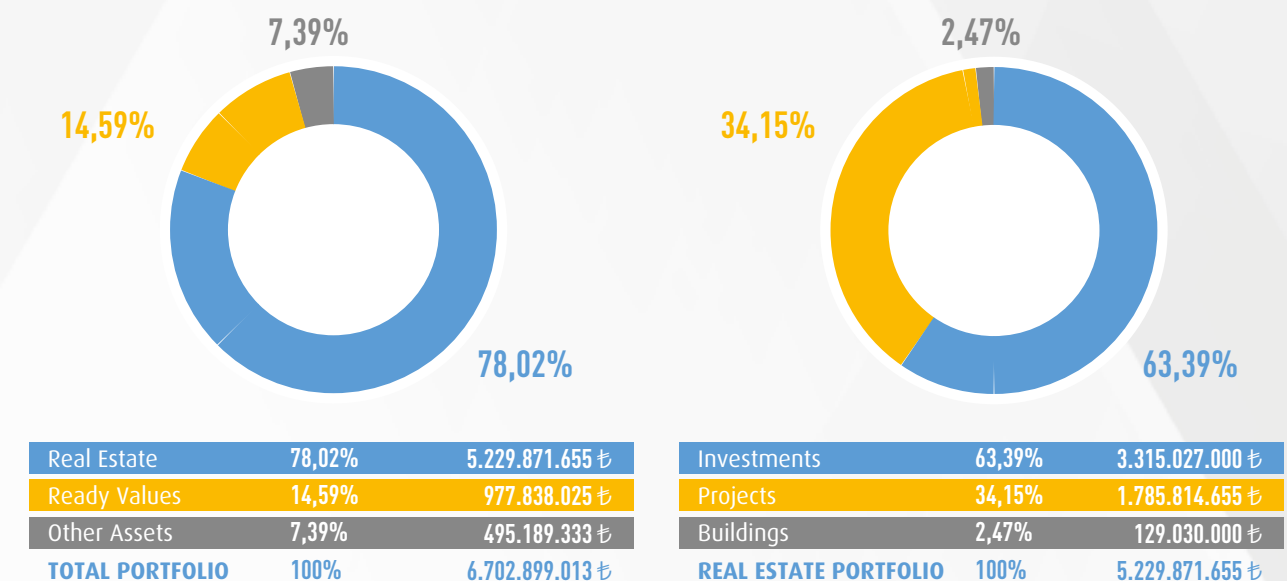


Figure 1.4 Portfolio Size (Total Portfolio and Real Estate Portfolio)

1.5.2 VISION INDICATORS

SHARE VALUE

The development of Vakif Real Estate Investment Trust shares in 2022 is presented in the graphs below. The charts show the price change of our Company's shares between 01.01.2022 - 31.12.2022, the volume of transactions and the comparison of our Company's shares with the BIST 100 and REIT indices.

VKREIT PRICES GRAPH

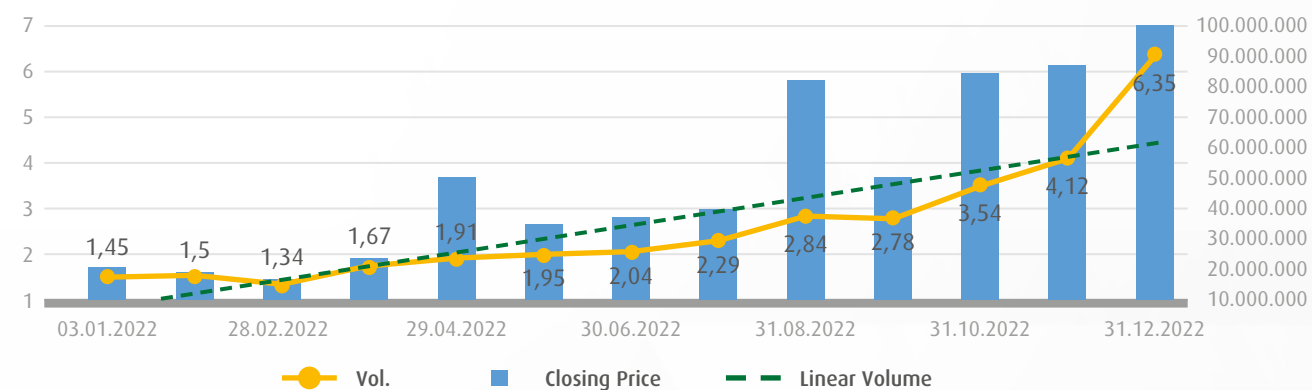


Figure 1.5 VKREIT Price Graph

VKREIT - XU100 - XGMYO COMPARATIVE MONTHLY CHANGE GRAPH



Figure 1.6 Comparative Monthly Change Graph

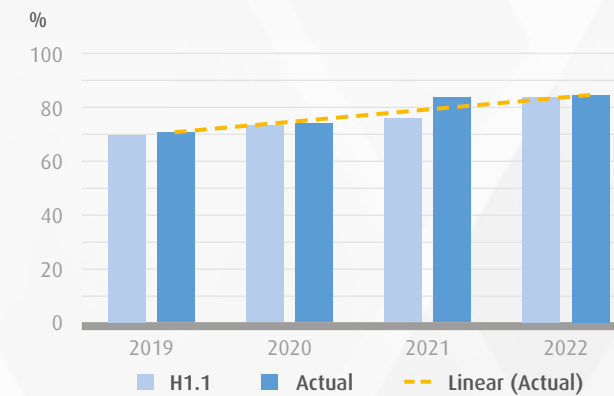
CORPORATE GOVERNANCE RATING

Sections	Weight	2021	2022
Shareholders	25%	8,3	9,1
Public Disclosure and Transparency	25%	8,4	9,4
Stakeholders	15%	8,1	8,2
Board of Directors	35%	8,3	8,9
CCS GRADE	100%	8,28	8,96

Figure 1.7 Corporate Governance Rating

1.5.3 OUR MISSION INDICATORS

CUSTOMER SATISFACTION RATE

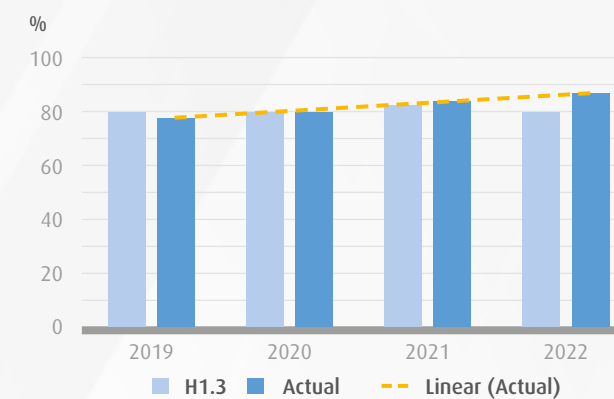


	2019	2020	2021	2022
Housing	64,0%	66,6%	81,3%	84,1%
Commercial	78,3%	80,9%	86,1%	86,5%

Figure 1.8 MMA - Overall Satisfaction (Broken Down)

CORPORATE REPUTATION RATE

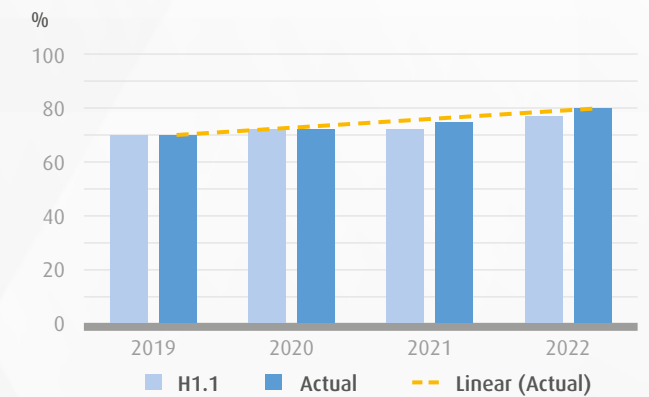
BUSINESS AND GOVERNANCE STAKEHOLDERS PERCEPTION RESULTS



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

Figure 1.9 Business and Governance Stakeholder Perception Results - Overall Satisfaction (Broken Down)

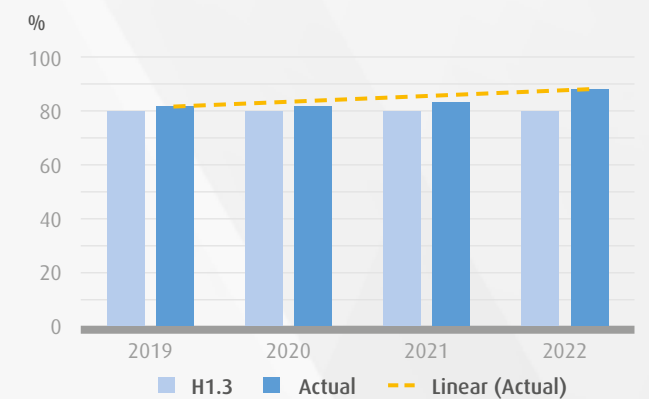
SOCIAL PERCEPTION RESULTS



	2019	2020	2021	2022
Sectoral Organizations and NGOs	69,3%	74,0%	75,2%	79,7%
Universities	66,1%	69,3%	69,9%	80,0%
Members of the Media	68,8%	74,9%	78,7%	89,1%
Citizens	69,0%	71,5%	76,0%	78,9%

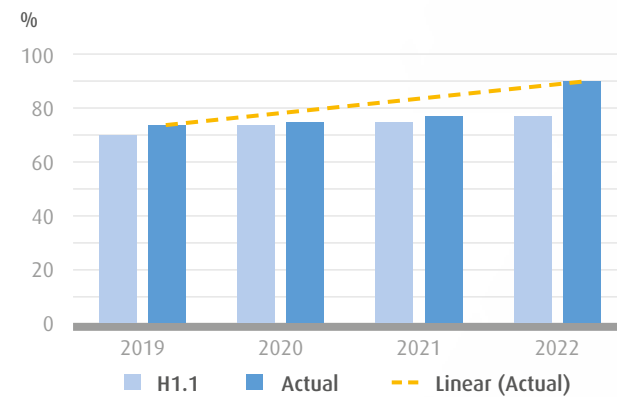
Figure 1.10 Social Perception Results - Overall Satisfaction (Disaggregated)

COLLABORATIONS AND SUPPLIER PERCEPTION RESULTS



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

Figure 1.11 Collaborations and Supplier Perception Results - Overall Satisfaction (Broken Down)

EMPLOYEE SATISFACTION

		2019	2020	2021	2022
Mission	Administrator	73,10%	75,0%	87,3%	87,2%
	Employee	69,69%	71,5%	69,3%	75,9%
Seniority	0-2 years	80,90%	83,0%	80,7%	83,5%
	2-5 years	73,49%	75,4%	70,6%	81,6%
	5 years and above	65,31%	67,0%	70,1%	74,8%

Figure 1.12 ESA Overall Satisfaction (Broken Down)

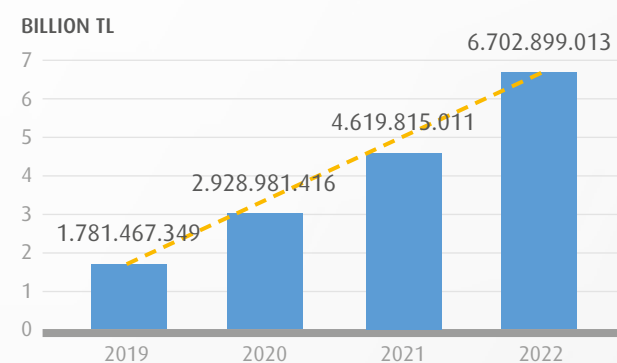
1.5.4 OUR MAIN STRATEGY INDICATORS**ASSET SIZE**

Figure 1.13 Asset Size (TL)

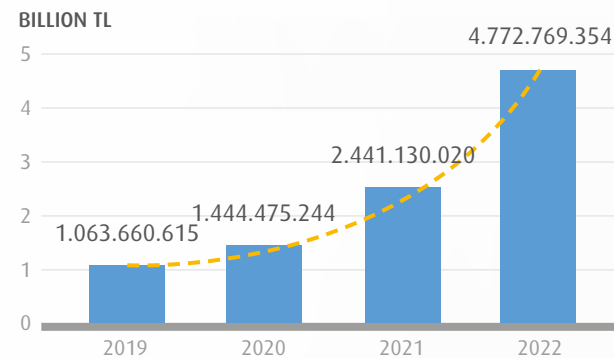
EQUITY SIZE

Figure 1.14 Equity Size (TL)

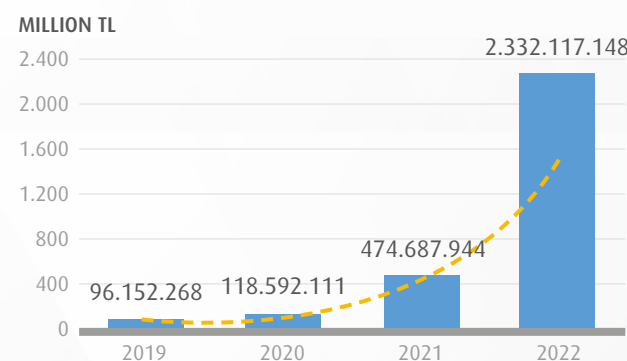
NET PROFIT

Figure 1.15 Net Profit (TL)

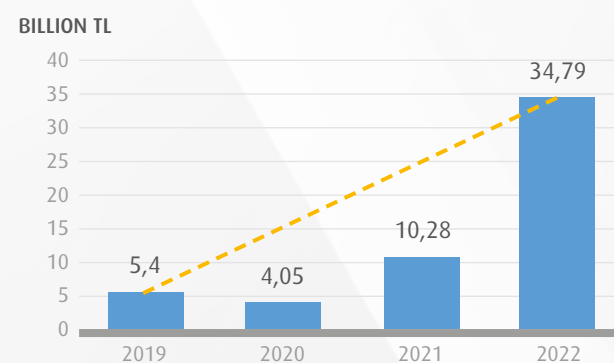
RETURN ON ASSETS

Figure 1.16 Return on Assets (TL)

1.6. ECONOMIC AND SECTORAL SITUATION**GENERAL ECONOMIC OUTLOOK ¹**

Türkiye's corporate sector indebtedness remains moderate compared to peers, while the ratio of financial liabilities to assets continues to decline. The positive outlook in liquidity, profitability and debt repayment indicators of corporate sector firms is maintained.

Construction production showed signs of revival ahead of the expected housing finance support in the upcoming period. Leading indicators and high-frequency data suggest that the upward trend in employment has been maintained in Türkiye. The seasonally adjusted real earnings index rose by 21.5 percent quarter-on-quarter in the third quarter. In terms of the course of employee wages in 2023, the minimum wage increase and inflation developments will be influential. The minimum wage level was set at 10,008 TL for the gross minimum wage and 8,506.8 TL for the net minimum wage, thus, the rate of increase in the minimum wage was approximately 55 percent compared to the last quarter of 2022. Expansionary policies were reversed as the effects of the pandemic subsided and economic activity revived, while financial conditions tightened following global inflation developments.

In 2022, a significant improvement was achieved in the domestic borrowing structure by evaluating market conditions as of May. During the pandemic recovery process, global commodity prices, of which Türkiye is a major importer, increased due to the inability of supply to meet the increasing demand quickly and sufficiently. In this period, the course of confidence indices for services, retail trade and construction sectors as well as the recorded domestic and foreign market orders of manufacturing industry firms indicate that domestic demand outlook is stronger than external demand. On the other hand, expectations for domestic market orders recorded an increase. The ratio of housing and general purpose loans to GDP fell below its pre-pandemic average of the last 10 years, while the low ratio of loans to GDP was maintained. This development strengthens the repayment performance of retail loan debts and has a positive impact on the banking sector's asset quality indicators.

As the inflation rate in the US started to decline, expectations that the Fed's monetary policy tightening

process was nearing its end led to a decline in the value of the US dollar against other currencies. In line with emerging economies, Türkiye's risk premium decreased significantly.

Firms' working capital and inventory financing needs, which have increased due to rising commodity prices, have led to a strong demand for TL corporate loans, while the growth and share of SME, export and investment loans in total loans have diverged positively thanks to macroprudential policies. This development will contribute to increasing the share of sustainable components in the growth composition, strengthening employment and reducing the structural current account deficit.

REAL ESTATE SECTOR ²**HOUSING MARKET**

According to the housing sales figures released by TurkStat, housing sales in Türkiye reached 1,485,622 units in 2022 and were at a similar level to the last two years.

Istanbul had the highest share in house sales with 259,654 house sales and 17.5%. According to the number of sales, Istanbul was followed by Ankara with 126,166 house sales and 8.5% share and İzmir with 83,502 house sales and 5.6% share.

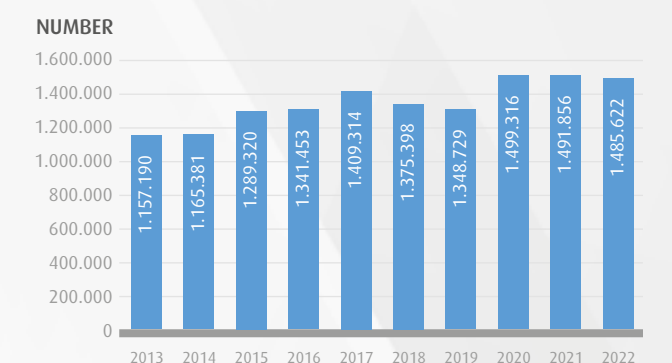
Real Estate Sales, 2013, 2022

Figure 1.17 Housing Sales (2013-2022)

In 2022, mortgaged house sales decreased by 4.8% compared to the previous year to 280,320. The share of mortgaged sales in total house sales was 18.9% in 2022. Other house sales increased by 0.7% to 1,205,302. The share of other sales in total house sales was 81.1% in 2022.

¹ Compiled with excerpts from CBRT periodical reports.² Prepared by quoting from TurkStat, CBRT, GYODER reports

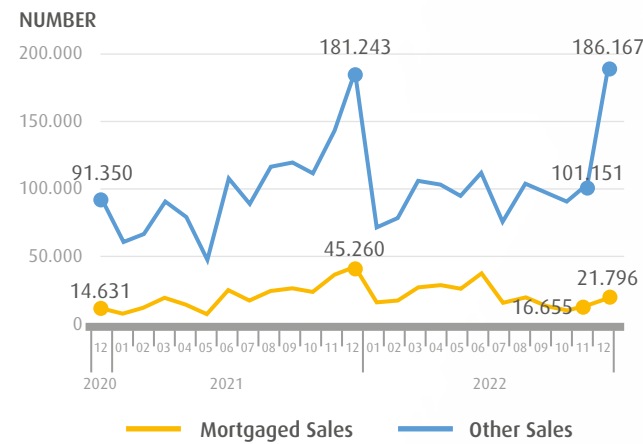
Housing Sales by Type of Sales, December 2022

Figure 1.18 Housing Sales by Type of Sales (December 2022)

First-hand house sales in Türkiye in 2022 decreased by 0.3% compared to the same period of the previous year and realized as 460.79. The share of first-hand sales in total house sales was 31.0% in 2022. Second-hand house sales decreased by 0.5% to 1.025.543 in 2022. The share of second-hand sales in total house sales was 69.0% in 2022.

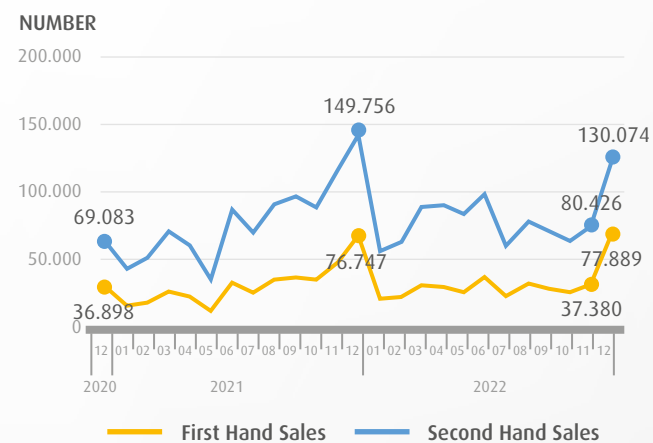
Housing Sales by Sales Status, December 2022

Figure 1.19 Housing Sales by Sales Status (December 2022)

In Türkiye, 67,490 houses were sold to foreigners in 2022. House sales to foreigners increased by 15.2% in 2022 compared to the previous year and reached 67,490. In 2022, the share of house sales to foreigners in total house sales was 4.5%. In 2022, Istanbul ranked first in house sales to foreigners with 24,953 house sales. Istanbul was followed by Antalya and Mersin with 21,860 and 4,316 house sales, respectively.

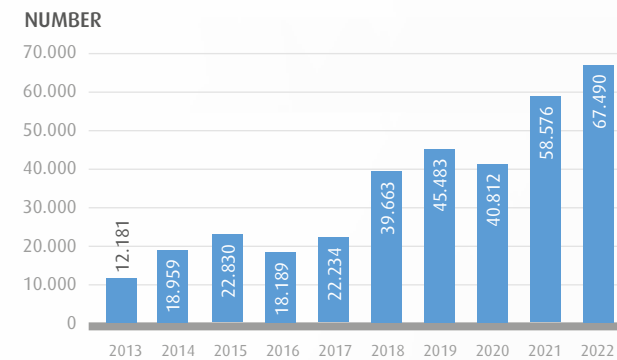
Housing Sales to Foreigners, 2013-2022

Figure 1.20 Housing Sales to Foreigners (2013-2022)

OFFICE MARKET

The year 2022 has been a year in which the apparent effect of the pandemic has been lost, but its economic effects have continued. In addition, inflation, which increased with the Russia - Ukraine war, was on the agenda of the whole world and Türkiye. In this process, after the sanctions against Russia, many international companies preferred to terminate or suspend their activities in Russia. In this sense, Türkiye is in the middle of tension.

Due to the advantage of its geopolitical position, it has become the priority country preferred by many European, Russian and Ukrainian origin companies. The general supply in the Istanbul office market remained at the same level as 6.46 million m². In 2022, almost twice as many transactions were carried out compared to 2021, and a total of 516,789 m² of processing was achieved. Leasing transactions recorded in the fourth quarter, on the other hand, were realized as approximately 163.653 m². When compared to the same period of the previous year, an increase of 69% was recorded. While 47% of the rental transactions in 2022 were realized in the first half, 53% were realized in the second half. However, while the lease agreements concluded in the fourth quarter consisted of new lease agreements with a rate of 79%, both in terms of square meters and in number, the renewal transactions were compared to the previous quarter and remained at the same levels compared to the year.

During the year, primary rents increased in both TL and FX terms as a result of rising inflation and the ongoing volatility in foreign exchange rates.

On both sides of Istanbul and in the CBD (Buyukdere axis) and Kozyatagi / Atasehir regions, which we characterize as the main office districts, it is observed that vacancy rates have decreased due to high accessibility and the increase in demand for Class A offices after the pandemic.

It is observed that the increasing acceptance of the hybrid working model by companies has reduced the demand for new space to be leased, and lease renewals have been completed by downsizing. On the other hand, the tendency of users in old buildings, whose infrastructure cannot meet the needs of the post-pandemic period, to turn to new and qualified office buildings keeps the demand alive. In this context, the high demand for offices that encourage productivity by emphasizing quality rather than quantity in office spaces, and that offer the opportunity to bring employees together in the right place by enabling innovation, socialization, collaboration and the development of corporate culture remains high. In addition to all these, the initial investment costs of companies have increased with the rise in construction costs; the demand for ready-made and second-hand decorated offices has also increased. On the other hand, it is observed that the share of flexible office leasing companies in leasing transactions has increased.

The "Istanbul Finance Center Law", which regulates the management and operation of the globally important Istanbul International Finance Center, the activities carried out here and the incentives, discounts, exemptions and exemptions related to these activities, entered into force. The project is expected to be completed in 2022, bringing approximately 15 million m² of supply to the market. Approximately 50% of this supply will be used by public banks and financial institutions.

ACCOMMODATION AND HOTEL MARKET

In the third quarter of 2022, approximately 21 million foreign tourists who entered Türkiye spent 855 Dollars per capita. is seen. When the number of incoming tourists is compared with the same period of the previous year, both the number of foreign tourists and the amount of expenditure per person increase. light is observed.

According to the data obtained from the Ministry of Culture and Tourism, the total number of foreign visitors coming to Türkiye in the first four quarters of 2021 was approximately 22.9 million.

It can be observed that this number is 42.2 million for the fourth quarter of 2022.

Of the 42.2 million foreign tourists who came to Türkiye in the fourth quarter of 2022, 34.8% went to Istanbul, 29.9% to Antalya, 7.1% to Mugla. These three cities were followed by Izmir and Ankara with shares of 3.3% and 1.1%, respectively. When the number of incoming tourists is compared with the same period of the previous year, an increase of 84.3% was observed in the number of foreign tourists. As of March 2020, the COVID-19 Epidemic, which affected Türkiye on a significant scale

in parallel with the world, also affected Türkiye's tourism performance on a significant scale. Considering the number of foreign tourists, 2019 was the year with the highest performance before the COVID - 19 Outbreak. When the data of the number of visitors obtained at the end of the fourth quarter of 2022 are analyzed, it is observed that the numbers of the pre - pandemic period have been reached.

When the number of facilities with Operational Certificate and Investment Certificate is examined, with a total room capacity of 860 thousand, 20,534 with operation certificate and 646 investment with a room capacity of 70,000.

It is seen that it is a certified accommodation facility. When the city sections of the facilities with operation certificate are taken into consideration, the first rank is Istanbul with 2,844 facilities and 117 thousand room capacity, followed by Istanbul.

Antalya comes with 2,521 facilities and 283 thousand room capacity. Mugla, on the other hand, has 2,497 certified facilities and a room supply of 101 thousand.

Considering the investment certified facilities, there are 646 facilities that will be included in the current hotel supply in the near future.

Antalya has the biggest share with 82 facilities and 17 thousand room capacity, followed by Istanbul with 80 facilities and 7 thousand room capacity, and Mugla with 71 facilities and 9 thousand room capacity.

In 2019, the last full performance year before the pandemic, the bed occupancy rate of facilities with operating certificates throughout Türkiye was determined as 58.9%. In the fourth quarter of 2021, the bed occupancy rate in Türkiye is 42.3%. The city with the highest bed occupancy was Antalya with 48.3%, followed by Istanbul and Izmir with 43.7% and 41.5% respectively. The bed occupancy rates of Mugla and Ankara were approximately 40.7% and 34.4%, respectively.

As of October 2022, across Türkiye the bed occupancy rate of facilities with operation certificate is 61.83%. The occupancy rate, which was 67.5% in Türkiye in the fourth quarter of 2022, is 75.5% in Istanbul. The average realized room rate during this period was 118 Euro in Türkiye and 136 Euro in Istanbul.

LOGISTICS MARKET

As of available data, the Istanbul-Kocaeli region, the primary logistics markets, has a total warehouse stock

of around 11 million square meters, with 7.2 million square meters of logistics supply for commercial use. The volume of projects under construction is recorded as approximately 282 thousand square meters and almost all of these projects are for commercial use.

In Istanbul and Kocaeli provinces, 15 thousand m² was leased in the 4th quarter of 2022 and 57,252 m² in total for the year. In the last quarter of 2022, total leasing transactions increased by 37.4% compared to the same quarter of the previous year.

As of Q4 2022, 95.1% of the total logistics stock is utilized in Istanbul and Kocaeli provinces. In the same period of the previous year, this rate was 89.9%.

While demand in the logistics market maintained its upward momentum on the back of rising e-commerce, third-party logistics companies stand out as the most active companies in leasing transactions with an 80% share. In Q4 2022, primary rent per square meter of logistics warehouse was realized as USD 7 USD/m² in USD terms, while in TRY terms, it increased by approximately 150% compared to the same period of the previous year and reached TL 125/m². Due to the limited supply of quality warehouses in the market, the upward pressure on rental prices is expected to continue. The demand for secondary logistics markets is expected to increase in the coming periods. At the same time, given the supply dynamics, built to suit warehouse agreements are expected to maintain their momentum in the coming periods.

(Prepared by quoting from TurkStat, CBRT, GYODER reports)

1.7. PROJECTS



1.7.1. IUFM

Our VakıfBank Headquarters Service Building and Facilities project, located within the rising Finance Center Project in Istanbul, consists of two towers of 52 and 36 floors with a construction area of 261,537 m².

We believe that our project, which carries the Seljuks and reflects our traditional values, will be shown as one of the symbolic buildings of Istanbul. In our project; we also care about using environmentally friendly systems. Our VakıfBank Headquarters Service Building and Facilities project, which was designed and constructed in line with international standards in energy efficiency, water saving, environmentally friendly construction materials and waste recycling, is the first building in the IFM campus to receive LEED Gold Certification.

Location
Umraniye, Istanbul

Construction Area
261.537 m²

Usage
Commercial + Office

1.7.2. CUBES ANKARA



Our Cubes Ankara Project, located in Çukurambar, Ankara, consists of residential, home office, office, hotel, commercial and social facilities ranging from 1+1 to 6+1 with a closed construction area of 216.932,15 m².

We are implementing environmentally friendly building systems in our Cubes Ankara Project, which is positioned as the center of the new generation mixed life.

Aware of the importance of green spaces, our Cubes Ankara project, 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 our Cubes Ankara project in 2023, which is a candidate to host the city in the field of dynamic and culture with its offices, hotel, culture-art areas, performance center, gourmet flavor areas, shopping points.

Location
Cankaya, Ankara

Construction Area
216.932,15 m²

Usage
Residential + Commercial + Office

1.7.3. TABLO ADALAR



Our centrally located 'Tablo Adalar' project, located on the Anatolian Side of Istanbul, overlooking the Marmara Sea and the Princes' Islands, includes housing types ranging from 1+1 to 5+2, as well as large balconies, large landscaping 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.

With the outdoor and indoor swimming pool, floor gardens, terraces, basketball court and tennis court, children's playgrounds and landscaping area in our Tablo Adalar Project, we bring the residents of the project together with a new generation life understanding. We provide the necessary conditions for our customers to live in a quality, healthy and comfortable environment.

Scheduled to be completed in the second half of 2023, we aim for our Tablo Adalar project to be an exemplary project that adds value to Türkiye both economically and in terms of life.

Location
Maltepe, Istanbul

Construction Area
67.861 m²

Usage
Residential + Commercial

1.7.4. IZMIR KONAK PROJECT



Our 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, including two blocks of 51 and 28 floors, with home office, commercial and residential qualities. With our project, we aim to offer our customers a comfortable, healthy living space and increase the potential of the region.

While realizing our Izmir Konak Project, we aim to realize projects that reflect our company's sustainability approach by creating main contractor tender contracts within the scope of environmentally friendly green building targets. In this context, we are working towards the goal of LEED Gold Certification.

Location
Konak, Izmir

Construction Area
128.987,13 m²

Usage
Residential + Home Office + Commercial

1.7.5. SANCAKTEPE PROJECT



Our 17.518,17 m² land 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 Sancaktepe metro station, adjacent to the planned Sancaktepe Millet Garden project.

The Sancaktepe Mixed Project, for which project development work has begun, is planned to bring a new vision to the housing and settlement structure of the region. Our project, consisting of residential and commercial units, aims to meet the changing housing expectations after the pandemic by combining the traditional family life, which is longed for in Istanbul with its qualified landscape design and spacious spaces, with the city life with gardens, large balconies and terraces and social activities.

Location
Sancaktepe, Istanbul

Usage
Residential + Commercial

1.8. OUR CORPORATE DEVELOPMENT JOURNEY

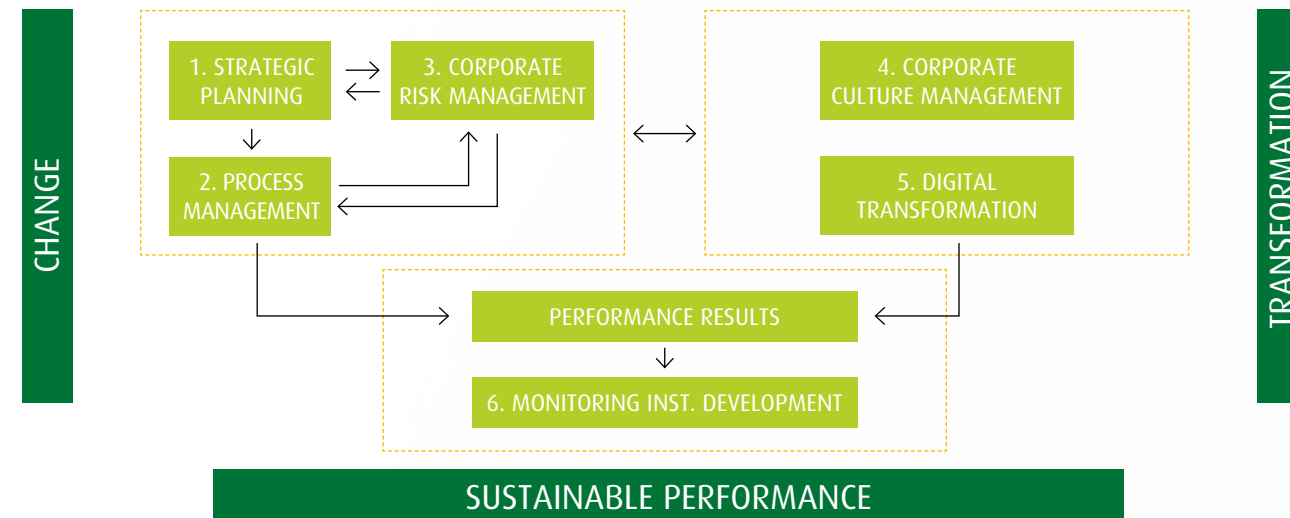


Figure 1.21 Institutional Development Project

As Türkiye's first Real Estate Investment Trust, our goal is to maximize corporate development in a manner befitting our Company's experience and to make our Company the pioneer and representative of the sector in this field. For this purpose, the Corporate Development Project, Vakıf REIT's vision project, was initiated in order to effectively manage change and transformation (Figure 1.21).

To briefly summarize the Corporate Development Project; In today's world of change and destructive transformation, we have implemented a change - transformation program in the name of institutionalization. The Bank has taken important steps and many necessary functional systems such as strategic planning, process management, corporate risk management, etc. have been established with a well-founded approach and are being continuously improved. Our differentiation strategies, which will provide competitive advantage by taking into account the factors of change in the ecosystem, are strategies that cover the expectations of our five main stakeholders and are integrated with the United Nations sustainable development goals. In this respect, Vakıf REIT's Strategic Plan is a longterm "Integrated Strategic Plan", the first of its kind in the sector.

On the other hand, we have initiated transformation projects to keep pace with this change. With digital transformation, the first of our transformation projects, the need for digital change was identified and the necessary technological infrastructure was provided. Another important transformation program for the success of change is "Corporate Culture Management".

By measuring the current corporate culture, information and motivational trainings were provided in line with the identified cultural and social change needs, and Vakıf REIT health and well-being program was introduced to the Human Resources system by

measuring organizational health.

Integration and holistic management is targeted.

With our transformation projects, the durability and agility of the organization are increased.

To summarize the development of our institutionalization journey over the years;

- Starting in 2020 with the **ISO 9001 Quality Management System** and with the systems 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 we received the **"2021 Türkiye Excellence Awards - Competence in Superior Performance - 4 Stars"** certificate in our first year with participation in the recognition program organized by KalDer in 2021.

- In 2022, an **Integrated Quality Management System** integrated with our ISO 9001 Quality Management System was developed by obtaining certificates for **ISO 27001 Information Security Management System, ISO 10002 Customer Complaints Management System and ISO 14064 Greenhouse gas inventory calculation standards.**

- Our Integrated Management Model, which has reached its current level of maturity through continuous development within the scope of the Corporate Development Project, was crowned with the **"2022 Türkiye Excellence Award"**, which was evaluated within the scope of the EFQM Model, and in particular, our integrated management approach was determined as a good practice.



A photograph of two young girls hugging in a vast field of pink flowers. The girl on the left is wearing a blue floral dress, and the girl on the right is wearing a pink lace dress. They are standing in the middle of a field filled with numerous pink flowers. In the background, there is a line of trees and a bright sunset sky. A large white number '2' is overlaid on the right side of the image.

2

**OUR INTEGRATED
MANAGEMENT MODEL**

OUR INTEGRATED MANAGEMENT MODEL

Sustainable superior performance that makes a difference;

- Continuously improving business in all sustainability dimensions in harmony with the natural environment and social capital within the ecosystem in which it is located (green economy),

- On the basis of Stakeholder Theory, meeting the demands and expectations of all key stakeholders in a balanced and continuous manner,

- It requires leadership and direction and managing change and transformation that delivers value to stakeholders in line with an inspiring purpose and an exciting vision.

In this context, our Integrated Management Model (Figure 2.1);

- The Management Model of the European Foundation for Quality Management (EFQM), which is also the official Management Model (CAF) of the European Union, is based on the United Nations Sustainable Development Goals (UN-SDG's) and the International Water. The Sustainability Standards Board's (ISSB) "Integrated Reporting Framework" and "Sustainability Accounting Standards" (SASB Standards).

- It has reached its current level of maturity through continuous development within the scope of the Corporate Development Project, and its success was crowned with the Türkiye Excellence Award in 2022, which was evaluated within the scope of the EFQM Model, and in particular, our integrated management approach was determined as a good practice.

VAKIF REIT INTEGRATED MANAGEMENT MODEL

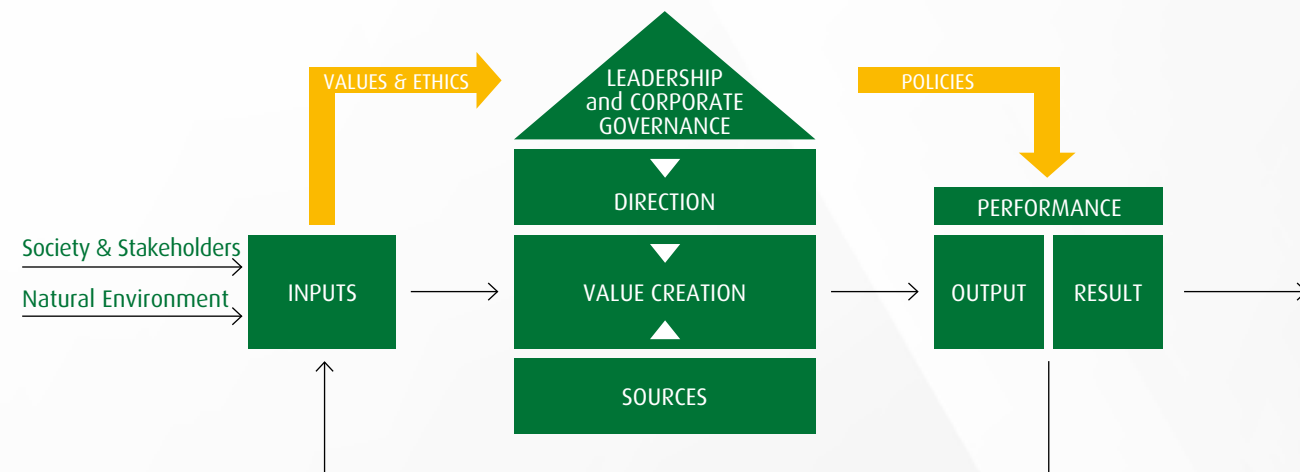


Figure 2.1. Vakif REIT Integrated Management Model

2.1. REIT ECOSYSTEM

The real estate sector is the locomotive sector that powers the country's economy, provides employment and makes significant contributions to development. The ecosystem in which the REIT sector exists;

- The environment through the use of energy, natural resources and materials,
- It affects the national economy and society with

the value it creates, from employment and housing to infrastructure. Within this ecosystem, REITs interact with institutions and organizations covering hundreds of sub-sectors such as cement, ready-mixed concrete, ceramics, bricks, iron and steel, wood, etc., as well as main sectors such as domestic/overseas contracting services and certification, construction machinery, real estate, finance and construction materials industry.



Figure 2.2. REIT Ecosystem

In this context, the construction sector, and therefore the REIT sector; for a sustainable world, the UN Sustainable Development Goal is the second most strategic sector, after the energy sector, in achieving the Sustainable Development Goals.

2.2. OUR STAKEHOLDERS

Our stakeholders, defined as parties with expectations from the organization, consist of 5 stakeholder groups (Figure 2.3). "Business and Governance Stakeholders" and "Employees" are our internal stakeholders, while "Customers", "Contractors and Suppliers" and "Social Stakeholders" are our external stakeholders.

Stakeholder List	
Stakeholder Group	Sub-Stakeholder Group
1. BUSINESS AND GOVERNANCE STAKEHOLDERS	1.1. FOUNDING PARTNERS 1.2. CAPITAL MARKET INVESTORS 1.3. REGULATORY AND SUPERVISORY BODIES
2. CUSTOMER	2.1. RESIDENTIAL CUSTOMERS 2.2. COMMERCIAL CUSTOMERS
3. EMPLOYEE	3.1. DIRECTOR 3.2. EMPLOYEE
4. CONTRACTORS (PARTNERS) AND SUPPLIERS	4.1. PROJECT CONTRACTORS 4.2. OTHER SUPPLIERS
5. SOCIAL STAKEHOLDERS	5.1. SECTORAL ORGANIZATIONS 5.2. CIVIL SOCIETY ORGANIZATIONS 5.3. UNIVERSITIES 5.4. MEDIA OUTLETS

Figure 2.3. Our Stakeholders

The demands and expectations of our stakeholders are determined by the feedback received through annual "Satisfaction Surveys", "Complaint Management" and "Stakeholder Experience Management" approaches.

Stakeholder feedbacks constitute input to the Stakeholder Analysis and PESTEL Analyses, SWOT and TOWS Analyses conducted within the scope of the Current Situation Analysis of Strategic Planning. This ensures that strategies are developed for all our key stakeholders (Figure 2.4).

Strategy	Stakeholder				
	Customer	Employee	Shareholders	Supplier / Contractor	Society
S1. Business Development with Innovative and Conceptual Projects					
S2. Ensuring Sustainable Growth by Strengthening the Financial Structure	x	x	x		
S3. Effective and Efficient Management of Project Portfolio				x	
S4. Managing Customer Experience Effectively	x				
S5. Managing Organizational Climate		x			
S6. Managing Organizational Development	x	x	x	x	x
S7. Strengthening Our Reputable Position by Managing Reputation Effectively			x		x

Figure 2.4. Stakeholder Strategies

2.3. BUSINESS MODEL

The Process Management system is defined in the Process Architecture (Figure 2.5), which is detailed at three levels. In this context;

- Leadership and Corporate Governance** : Human Resources Management and Corporate Governance Processes,
- Direction** : Through the Integrated Strategic Planning Process,
- Value Creation** : With our Customer Focused Core Processes, which are our processes for managing real estate and real estate projects,
- Our resources** : Are human resources, financial resources, fixed assets (buildings, equipment, etc.), technology and information resources. Human resources and fixed assets are managed under "Managerial Processes", while financial resources, technology and information resources are managed under "Support Processes" and based on performance.

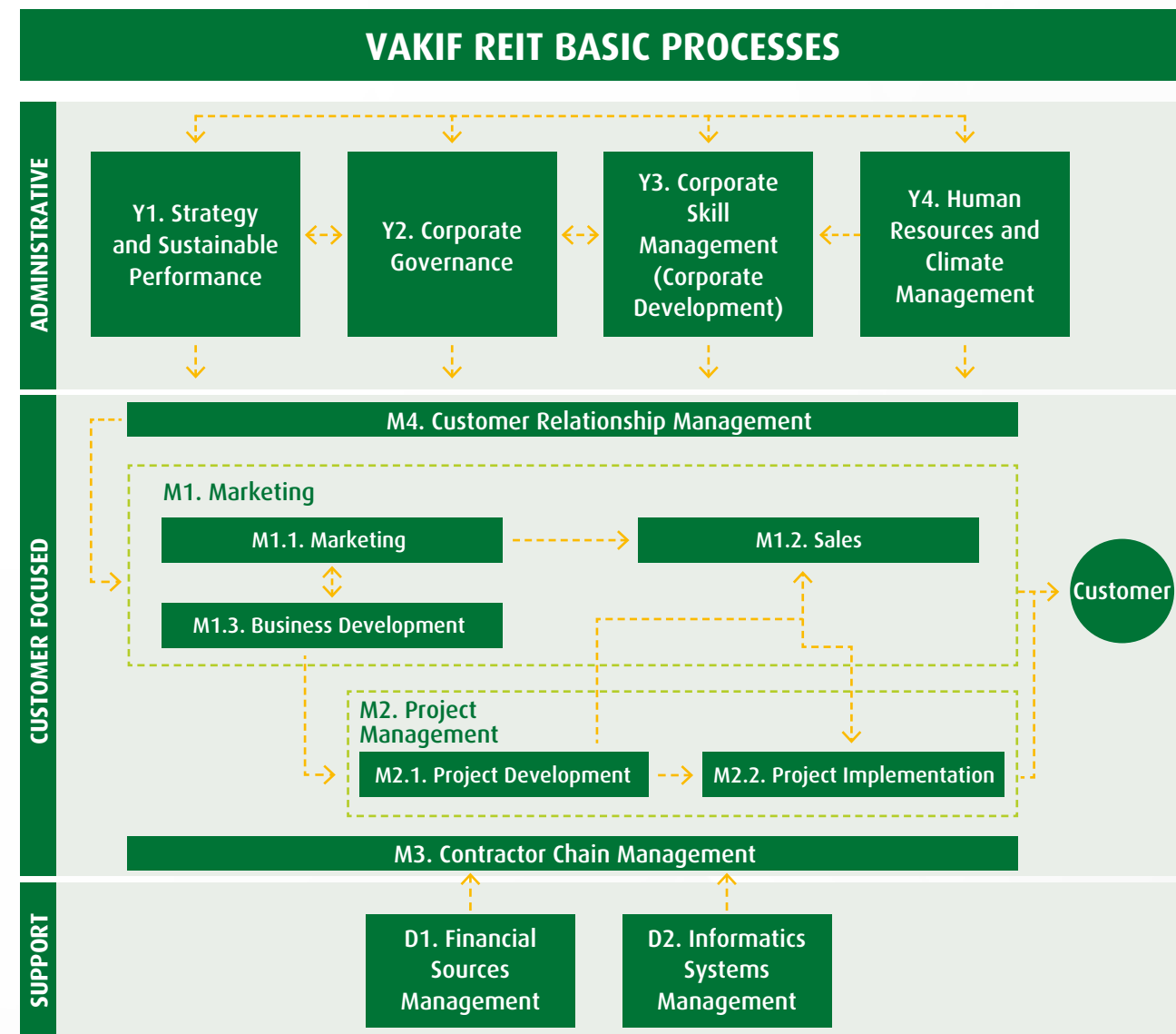


Figure 2.5. Process Architecture

2.4. VALUE CREATION

Creating sustainable value for our customers in line with their expectations and requirements is realized through 4 basic processes, which are our Customer Focused processes (See Figure 2.5);

2.4.1. DESIGNING VALUE

The first step in designing value is “M1.3. Business Development and Feasibility” process “S1. Business Development with Innovative and Conceptual Projects” Strategy;

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

business development activities are carried out in the fields of business development.

Considering the works developed; Long Term (5-year) Project Investment Plan and Work Programs for each project are prepared within the scope of “M2.1 Project Development” Process.

Project plans cover project phases from feasibility to final acceptance and are aligned with PMI criteria, including CPM (Critical Path Method) methodology. The project phases include comprehensive feasibility and real estate appraisal studies, concept design, design development, project official permitting processes, and preparation of projects for implementation (architectural, static, installation, electrical application projects).

2.4.2. PRODUCING VALUE

“M2.2 Project Implementation” Process; site delivery to the main contractor, ensuring that the manufacturing based on the project is carried out within the work program in accordance with the general and special technical specifications, standards, contract, science and art rules, work progress follow-up, estimated project budget preparation and cost controls in accordance with the project progress stages, quality assurance and controls in line with quality standards, implementation and controls on occupational health and safety.

The level of development of quality assurance systems; “M2.2.2.5. Sustainable Building Implementation Management” and Integrated Sustainability Management and Reporting approaches to the reference good practice level.

2.4.3. VALUE PRESENTATION AND COMMUNICATION

Communicating Value and selling “M1. Marketing and Sales” Process, building sustainable relationships with our customers and managing their experiences “M4. Customer Relationship Management” Process.

In relation to the communication and sale of value;

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

- **Market Positioning** : It 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 core purpose of “Strength of tradition, building the future” and the dimensions of differentiation from the competition. As an example, the Tablo Adalar Project Value Proposition is presented in Figure 2.6

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

Differentiation Dimension	Value Proposition
General	
Social Sustainability	The power of tradition, building the future
Image-Reputation, Governance and Institutionalization	Trust
Tablo Adalar Project	
Location	It is located in Zümrütevler Neighborhood, Maltepe District, Istanbul Province. It is directly opposite the Prince Islands of Istanbul, has an advantageous location with its close proximity to the Kadiköy -Tavşantepe Metro line and the E-5 highway. It is possible to reach the Coastal Road in 6 minutes and Sabiha Gökçen Airport in 25 minutes.
Environmental Sustainability Dimension	<ul style="list-style-type: none"> - High Landscape Area - Use of Energy Efficient Electromechanical Products (LED lighting, frequency inverter booster circulation pumps and fans, thermostatic valves, condensing boilers, substation systems, etc.)
Design	<p>Landscape is not a luxury, it should be accessible to everyone.</p> <p>By making maximum use of the topographic structure of the land, it offers a full sea and islands view that every family can access from everywhere.</p> <ul style="list-style-type: none"> - Unobstructed view - No reinforced concrete curtain in the architectural design of the parking lot and sea view even in the parking lot - Having panoramic elements in landscape areas - An airy, spacious architectural design that embraces its surroundings - Site culture with the connection of two blocks to each other, socialization opportunities in accordance with the culture by strengthening neighborly relations - Providing an accessible green space texture on the vertical with floor

Figure 2.6. Value Proposition

2.4.4. MANAGING SUSTAINABLE RELATIONSHIPS AND EXPERIENCE

Building sustainable relationships with our customers and managing their experiences; “S4. Managing Customer Experience Effectively” Strategy, “M4. Customer Relationship Management” Process.

- **M4.1 Managing Customer Experience** : In order to understand customer needs and expectations, purchase or rental behaviors and create sustainable value, a project-based Customer Journey Map is created from the awareness stage to the stage of becoming a brand ambassador, and a Customer Experience Map (Figure 2.7) is created to understand the experience at customer touch points. Customer communication is planned and executed based on the Customer Experience Map.

- **M4.2 Managing Customer Satisfaction** : This includes “Customer Communication Management” based on the communication plan, “Feedback Management” covering requests, complaints and suggestions, and “Customer Satisfaction Measurement and Evaluation” activities conducted through independent research companies.



Figure 2.7 Customer Journey and Customer Experience Map (example - Tablo Adalar Project)

2.5. CORPORATE GOVERNANCE

Compliance with Corporate Governance Principles; “Y2. Corporate Governance Process” (Figure 2.8) and the control activities carried out by the Board of Directors.

2.5.1. CORPORATE GOVERNANCE PROCESS

Y2. Corporate Governance

Y2.1. Organizational Support and Reporting

Y2.2. Ethics Management

Y2.3. Compliance Management

Y2.4. Internal Control

Y2.5. Investor Relations Management

Figure 2.8. Corporate Governance Process

Y2.1 Organizational Support and Reporting : Governance bodies consist of the General Assembly, the Board of Directors and the Early Detection of Risk Committee, Corporate Governance Committee and Audit Committee reporting to the Board of Directors. Within the scope of this process, support and reporting activities are carried out for the functioning of governance bodies.

Y2.2 Ethics Management : It is managed by the Ethics Committee within the scope of the Ethical Principles Regulation. Vakıf REIT employees are obliged to comply with the principles of ethical behavior specified in this Regulation while performing their duties. Employees at all levels are informed about the principles of ethical behavior and their responsibilities in relation to these principles as part of the conditions of employment. These principles are communicated to the employee at the beginning of employment and an “Ethics Agreement” is signed.

Y2.3 Compliance Management : Maintaining relations with regulatory bodies (CMB, BIST, CRA, TSPB, etc.), ensuring compliance with the legislation published by these bodies and with which the company must comply are monitored and followed up.

Y2.4 Internal Control : In order to organize the Internal Control System of our Company and to manage it

effectively and efficiently, an Internal Control Commission consisting of managers covering all processes was established.

Internal Control is managed within the scope of “Y1.4 Enterprise Risk Management Process” and “PR-Y1-08 Enterprise Risk Management Procedure”. The process was developed in compliance 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.

In this context, risks are identified under three groups as Strategy, Process and Project risks and four categories for each group (strategic, operational, financial, reputation risks).

In identifying each risk, internal control deficiencies are questioned in six dimensions. Risks are assessed in terms of Likelihood and Impact dimensions and leveled as “high, medium and low” risks over 25 points with a 5X5 matrix. Risk mitigation actions are planned for medium and high risk levels and an Internal Control Plan is created. As of 2021, risks and actions are monitored through the Enterprise Risk Management Module on the Vakıf GYO Integrated Management System Platform.

Risks are monitored at three levels:

- Strategic risks are identified by the senior management by taking into account the SWOT, PESTEL, STAKEHOLDER and other analyses conducted on internal and external issues within the scope of the Strategic Plan and the needs and expectations of the relevant parties, and actions are taken to eliminate the risks and reduce the risk level.

- In addition to the Internal Control Commission in determining the risks and opportunities for the processes, all units make evaluations regarding their own processes and take the necessary measures by identifying the risks.

- Real estate project risks are not strategic or process risks, but project-specific risks/opportunities that affect project progress rates, and necessary actions are taken within the business program.

Y2.5 Investor Relations Management : Monitoring stock exchange performance, carrying out investor relations activities within the scope of the annual activity plan, reporting and informing activities are carried out.

2.5.2. BOARD MEMBERS AND SENIOR EXECUTIVES



Mikail HİDIR

Chairman of the Board of Directors

Born in 1979 in Kepsut/Balıkesir, Mikail Hidir graduated from Ankara University Faculty of Law in 2000 and worked as a lawyer for a period. In 2003, Mr. Hidir started his banking career at Vakıfbank as an Assistant Inspector, and after working as an Inspector, he served as the Head of Follow-up Teams, Head of Compliance, Head of Credit Monitoring and Follow-up, and Head of Internal Control, respectively. Mr. Hidir has also served as Assistant General Manager at Güneş Sigorta AŞ and Board Member at Vakıfbank International AG Vienna. On December 13, 2018, Mikail Hidir was appointed as Assistant General Manager at Vakıfbank and speaks English. At the 2019 Ordinary General Assembly Meeting held on June 22, 2020, he was elected as a Member of the Board of Directors of our Company and serves as the Chairman of the Board of Directors.



**Assoc. Dr.
Şükrü Mete
TEPEGÖZ**

Deputy Chairman of
the Board of Directors

Şükrü Mete Tepegöz graduated from Karadeniz Technical University, Faculty of Economics and Administrative Sciences, Department of Business Administration in 1991. He completed his master's degree at Istanbul Commerce University, Institute of Social Sciences, Department of Accounting and Auditing, "Internal Control in Financial Institutions" in 2018. He started his professional career as an Inspector at Rumeli Holding AŞ in 1995. He worked at Türkiye Vakıflar Bankası T.A.O. between 1997 and 2013, respectively; Inspector, Assistant Manager of the Commercial Credits Department at the Head Office, Manager of the Dolayoba/Istanbul Branch Mr. Tepegöz served as Bankalar Caddesi Branch Manager, Bayrampaşa Çarşı Branch Manager and Beşyüzevler Branch Manager at QNB Finansbank AŞ between 2013 and 2018. Between 2013-2018, Mr. Tepegöz served as Bankalar Street Branch Manager, Bayrampaşa Çarşı Branch Manager, Beşyüzevler Branch Manager at QNB Finansbank AŞ.A.O. as the Head of Specialized Loans Management at the General Directorate. As of 02.03.2020, he was appointed as a Board Member of Vakıf Real Estate Investment Trust Joint Stock Company.



**Onur
İNCEHASAN**

Board Member
General Manager

Onur Incehasan graduated from Gazi University, Eng. Mim. He graduated from the Department of Mechanical Engineering, Faculty of Mechanical Engineering. He completed his master's degree in Business Management (MBA) at Gedik University between 2014-2015. After a short period of private sector experience, Mr. Incehasan started his career as a Project Engineer at İstanbul Gaz Dağıtım Sanayi ve Ticaret Anonim Şirketi (İGDAŞ) in 1998. Between 1998 and 2020, he worked as Training Specialist, Internal Installation Manager, Quality Manager, Anatolia Regional Manager, Assistant General Manager (Operation) and Management Consultant at İGDAŞ. In his managerial career, he has led numerous projects for the creation of technical specifications and guidelines, the preparation of regulations and standards,

the effective and efficient use of public resources and the improvement of customer processes, and was named "2007 Employer of the Year" by the National Productivity Center for one of these projects. Incehasan has worked as a manager in various non-governmental organizations. Onur Incehasan, who started to work as General Manager in our Company as of March 2020, was elected as a Board Member on 19.03.2020.



**Arzu
SEYAN**

Board Member

Born on 28.09.1975, Arzu Seyan completed her high school education at Private Darussafaka High School and her university education at Marmara University, Faculty of Economics and Administrative Sciences, Department of Finance. In 1998, she started working as an assistant inspector at Türkiye Vakıflar Bankası T.A.O. and worked as a manager at Mecidiyekoy, Esentepe Corporate Center, Kozyatagı Corporate Center and İMES Dudullu Commercial Branches. Seyan said that as of January 2020, T. Vakıflar Bank T.A.O. He serves as the Head of Corporate Banking Marketing. At the 2019 Ordinary General Assembly Meeting held on 22.06.2020, he was elected as a member of the Board of Directors of our Company.



**Tevfik
ERPEK**

Board Member
Early Detection of Risk
Committee Member
Corporate Governance
Committee Member

Born in 1981 in Ankara, Tevfik Erpek completed his primary and secondary education in Ankara and his university education at Anadolu University, Faculty of Economics and Administrative Sciences, Department of Economics in 2003. Mr. Erpek started his banking career at Türkiye Vakıflar Bankası T.A.O. in 2004 and served as Carsı/Kadıkoy 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 President. At the 2019 Ordinary General Assembly Meeting held on 22.06.2020, Mr. Erpek was elected as a Member of the Board of Directors of our Company.



**Korhan
TURGUT**

Board Member

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



**Rifat
DEMİRBAŞ**

Board Member
(Independent)
Early Detection of Risk
Committee Chairman
Audit Committee
Member

Rifat Demirbaş was born in Kırşehir in 1965. Demirbaş completed his primary, secondary and high school education in Ankara and graduated from Ankara Gazi University, Faculty of Engineering Architecture, Department of Architecture in 1988. In 1990, he started his master's degree at Gazi University, Faculty of Engineering and Architecture, Department of Architecture and completed it in 1993. Between 1989 and 1994, he worked as an Architect and Control Supervisor at Obakoy AŞ, an investment company of Vakıflar Bankası Pension and Health Aid Fund Foundation. In 1995, he started to work as a Master Architect at the General Directorate of Vakıflar Bank, Construction and Real Estate Group. Between 1995 and 2007, he worked as Control Supervisor and Assistant Manager in the projects and construction works of the bank throughout Türkiye. During the same period, he carried out the purchase, sale and leasing of bank service buildings and real estate works as assistant real estate manager and acting real estate manager. Since 2007, he has been working on various projects and

construction contracting works in the private and public sector. At the 2019 Ordinary General Assembly Meeting held on 22.06.2020, he was elected as a Member of the Board of Directors of our Company.



**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 the Construction Department at Rize Vocational High School in 1995. He worked as a Field Technician between 1997-2002. In 2011, Ömer Demir graduated from Azerbaijan Medical University, Department of Pharmacy and is self-employed. At the 2020 Ordinary General Assembly Meeting held on 02.04.2021, he was elected as a Member of the Board of Directors of our Company. The election of Ömer Demir as a member of the Board of Directors does not create any negative situation that may affect the Company's activities in accordance with the CMB's Corporate Governance Communiqué (II-17.1).



**Mustafa
ŞENGÜL**

Board Member
Audit Committee Chairman

In 2000, Mustafa Şengül graduated from Ankara University, Faculty of Law and completed his legal internship in 2001. Since 2001, he has specialized in commercial and corporate law, banking and finance law, real estate law and real estate investment consultancy, as well as civil and criminal proceedings arising from occupational health and safety. In the past years, Şengül has participated in various universities and international projects as a speaker and trainer in trainings and seminars on occupational accidents and occupational safety. Since 2011, Şengül has been serving as the chairman or board member of more than one company operating in the defense industry, IT, real estate development and investment sectors. At the 2021 Ordinary General Assembly Meeting held on 31.03.2022, he was elected as a Member of the Board of Directors of our Company.

Senior Management	
Name	Title
Onur İNCEHASAN	General Manager
Esat HOROZ	Deputy General Manager Technical - Operational
Hasan Gürsel ÖZTAMUR	Deputy General Manager Finance - Commercial

Members of the Board of Directors Resigned During the Period		
Members of the Board of Directors		Terms of Office
Ahmet YILMAZ	Member	24.06.2019 - 31.03.2022
Sedat TARTAN	Member	02.04.2021 - 31.03.2022
Bedri Sinan GÜL	Member	22.06.2020 - 31.03.2022
Murat OSKAY	Member	22.06.2020 - 31.03.2022
Murat NUHOĞLU	Member	02.04.2021 - 31.03.2022
Hakan TAŞCI	Member	01.05.2008 - 31.03.2022
İdris Yakup AŞKIN	Member	02.04.2021 - 31.03.2022

Duties of the members of the Board of Directors and executives outside the company		
Board Members and General Manager		
Name Surname	Title	Position/Title Outside The Company
Mikail HIDIR	Chairman of the Board of Directors	T. Vakıflar Bank T.A.O. Assistant General Manager
Assoc. Dr. Şükrü Mete TEPEGÖZ	Deputy Chairman of the Board of Directors	T. Vakıflar Bank T.A.O. Head of Specialized Loans Management
Onur İNCEHASAN	Board Member / General Manager	General Manager of Vakıf Real Estate Investment Trust Inc.
Arzu SEYAN	Board Member	T. Vakıflar Bank T.A.O. Head of Corporate Banking Marketing
Tevfik ERPEK	Board Member	T. Vakıflar Bank T.A.O. Head of SME Banking Marketing
Korhan TURGUT	Board Member	T. Vakıflar Bank T.A.O. Head of General Accounting and Financial Affairs Department
Rıfat DEMİRBAŞ	Board Member	High Architect
Ömer DEMİR	Board Member	Self-employment
Mustafa ŞENGÜL	Board Member	Lawyer

FINANCIAL RIGHTS

The members of the Company's Board of Directors are not paid any remuneration other than their monthly salaries. The remuneration of the members of the Board of Directors is determined at the Ordinary General Assembly held every year. The General Assembly determined the monthly salaries of the Board of Directors for the year 2022 as net TL 7,590.

In 2022, the total gross remuneration paid is as follows:

- Remuneration and expenses of the Board of Directors 1.291.528,-TL
- Payments to other senior executives 3.067.597,-TL

The members of the Board of Directors appointed by the General Assembly of our Company do not have any transactions with the Company on behalf of themselves or third parties that fall within the scope of the prohibition of competition. Members of the Board of Directors do not hold shares on behalf of their individuals. Members of the Board of Directors do not have any commercial relationship with the Company. There is no lawsuit filed or pending against any member of the Board of Directors in relation to matters concerning the Company's operations.

Members of the Board of Directors are not restricted from assuming other duties or tasks outside the Company, and the provisions of the Turkish Commercial Code regarding the prohibition of competition are complied with. It is ensured that he/she is able to allocate time for the Company's affairs to the extent that he/she can follow the functioning of the Company's activities and fully fulfill the requirements of his/her duties.

BOARD OF DIRECTORS MEETINGS

Board meetings are planned and held in an effective and efficient manner. Each member has 1 vote in the Board of Directors. The Board of Directors shall convene regularly and at least once a month as planned in advance and, if deemed necessary, without delay and without being bound by this period. In principle, a member of the Board of Directors attends every meeting. The Chairman of the Board of Directors sets the agenda for the Board of Directors meetings in consultation with the General Manager. The Company's Board of Directors convened 52 times in 2022 and the attendance rate of the members was realized as 100%.

COMMITMENT REPORT RESULT

All legal transactions of our Company with the parent company and its subsidiaries in 2022 were realized in accordance with the precedents. According to the circumstances and conditions known to our Company at the time these legal transactions were made, an appropriate counter performance was provided in each legal transaction. There are no measures taken or avoided that may cause the Company to incur losses. Therefore, there is no material damage/loss incurred by our Company due to intra-group transactions during the activity period, no transaction subject to equalization by the parent company, or no equivalent counter claim to a subsidiary company regarding the benefits provided by our Company.

BOARD COMMITTEES AND ACTIVITIES IN 2022

Early Detection of Risk Committee	
President	Rıfat DEMİRBAŞ
Member	Tevfik ERPEK

Audit Committee	
President	Mustafa ŞENGÜL
Member	Rıfat DEMİRBAŞ

Corporate Governance Committee	
President	Ömer DEMİR
Member	Tevfik ERPEK
Member	Ebru BOZDOĞANGİL

AUDIT COMMITTEE

The Audit Committee is chaired by Mr. Mustafa ŞENGÜL and its member is Mr. Rıfat DEMİRBAŞ. The Committee acts under its own authority and responsibility, makes recommendations to the Board of Directors and, where necessary, prepares a report and submits its opinion to the Board of Directors. However, the final decision and responsibility always rests with the Board of Directors.

In 2022, the Audit Committee met 11 times and 6 reports were prepared.

EARLY DETECTION OF RISK COMMITTEE

In accordance with the Turkish Commercial Code and

capital markets legislation, early identification of causes that jeopardize the existence, development and continuity of the Company, implementation of necessary measures and remedies in this regard, and management of the risk. Mr. Rıfat DEMİRBAŞ is the chairman of the Early Detection of Risk Committee and Mr. Tevfik ERPEK is the member of the committee.

In 2022, 6 reports were prepared and submitted to the Board of Directors.

CORPORATE GOVERNANCE COMMITTEE

Mr. Ömer DEMİR is the Chairman of the Corporate Governance Committee and Mr. Tevfik ERPEK and Ms. Ebru BOZDOĞANGİL are its members. During the reporting period, the Committee in charge of corporate governance has been responsible for; ensuring the development and implementation of Corporate Governance Principles within the Company, assisting the Board; to make suggestions regarding the functioning structure and effectiveness of the Board of Directors and its committees, to predict the risks that may affect the Company's operations in the areas in which the Company operates. The Board of Directors has been working throughout the reporting period to set the agenda for the Board of Directors to take measures to eliminate and/or mitigate the potential negative effects of these risks. In addition, the Corporate Governance Committee has also assumed the duties of the Nomination Committee and the Remuneration Committee. In this period, the Committee prepared the Corporate Compliance Report for the fiscal year 2021 and 4 quarterly Investor Relations Department Annual Reports and submitted them to the Board of Directors.

CAPITAL CHANGES

The decision of the Board of Directors to increase our Company's capital from TL 1,000,000,000 to TL 1,145,000,000 in 2022 by distributing 31.05% of the profit of 2021 as bonus shares was approved by the shareholders at the General Assembly dated March 31, 2022. In relation to the said increase, Article 7 of the Articles of Association titled "Capital and Shares" The application made to the Capital Markets Board on April 11, 2022 for the amendment of the article was approved on April 29, 2022. Article 7 of our Articles of Association The amendment text regarding the changes in the article was registered and announced by the Istanbul Trade Registry Office on May 11, 2022 and our capital became TL 1,145,000,000.

On April 13, 2022, Türkiye Sigorta AŞ, one of the founding shareholders of our Company, converted all of the Group B shares in our Company's capital amounting to TL 1,741,104,000, which were closed to the public, into publicly traded shares and sold them on the stock exchange. After this transaction, Türkiye Sigorta AŞ no longer holds Group B shares in the Company's capital. In addition, within the scope of the decision taken at the meeting of the Board of Directors of our Bank dated 15.12.2022; 7,974,238 Group A privileged shares of Türkiye Sigorta AŞ in our Company were purchased by our Bank at a price of TL 5.035 per share and after this transaction, Türkiye Sigorta AŞ no longer has any shareholding in our Company.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

At the meeting of the Board of Directors of our Company dated February 11, 2022; the Authorized Capital Ceiling was increased from TL 1,000,000,000,-TL to TL 1,750,000,000,-TL and also,

3. "Headquarters and Branches of the Company" Article,

Article 10 titled "Board of Directors and Term of Office" Article,

12. "Board Meetings, Special Decisions and Compliance with Corporate Governance Principles" Article,

15. "General Manager and Managers" Article,

19. "General Assembly Meetings" Article,

"Presence of the Ministry Representative at the Meeting" 21. Article,

"24. Article,

The Amendment Text regarding the amendments was approved by the Capital Markets Board on March 1, 2022, and the Republic of Türkiye. As a result of our application for authorization to the Ministry of Commerce, we have decided to amend the Articles of Association of our Company, and to apply to the Ministry of Trade of the Republic of Türkiye. With the letter dated 03.03.2022 and numbered 72518510 of the Ministry of Trade, General Directorate of Domestic Trade, permission was granted in accordance with the provision of Article 333 of the Turkish Commercial Code No. 6102 and approved at the General Assembly on March 31, 2022.

The new version of our Articles of Association was registered by the Istanbul Trade Registry Office on April

06, 2022 and announced in the Trade Registry Gazette dated April 08, 2022 and numbered 10555.

At our Company's General Assembly Meeting dated March 31, 2022, 6 Board Members and 3 Independent Board Members were elected in accordance with the amended Articles of Association. The independence declarations of the members of the Board of Directors were obtained and examined by the Nomination Committee, and their independence was approved and recommended to the Board of Directors, and the Board of Directors approved the said recommendation.

POLICIES

Our Company has integrated the governance approach into all its activities and has established its policies within this framework.

Company policies are disclosed to the public on the corporate web site.

[Management Policy](#)
[Vakıf REIT Ethical Principles](#)
[Disclosure Policy](#)
[Dividend Distribution Policy](#)
[Donation and Aid Policy](#)
[Remuneration Principles](#)
[Human Resources Policy](#)
[Customer Satisfaction Policy](#)
[Sustainability Policy](#)
[Compensation Policy](#)
[Human Rights and Employee Rights Policy](#)
[Occupational Health and Safety Policy](#)
[Board of Directors Meetings Procedure](#)
[Procedure for Employee Participation in Governing Bodies](#)
[Duties and Working Principles of the Board of Directors Committees](#)
[Equal Opportunity, Diversity and Gender Equality Policy](#)
[Corporate Social Responsibility Policy](#)
[Information Security Policy](#)

INVESTOR RELATIONS UNIT

An investor relations department has been established to ensure communication between the Company and investors and reports directly to the Assistant General Manager in the organizational chart.

Duties of the Investor Relations Department The duties of the Investor Relations Department are carried out by the Investor Relations Manager Mr. it is fulfilled by Ebru BOZDOĞANGİL.

The Investor Relations Department, which carries out its activities in order to manage the relations with shareholders in our Company, has the following main duties:

a) To ensure that the records regarding the correspondence between the investors and the partnership and other information and documents are kept in a healthy, secure and up-to-date manner,

b) To respond to the written information requests of the shareholders regarding the Company,

c) To prepare the documents required to be submitted for the information and review of the shareholders regarding the General Assembly Meeting and to take measures to ensure that the General Assembly Meeting is held in accordance with the relevant legislation, articles of association and other internal regulations of the Company,

d) Overseeing and monitoring the fulfillment of obligations arising from capital markets legislation, including all matters related to corporate governance and public disclosure,

It has carried out all the necessary work on its issues.

The investor relations department manager holds "Capital Market Activities Advanced Level License" and "Corporate Governance Rating Specialist License" and works as a full-time manager in the Company.

He was also appointed as a member of the Corporate Governance Committee. The name, surname and contact information of the manager of the investor relations department and at least one person working in this department, and any changes in this information were disclosed on the Public Disclosure Platform within the framework of the Board's regulations on material disclosures.

In accordance with Article 11 of the Corporate Governance Communiqué, the Investor Relations Unit prepared and submitted 4 quarterly reports to the Board of Directors in 2022 regarding its activities.

Department Manager :
 Ebru BOZDOĞANGİL
 Investor Relations Manager
 Corporate Governance Committee Member
 Contact Information:
 E-mail: yatirimciliskileri@vakifgyo.com.tr
 Address: Serifali Mah. Bayraktar Bulvarı Nutuk
 Sk. No:4 Umraniye/Istanbul 34775

Department Employee :
 Büşra KILIÇ
 Investor Relations Assistant Specialist
 Contact Information :
 E-mail: yatirimciliskileri@vakifgyo.com.tr
 Address: Serifali Mah. Bayraktar Bulvarı Nutuk
 Sk. No:4 Umraniye/Istanbul 34775

GOVERNANCE ACTIVITIES IN 2022

The Capital Markets Board, the Ministry of Trade, the Central Registry Agency, Borsa İstanbul AŞ, Takasbank AŞ and legislative amendments published in the Official Gazette were monitored on a daily basis, and the issues that concern our Company were identified and necessary work was carried out.

Notifications to be made to the Capital Markets Board and the Ministry of Trade, as well as the required documents and papers were sent on time and in accordance with the legislation.

The documents related to the general assembly meeting were presented in English simultaneously with Turkish and the principles were complied with.

Pursuant to Article 4.2.8 of the Capital Markets Board's Communiqué on Corporate Governance No. II-17.1, the damages that may be caused to the Company by the members of the Board of Directors due to their faults during the execution of their duties have been insured for an amount exceeding 25% of the Company's capital, and the said insurance has been disclosed on the PDP and compliance with the principles has been achieved.

The Company received 114 written and 129 telephone applications from shareholders seeking information about the Company, and these applications were responded to within the scope of the legislation and Company regulations.

News published in the press about the Company were checked on a daily basis. There is no material misleading news that would require disclosure.

The Company's website has been kept up to date and shareholders have been provided with the opportunity to access our information through this medium.

In 2022, a total of four quarterly Investor Presentations were prepared and posted on the website.

A total of 87 disclosures were made on the Public Disclosure Platform and no additional disclosures were

requested by Borsa Istanbul for any of these disclosures. Financial Report and Annual Report notifications and other mandatory announcements and notifications were made on time. Material event disclosures were added to the website within one business day and all necessary updates were made on time.

GENERAL ASSEMBLY PROCEDURES

The Board of Directors of our Company has decided to hold the Ordinary General Assembly Meeting for the Fiscal Year 2021 on March 31, 2022. The invitation to the General Assembly was announced to the public within the legal period through the Turkish Trade Registry Gazette, the Public Disclosure Platform, the Company's website as well as the Electronic General Assembly System, and the General Assembly Annual Report and the Independent Audit Report were sent to the founding shareholders and made available for the information of other shareholders at the Company headquarters. It is also available for review on our website. On the same date with the invitation, the information required to be made pursuant to the Capital Markets Board's II-17.1 "Corporate Governance Communiqué" was also disclosed on the PDP. The documents related to the general assembly meeting were presented in English simultaneously with Turkish and the principles were complied with.

The Ordinary General Assembly Meeting was held at the Company headquarters on the appointed date. From the examination of the Attendance List, it is understood that out of 100,000,000,000,000 shares corresponding to the total capital of the Company amounting to TL 1,000,000,000,000, 695,327,266.288 shares were represented by proxy and 10,000 shares were represented in person, and 12,537,183 shares were represented by proxy and 214,361.386 shares were represented in person in the electronic environment. 013.56 TL capital was represented at the meeting, thus it was understood that the minimum meeting quorum stipulated in both the law and the Articles of Association was present, and it was seen that a sufficient number of Board Members and Auditors were present at the meeting. Upon the determination by the Ministry Representative Ms. Duygu SARAÇ that the proxies and the documents required to be present at the meeting were complete, and that the requirements of the electronic general assembly were fulfilled in accordance with the legal regulations, the meeting was convened by the General Manager Assist. It was opened physically and electronically simultaneously by Mr. Hasan Gürsel ÖZTAMUR. After the General Assembly was informed about voting and taking the floor and about the Electronic General Assembly System, the agenda items were read, the agenda items were discussed, the agenda items were discussed and the General Assembly was held without any problems. The

General Assembly Meeting was physically attended by 1 shareholder in person and 22 people via EGKS.

The minutes of the meeting regarding the resolutions adopted at the General Assembly are published on PDP and the Company's website;

<https://www.kap.org.tr/en/Bildirim/1014782>
[Vakıf REIT : General Assembly \(vakifgyo.com.tr\)](https://www.vakifgyo.com.tr)

links are also available.

At the General Assembly held on March 31, 2021, shareholders did not propose any items to be added to the agenda.

Mr. Cenap PÜSKÜLLÜ and Mr. Rumi Gökhan ÖZDEMİR, two of our shareholders who took the floor electronically during the Wishes and Wishes session, asked questions regarding the Istanbul International Finance Center project. Mr. Onur İNCEHASAN responded to this question, and with regard to the other questions, Investor Relations Manager Ms. Ebru BOZDOĞANGİL stated that the response in this regard would be duly communicated in writing within the legal period. The answers to the questions received were published on the website within 15 days and sent to the shareholders in writing.

Necessary measures have been taken to ensure the participation of all shareholders who wish to attend the General Assembly. Prior to the General Assembly, the Annual Report and Independent Audit Report were sent to the founding shareholders and made available for the information of other shareholders at the Company headquarters. It is also available for review on our website. There was no media participation in the General Assembly. Shareholders were informed under a separate agenda item that no donations were made during the period. Announcements regarding the results of the General Assembly were published in the Turkish Trade Registry Gazette, Public Disclosure Platform, Company website and EGKS system.

The distribution of duties of the members of the Board of Directors elected after the General Assembly and the election of committee members were made on April 08, 2021 and disclosed on PDP on the same day. This information was also updated in a timely manner in the Company's General Information Form and Corporate Governance Information Form.

The resolutions adopted at the 2021 Ordinary General Assembly Meeting were registered by the Istanbul Trade Registry Directorate on April 06, 2022 and announced in the Trade Registry Gazette dated April 08, 2022 and disclosed on PDP without delay on the same days.

The election of Güney Independent Audit and Freelance Accountant Financial Consultancy. (E&Y) for the independent audit services of our Company for the year 2022 at the General Assembly dated March 31, 2022 was registered by the Istanbul Trade Registry Office on April 06, 2022 and announced in the Trade Registry Gazette dated April 08, 2022.

EXERCISE OF SHAREHOLDER RIGHTS

Shareholder records are kept in a timely, complete and accurate manner. No application has been received from our shareholders to be forwarded to the Board of Directors regarding the exercise of their shareholding rights.

In 2022, there were no special auditor requests from shareholders.

RELATED PARTY TRANSACTIONS

At the meeting of our Company's Board of Directors dated April 07, 2022, it was resolved that, within the scope of the IUFM Project, "T. Vakıflar Bankası T.A.O. It has been decided to sign a Real Estate Sales Promise Agreement between Türkiye Vakıflar Bankası T.A.O. and our Company for the sale of a total area of 25.718 m² among the office units in the 52-storey block of the Head Office Service Building and Facilities Project to Türkiye Vakıflar Bankası T.A.O. for a total amount of TL 930.000.000+VAT between Türkiye Vakıflar Bankası T.A.O. and our Company for the sale of 25.718 m² of office units in the 52-storey block belonging to the "Vakıflar Bankası T.A.O. Building and Facilities Project" to Türkiye Vakıflar Bankası T.A.O. for a total price of TL 930.000.000+VAT, and the sales promise agreement was signed on April 12, 2022 and the entire sales price of TL 930.000.000,00 was collected.

"T.Vakıflar Bankası T.A.O." within the scope of the Istanbul International Finance Center Project, located on block 3328, parcel 5 in Umraniye, Istanbul. Based on the sales promise agreements signed on 23/11/2018, 26/10/2020, 6/01/2021 and 12/4/2022 regarding the "General Directorate Service Building and Facilities Project" and whose prices were collected in advance, T. A delivery report was signed with Vakıflar Bankası T.A.O. and VAT amounting to TL 311,401,557.90 was collected.

"T.Vakıflar Bankası T.A.O." in our Company's portfolio The entire remaining 51,563.30 m² area of the B Tower block of the Head Office Service Building and Facilities Project, which is located on a parcel area of 7,225.80 m² and registered with block 3328, parcel 12, with a total saleable/rentable area of 54,582.90 m² and a construction area of 112.603.97 m² construction area of the B Tower block, excluding the shops reserved as shop-mix area, the remaining 51.563.30 m² area of

the B Tower block has a total saleable/rentable area of 54.582.90 m² and a construction area of 112.603.97 m². 650.000,- TL + VAT per month, with no rent payment for the first six-month period and a rent of TL 81.900.000,00 + VAT for the second six months, to be paid in advance in December 2022, starting from 05.08.08.2022 for a period of 5 + 5 years, starting from 05.08.2022, to Türkiye Vakıflar Bankası T.A.O. as Shell & Core.

FINANCIAL REPORTS

In accordance with the Communiqué on Principles Regarding Financial Reporting in Capital Markets (II-14.1), our Company disclosed its annual financial reports on PDP on time and without delay:

2021 Year-end financial reports, annual report, corporate compliance report, corporate governance information form and declaration of the Board of Directors on February 09, 2022,

The financial report announced by the Central Registry Agency was disclosed to the public before the deadlines.

Melek Melis TAŞKANAL, who worked as Assistant Investor Relations Specialist in our Company, resigned from her position as of 05.01.2022 and it was announced on the PDP on the same date.

Büşra KILIÇ was appointed as Assistant Investor Relations Specialist in our Company as of 09.05.2022 and announced on the PDP on the same date.

Our company has been evaluated by JCR Eurasia Rating;

The Long Term National Corporate Credit Rating was affirmed at 'AAA (tr)' level and all ratings were formed as follows and all information was disclosed on PDP on 26.10.2022.

Long Term National Corporate Credit Rating : AAA (tr) / (Stable Outlook)

Short Term National Corporate Credit Rating : J1+ (tr) / (Stable Outlook)

Long Term International Foreign Currency Corporate Credit Rating : BB / Negative Outlook)

Long Term International Local Currency Corporate Credit Rating : BB / (Negative Outlook)

Valuations were made for all real estate properties in the Company's portfolio at the end of the year and disclosed on PDP. In addition, the aforementioned valuation reports were sent to the CMB on time.

2.5.3. GENERAL ASSEMBLY AGENDA AND DIVIDEND DISTRIBUTION

VAKIF REAL ESTATE INVESTMENT TRUST DRAFT AGENDA FOR THE ORDINARY GENERAL ASSEMBLY MEETING (.....)

1. Opening and formation of the Meeting Presidency,
2. Authorizing the Chairman and Vote Collectors to sign the Minutes of the General Assembly Meeting,
3. Reading and discussion of the Board of Directors' Annual Report and Independent Audit Report on the activities and accounts for the year 2022,
4. Discussion and approval of the independently audited financial statements for the year 2022 and their annexes,
5. Release of 2022 Board Members from liability for their activities in the year 2022,
6. In relation to the increase of the Authorized Capital Ceiling of our Company, the Article 7 of the Articles of Association titled "Capital and Shares" has been amended. Submission of the amendments made to the article for the approval of the General Assembly,
7. Submission of the 2022 proposal of the Board of Directors regarding the distribution of the profit for the period to the approval of the General Assembly,
8. Submitting the capital increase to be realized from internal resources to the approval of the General Assembly,
9. Election of the Members of the Board of Directors, submission of the appointment of Independent Members of the Board of Directors to the approval of the General Assembly,
10. Determination of the financial rights of the members of the Board of Directors,
11. Approval of the selection of the Independent Audit Firm,
12. Informing the General Assembly on donations and grants,
13. Informing the General Assembly on the principles of remuneration of Board Members and senior executives,
14. Informing the General Assembly about related party transactions in accordance with Capital Markets Board regulations,
15. Wishes and closure,

VAKIF REAL ESTATE INVESTMENT TRUST PROFIT DISTRIBUTION POLICY

Our Company's "Dividend Distribution Policy", which determines the dividend distribution decisions by taking into account the provisions of the Turkish Commercial Code, Capital Markets Legislation, Capital Markets Board regulations, tax laws and other legal legislation, together with the Company's articles of association, is determined as follows:

1. The Board of Directors makes proposals to the General Assembly in its profit distribution decision, taking into account the CMB legislation, market conditions and the Company's objectives. Accordingly, it is essential to propose to the General Assembly to distribute at least 10% in bonus shares and/or cash, taking into account the Company's equity ratio, sustainable growth rate, market value, cash flows and profitability, paying attention to maintaining the balance between the investments required for the growth of the Company and the financing of these investments.
2. The distribution decision becomes effective upon approval at the General Assembly Meeting and the decisions taken are disclosed to the public on the same day via the Public Disclosure Platform.
3. Dividends per share of the shares to be issued by the Company shall be distributed equally to all shareholders. The Company may consider distributing advance dividends in accordance with the provisions of applicable legislation.
4. If dividend distribution is not made, the Board of Directors informs the shareholders why it was not distributed and where the undistributed profit was used.
5. The Company's Articles of Association, the Capital Markets Law, the provisions of the Capital Markets Board's communiqués and the Turkish Commercial Code shall be complied with in dividend distributions.

2022 PROFIT DISTRIBUTION TABLE

VAKIF REAL ESTATE INVESTMENT TRUST

2022 Dividend Distribution Table (TL)

1. Paid-in/issued capital	1.145.000.000	
2. Total Legal Reserves (According to Legal Records)	19.519.775	
If there is a privilege in dividend distribution in accordance with the articles of association, information on such privilege	NONE	
	According to the CMB	According to Legal Records (R0)
3. Profit for the Period	2.332.117.148	855.000.211
4. Taxes Payable (-)	-	-
5. Net Profit for the Period (=)	2.332.117.148	855.000.211
6. Prior Year Losses (-)	-	-
7. First Legal Reserve (-)	42.750.011	42.750.011
8. NET DISTRIBUTABLE PROFIT FOR THE PERIOD (=)	2.289.367.137	812.250.200
9. Donations made during the year (+)	200.000	
10. Net distributable profit for the period, net of donations, from which the first dividend will be calculated	2.289.567.137	
11. First Dividend to Shareholders	788.106.823	
- Cash	-	
- Free of charge	788.106.823	
- Total	788.106.823	
12. Dividends Distributed to Preferred Shareholders	-	
13. Dividends to board members, employees, etc.	-	
14. Dividends Distributed to Beneficial Shareholders	-	
15. Second Dividend to Shareholders	-	
16. Second Legal Reserve	-	
17. Status Reserves	-	-
18. Special Reserves	-	-
19. EXTRAORDINARY RESERVE	1.501.260.314	24.143.377
20. Other Resources Proposed to be Distributed	-	-
- Retained Earnings	-	-
- Extraordinary Reserves	-	-
- Other Reserves Distributable in accordance with the Law and Articles of Association	-	-

Dividend Rates Table (*)

		TOTAL DIVIDENDS DISTRIBUTED	TOTAL DIVIDENDS DISTRIBUTED / NET DISTRIBUTABLE PROFIT FOR THE PERIOD	DIVIDEND CORRESPONDING TO A SHARE WITH A NOMINAL VALUE OF TL 1		
	Group	Cash (TL)	Free (TL)	Rate (%)	Amount (TL)	Rate (%)
	A	-	279.923.175,255	12,2271%	0,6883	68,83%
NET	B	-	508.183.647,745	22,1976%	0,6883	68,83%
	TOTAL	-	788.106.823,00	34,4247%	-	-

(*) There is no privileged share group in profit.

2.5.4. BOARD DECISIONS AND DECLARATIONS

Declaration within this scope are “6. Declarations of Compliance” are presented in the section;

- Declaration of Compliance with the Integrated Annual Reporting Framework and Sustainability Accounting Standards (SASB)

- Declaration Of Compliance with Financial Reporting

- Independent Audit Opinion

- Annual Report Compliance declaration

- Independent Audit Opinion

- Board of Directors Decision taken pursuant to Article 9 of the Communique on the Principles of Financial Reporting in the Capital Markets (II-14.1)

- Statement of Responsibility taken pursuant to Article 9 of the Communique on Principles of Financial Reporting in the Capital Markets (II-14.1)

- Audit Committee Decision on Submission of the Integrated Annual Report to the Board of Directors

- Corporate Governance Committee Decision on Submitting the Sustainability Principles Compliance Report to the Board of Directors

- Declarations of Independence

- Declaration Within the Scope of the Communiqué on the Determination and Implementation of Corporate Governance Principles

- Declaration Within the Scope of the Communiqué on the Determination and Implementation of Corporate Governance Principles

- Declaration of Compliance with Corporate Governance Principles

- Advisory Services and Conflict of Interest declaration

2.5.5. OTHER CONSIDERATIONS

- **Personnel and worker movements, collective bargaining practices, rights and benefits provided to personnel and workers**

As of 31.12.2022, the number of personnel of our company is 40. There is no collective bargaining. Personnel are provided with additional benefits such as private health insurance, life insurance and private pension insurance.

• Information on donations made during the year

During the period, the Real Estate Investors' Association (GYODER) has acquired the idle Banking and Insurance Department of Marmara University, Goztepe Campus. A cash donation of TL 200 thousand was made within the scope of the social responsibility project for the conversion of the college building into a girls' dormitory.

• Significant events after the reporting period

As of the reporting date, Türkiye experienced an earthquake disaster in Kahramanmaraş and neighboring provinces. The Company has no operations in these earthquake zones. Considering the regions in which the Company operates, no significant impact on the Company's operations is expected.

On March 16, 2023, the Company's Board of Directors resolved to increase the registered capital ceiling from TL 1,750,000,000,000 to TL 5,000,000,000,000, to distribute 34.4247% of the net distributable profit for the period, corresponding to TL 788,106.823 TL of the net distributable profit for the period, corresponding to 34.4247% of the net distributable profit for the period, and a total capital increase of TL 1,232,500,000, through the distribution of TL 788,106,823 of the net profit in the form of bonus shares and the addition of a total of TL 444,393,177 of internal resources to the capital, consisting of “Capital Adjustment Differences” amounting to TL 21,599,008, “Share Premium” amounting to TL 301,118,336, and “Retained Earnings” amounting to TL 121,675,833.000 and a capital increase by 50%, all of which will be in cash, and with the Board of Directors decision dated April 10, 2023, it has been decided that the bonus issue will be processed after the approval of the General Assembly, primarily, based on the authorization given by Article 7 of the Company's articles of association, within the registered capital ceiling of TL 1.750.000.000, the amount of TL 1.145.000.000 TL within the registered capital ceiling of 1.750.000.000 TL and an application was made to the Capital Markets Board on April 10, 2023 for the approval of the prospectus prepared for the issuance and public offering of shares with a nominal value of 572.500.000 TL representing the increased capital amount due to the increase of the capital to 1.717.500.000 TL.

On 18.04.2023, T.C. A total of 41,864,754.63 shares, including 25,916,266.63 shares of the non-circulating privileged Group A and 15,948,488 shares of the

non-circulating Group B, owned by the Ministry of Environment and Urbanization Climate Change Housing Development Administration of the Ministry of Environment and Urbanization, were sold at a price of TL 3.8376 per share to its main shareholder, T. T. A. Vakıflar Bankası Turkish Joint Stock Company has been acquired by T.C. Vakıflar Bank Turkish Joint Stock Company. Ministry of Environment and Urbanization Climate Change Housing Development Administration has no shareholding in the Company. As of April 18, 2023, the shareholding structure of the Company is as follows.

	Share Rate (%)	Share Amount (TL)
T. Vakıflar Bank Turkish Joint Stock Company	53,31	610.354.864
Vakıfbank Personnel Private Social Security Service Foundation	7,51	86.039.911
Vakıfbank Civil Servants and Services Pension Fund	6,88	78.801.208
Other	32,3	369.804.017
Total	100	1.145.000.000

2.6. SUSTAINABILITY MANAGEMENT

Vakıf REIT's Strategic Plan was associated with the United Nations Sustainable Development Goals (17 SDGs) and Targets (169 SDGs) at every stage, from the Current Situation Analysis stage to the determination of the Annual Performance Program, and an Integrated Strategic Plan was prepared for the first time in the sector. The 3P Model(Economic, Social, Environmental sustainability) defined in the United Nations Sustainability Program and generally accepted. The 4P Model (Economic, Social, Environmental and Product sustainability) was adopted, ensuring that our Strategic Plan covers the sustainability program in four dimensions.

2.6.1. SUSTAINABILITY DIMENSIONS

Our 4P Sustainability Model explicitly addresses four key dimensions of sustainability. On the other hand, Integrated Reporting is expected to be presented by ISSB within the scope of the “5 Sustainability Dimensions” defined by “SASB - Sustainability Accounting Standards” (SASB Standards). Before presenting the details of the compatibility and comprehensiveness of our 4P Sustainability Model with the “SASB Sustainability Dimensions”, the “SASB Sustainability Dimensions” are briefly summarized;

1. Environment : Environmental impacts related to the organization's ability to create value over time (product manufacturing, energy and water use).

2. Social Capital : It covers the organization's influence on its external stakeholders and the management of its relations with them. Impact on stakeholders considers human rights, protection of vulnerable groups, development of the local economy, purchasing power, accessibility and quality of products/services, responsible behavior in marketing and customer privacy.

3. Human Capital : Covers issues affecting the organization's workforce (productivity, attracting and retaining talent, etc.) (OHS management, working conditions, corporate culture, employee engagement, improving diversity and inclusion in the workforce).

4. Business Model and Innovation : It covers the integration of environmental, human and social issues into the organization's value-creation process;

- Business model resilience

- How sustainability issues are integrated into the development, production and sale of products/services

- Design and innovation of products/services (including impacts on the use and disposal of products)

- Degree of integration of the physical impact of climate change on assets with the business model

- Availability and price of critical resources

- Supply chain impacts

5. Leadership and Corporate Governance : Managing conflicts in stakeholder relations and key industrial issues;

- Conducting business activities in compliance with sectoral laws and regulations

- Compliance with industry-leading standards

- Anti-competitive practices

- Business ethics

- Working with regulatory bodies on issues affecting the environment, society and people.

In this context;

- The relationship between “SASB Sustainability Dimensions” and “Vakıf REIT 4P Sustainability Dimensions” is summarized in Figure 2.9.

- This relationship has been taken into account in the presentation of sustainability approaches and performance evidence presented in this Integrated Annual Report.

SASB Sustainability Dimensions	Vakıf REIT Sustainability Dimensions			
	Economy	Society	Environment	Product
Environment			x	x
Social Capital		x		
Human Capital	x	x		
Business Model & Innovation	x			x
Leadership & Corporate Direction	x	x	x	

Figure 2.9. Relationship between Sustainability Dimensions

2.6.2. SUSTAINABILITY PROCESSES

These are the processes through which sustainability strategies are implemented (Figure 2.10). Within these processes, the process that ensures that sustainability is realized in all its dimensions is the “Y3.3 Sustainability Management” Process (Figure 2.11).

Sustainability Processes	Related Str.	Vakıf REIT Sustainability Dimensions				SASB Sustainability Dimensions			
		Economy	Society	Environment	Product	Environment	Social Capital	Human Capital	Business Model & Innovation
M1.3 Business Development and Feasibility	S1	x				x			x
M2. Project Management	S2 S3	x			x	x			x
M4. Customer Relationship Management	S4	x					x		
Y4. HR and Climate Management	S5		x						
Y3.3 Sustainability Management	S6	x		x	x				x
Y2. Corporate Governance	S7		x	x			x		x

Figure 2.10. Sustainability Dimensions and Processes

Looking at the details of our “Y3.3 Sustainability Management” process (Figure 2.11), the development

of the process is striking;

Process	Process Owner
Y3.3 Sustainability Management	Corporate Development and Sustainability Manager
Y3.3.1. Sustainable Building Management	Coordination with Project Development and Project Implementation Directorates
Y3.3.2. Environmental Sustainability Management	Coordination with Support Services and Project Development and Project Implementation Directorates
Y3.3.3. Social Sustainability	Coordination with Corporate Communications and Marketing Directorate

Figure 2.11. “Y3.3 Sustainability Management Process”

- **Sustainable Building Management** : There are many ISO and EN standards within the scope of quality assurance systems. In addition, many rating and certification systems have been developed for green buildings, such as the US LEED Certificate, the UK BREEAM Certificate and other European countries. In our country, the Ministry of Environment, Urbanization and Climate Change has published the Certificate Regulation for Buildings and Settlements (Yes-TR).

In this context, we attach importance to green building rating studies in order to control carbon emissions from building construction works. Among our existing projects; Istanbul International Finance Center Project has Leed GOLD Certificate and Izmir Project is a candidate for Leed GOLD Certificate. 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 are taken into consideration in our other projects without a certification target.

- **Environmental Sustainability Management** : Carbon emissions of all our projects were calculated and reported to CDP, the world’s most prestigious environmental reporting institution, and targets were set to reduce carbon emissions.

With the reporting made within the scope of the CDP Climate Change program, we achieved a performance score of C+ in our first year.

- **Social Sustainability** : In this context, social responsibility projects are carried out. Our social responsibility projects implemented in 2022 are presented in Section 4.2.2.

2.6.3. SUSTAINABILITY STRATEGIES

The 3P Model (Economic, Social, Environmental sustainability) defined in the United Nations Sustainability Program and generally accepted. The 4P Model (Economic, Social, Environmental and Product sustainability) was adopted, ensuring that our Strategic Plan covers the sustainability program in four dimensions;

- **Economic Sustainability** : Sustainable growth is targeted with our main strategy and Strategies S1, S2, S4 and S6.

- **Social and Environmental Sustainability** : Especially “S7.1. With the sub-strategy of “Strengthening Reputation through Effective ESG”, it is aimed to implement the “Sustainability Program” covering sustainability projects in social and environmental dimensions.

- **Product Sustainability** : We focused on product sustainability in our projects with our “S3 Effective and Efficient Management of Project Portfolio” and “S7 Strengthening our Reputable Position by Managing Reputation Effectively” Strategies.

Considering the relationship between the Sustainability Dimensions of our 4P Model and the “SASB Sustainability Dimensions” (see Figure 2.9), the fact that our current 7 Strategies also cover the 5 Sustainability Dimensions of SASB clearly supports the inclusiveness of our Integrated Management Model (Figure 2.12).

2.6.4. SUSTAINABILITY PRIORITIZATION

Sustainability Accounting Standards are defined separately by IFRS-SASB for major sectors and business lines. Each sectoral standard defines Materiality Matrices, Material Issues (Sustainability Disclosure Matters) and Accounting Metrics to be disclosed in Integrated Reporting.

In this context, considering the comparison of the prioritization of sustainability issues made within the scope of Strategic Planning of Vakıf REIT in the real estate sector with the relevant SASB standard (SASB Real Estate Sustainability Accounting Standard, v. 2018-10) (Figure 2.13);

- Vakıf REIT’s material sustainability issues are in line

with the SASB materiality approach.

- Although SASB has defined 4 material issues to be disclosed, Vakıf REIT has focused on 7 material issues.

- In this context, our Sustainability Performance Results are presented in line with this materiality matrix.

Strategy	Vakıf REIT Sustainability Dimensions				SASB Sustainability Dimensions				
	Economy	Society	Environment	Product	Environment	Social Capital	Human Capital	Business Model & Innovation	Leadership & Corporate Direction
S1. Business Development with Innovative and Conceptual Projects	x				x			x	
S2. Ensuring Sustainable Growth by Strengthening the Financial Structure	x							x	x
S3. Effective and Efficient Management of Project Portfolio				x	x			x	
S4. Managing Customer Experience Effectively	x					x			
S5. Managing Organizational Climate		x				x	x		
S6. Managing Organizational Development	x		x	x				x	
S7. Strengthening Our Reputable Position by Managing Reputation Effectively		x	x			x			x

Figure 2.12. Sustainability Dimensions and Strategies

SASB Sustainability Dimension	SASB Sustainability Topic	SASB Priority	Foundation REIT Priority 4P Sustainability Dimension			
			Economy	Society	Environment	Product
Environment	Greenhouse Gas Emissions					
	Air Quality					
	Energy Management					
	Water & Waste Water Management					
	Ecological Impact					
Social Capital	Human Rights & Public Relations*					
	Customer Special*					
	Data Security*					
	Access & Affordability					
	Product Quality & Safety					
	Customer Happiness/Satisfaction*			Stakeholder		Stakeholder
	Sales Application & Product Labeling					
Human Capital	Culture Management*					
	Working Conditions					
	Occupational Health & Safety					
	Employee Engagement, Diversity & Inclusion					
Business Model & Innovation	Product Design & Life Cycle Management.					
	Business Model Resilience					
	Supply Chain Management					
	Material Procurement & Efficiency					
	Physical Impacts of Climate Change					
Leadership & Corporate Governance	Business Ethics					
	Competitive Behavior					
	Legal & Regulatory Environmental Management					
	Critical Incident Risk Management					
	Systematic Risk Management					

IMPORTANCE RATING	PRIORITY	1ST DEGREE PRIORITY	UNIMPORTANT
SASB			
VAKIF REIT			

(*) : Although not a SASB requirement, it is a sustainability issue managed by Vakif REIT.

Figure 2.13. Alignment of Sustainability Dimensions and SASB Materiality

A photograph of two women standing in a field of sunflowers, seen from behind with their arms raised towards a bright sunset sky. The scene is bathed in warm, golden light. The woman on the left wears a light-colored long-sleeved shirt and denim shorts, while the woman on the right wears a patterned dress. The sun is low on the horizon, creating a strong backlight effect.

3

**STRATEGIC
MANAGEMENT**

STRATEGIC MANAGEMENT

For sustainable success, it is essential to identify strategies that deliver value to stakeholders in line with an inspiring purpose and an exciting vision. In this context, the strategic level and future-oriented performance management “Y1. Strategic Planning” Process (Figure 3.1) is defined as one of the main managerial processes and is managed according to “PR-Y1-01 Strategic Planning Procedure”.

Y1. Strategic Planning

Y1.1. Current Situation Analysis

Y1.2. Strategic Direction Setting

Y1.3. Developing Strategies

Y1.4. Creating the Performance Program

Y1.5. Monitoring and Evaluation

Figure 3.1 Strategic Planning Process

Vakıf REIT's Strategic Planning approach has been continuously developed and improved over the years. Especially through benchmarking and learning activities with sectoral and best practices, our current strategic planning approach has reached the level of reference practice. Being integrated and inclusive with sustainability, it is the first and best practice example in the REIT sector.

In 2022, Vakıf REIT was deemed worthy of the Türkiye Excellence Award organized by the Turkish Quality Association KalDer and evaluated within the scope of the EFQM Model, and our integrated management approach was determined as a good practice.

Under the chairmanship of the General Manager and coordination of the Corporate Development and Sustainability Directorate (KGSM), with the participation of employees at all levels, the “Y1. If the flow of our “Strategic Planning” process is briefly summarized;

3.1. CURRENT SITUATION ANALYSIS

The data that will guide the Strategic Plan and serve as a reference for determining strategies are obtained through internal and external environmental analysis within the scope of SWOT. Environmental analysis is

vital for Strategic Planning in terms of knowing our current situation and our position in the sector;

- Within the scope of External Environmental Analysis; Market Analysis, Competitive Analysis, Stakeholder Analysis, PESTLE Analysis and Business Models /Mega Trends / Change Analysis,

- Within the scope of Internal Environmental Analysis, comprehensive analyses are conducted on Financial Resources, Human Resources, Information Resources, Self-assessment, Internal/external audits and Supplier Competencies

3.2. DIRECTIONS

Based on the market and competition analysis within the scope of the Current Situation Analysis, our core competencies and the megatrends in the ecosystem, our “Strategic Direction”, namely our “Core Objective, Vision, Mission, Core Strategy and Management Policy” are determined and/or updated.

In determining our Core Strategy, we use the “Core strategy formulation” approach. The formulation of the core strategy asks in which dimensions and how we will differentiate from the competition from today to tomorrow (Figure 3.2).

Strategic Direction Formulation

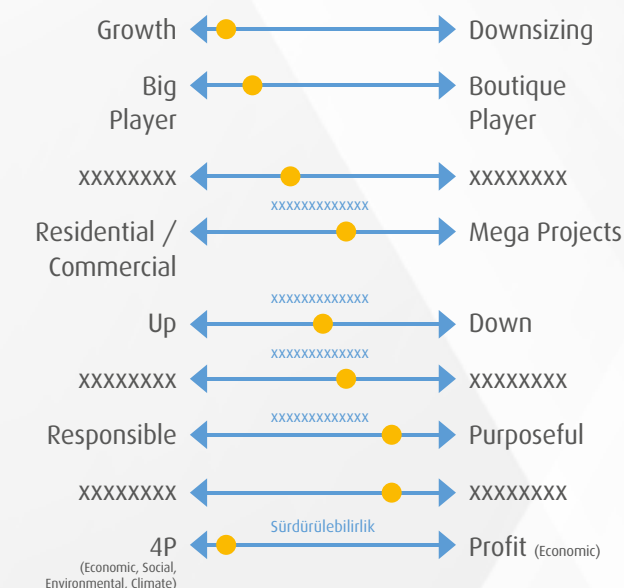


Figure 3.2 Strategy Formulation

3.3. STRATEGY DEVELOPMENT

Considering our strategic direction, TOWS analysis is conducted in three strategic areas (Figure 3.3). A TOWS analysis is conducted for each of the strategic areas identified as product excellence (P), operational excellence (O) and stakeholder orientation (P) to ensure that strategies are developed in these areas. Consolidated strategies and KPIs are determined from the draft strategies obtained through TOWS analysis (U, O, P).

We currently have seven strategies. In addition, long-term and annual project investment plans are made in line with the strategies and strategic targets set and based on alternative scenarios.

TOWS ANALYSIS	S STRONG ASPECTS	W WEAK ASPECTS
O OPPORTUNITIES	SO Strategies (ATTACK) Strategies that use strengths to capitalize on opportunities	WO Strategies (RECOVERY) Strategies that overcome weakness to capitalize on opportunities
T THREATS	ST Strategies (BLOCKING) Building on strengths to avoid threats strategies that use	WT Strategies (DEFENSE) Strategies that overcome weakness to avoid threats

Figure 3.3 TOWS Analysis Table

3.4. PRIORITIZATION AND PERFORMANCE PROGRAM

After the strategies/sub-strategies identified through TOWS analysis in strategy development are prioritized through the “Strategy Prioritization Matrix” (Figure 3.5), the Annual Performance Program is created. In this context, the “Strategy-Process/Unit relationship matrix” is used by process owners;

- Strategic activities and sub-activities of their own processes and units are identified,

- A Detailed Activity Plan (DP) or Project Plan (PP) is prepared for activities that require detailed activity planning,

- Performance indicators and performance targets for strategic activities and sub-activities are set in line with strategic KPIs.

3.5. PERFORMANCE MONITORING AND EVALUATION

With the annual performance program, the realization of unit-based strategic activities, key performance indicators and process performance criteria are measured, monitored, reported and the data obtained are analyzed. Thus, institutional learning and continuous improvement of activities are ensured.

Performance program realization reports are submitted to senior management on a monthly basis. Performance Realization Reports are reviewed at the quarterly Management Review Meetings (MGRM). In line with the report, senior management is requested to initiate necessary actions for KPIs and activities whose performance is below the target value. At the year-end FGD meeting, strategic plan realizations are evaluated and input is created for the strategic planning process of the following year.

Strategy Materiality Matrix				
Strategies	Stakeholder	Importance Dimension		
		Impact on Business Results (Vision/Purpose) 1-2 Negligible 3-4 Indirect and Low 5-6 Medium 7-8 High 9-10 Very high	Stakeholder Priority 1-2 Insignificant 3-4 Less important 5-6 Medium 7-8 Important 9-10 Very important	Materiality Score
1. BUSINESS DEVELOPMENT WITH INNOVATIVE AND CONCEPTUAL PROJECTS				
1.1. Business development in different sub-sectors	1.1.1. VAKIFBANK 1.2. CAPITAL MARKET INVESTORS	10	10	100
1.2. Project development with sustainable, conceptual (strength of tradition, construction of the future) and innovative technologies	4.1.2. Design Firm 5.2. NGOs 5.3. Universities	9	7	63
2. ENSURING SUSTAINABLE GROWTH BY STRENGTHENING THE FINANCIAL STRUCTURE				
2.1. Effective Marketing	2. CUSTOMERS 4.1.3. Sales-Marketing Firm	8	8	64
2.2. Increasing sales rental performance	2. CUSTOMERS 4.1.3. Sales-Marketing Firm	10	8	80
3. EFFECTIVE AND EFFICIENT MANAGEMENT OF THE PROJECT PORTFOLIO				
3.1./3.5. Ensuring compliance with the project plan	4.1.1. Building Contractor 4.1.2. Design Firm 4.1.5. Project Management Firm	7	7	49
3.6. Enabling Contractor Management	4.1.1. Building Contractor 4.1.2. Design Firm 4.1.5. Project Management Firm	8	7	56
Realization of Effective Practices in the Field of Occupational Health and Safety	3. Employee 4.1.1. Building Contractor	6	7	42
4. MANAGING THE CUSTOMER EXPERIENCE EFFECTIVELY	2. CUSTOMER	8	8	64
5. MANAGING ORGANIZATIONAL CLIMATE (HEALTH)	3.2. EMPLOYEES	7	7	49
6. MANAGING ORGANIZATIONAL DEVELOPMENT				
6.1. Developing a system for sustaining institutional development	ALL STAKEHOLDERS	6	8	48
Improving the strategic planning approach	1. BUSINESS AND GOVERNANCE STAKEHOLDERS	5	10	50
Enabling the Enterprise Risk Management system	1. BUSINESS AND GOVERNANCE STAKEHOLDERS	8	10	80
6.2. Smart VAKIF REIT	3. Employee	6	7	42
7. STRENGTHENING OUR PRESTIGIOUS POSITION BY MANAGING REPUTATION EFFECTIVELY	ALL STAKEHOLDERS	8	7	56
Strengthening Reputation through Effective ESG	1. BUSINESS AND GOVERNANCE STAKEHOLDERS 5. SOCIAL STAKEHOLDERS	8	9	72
Managing relations with investors	1.2. CAPITAL MARKET INVESTORS	6	8	48

Figure 3.4 Strategy Materiality Matrix

STRATEGY PRIORITIZATION

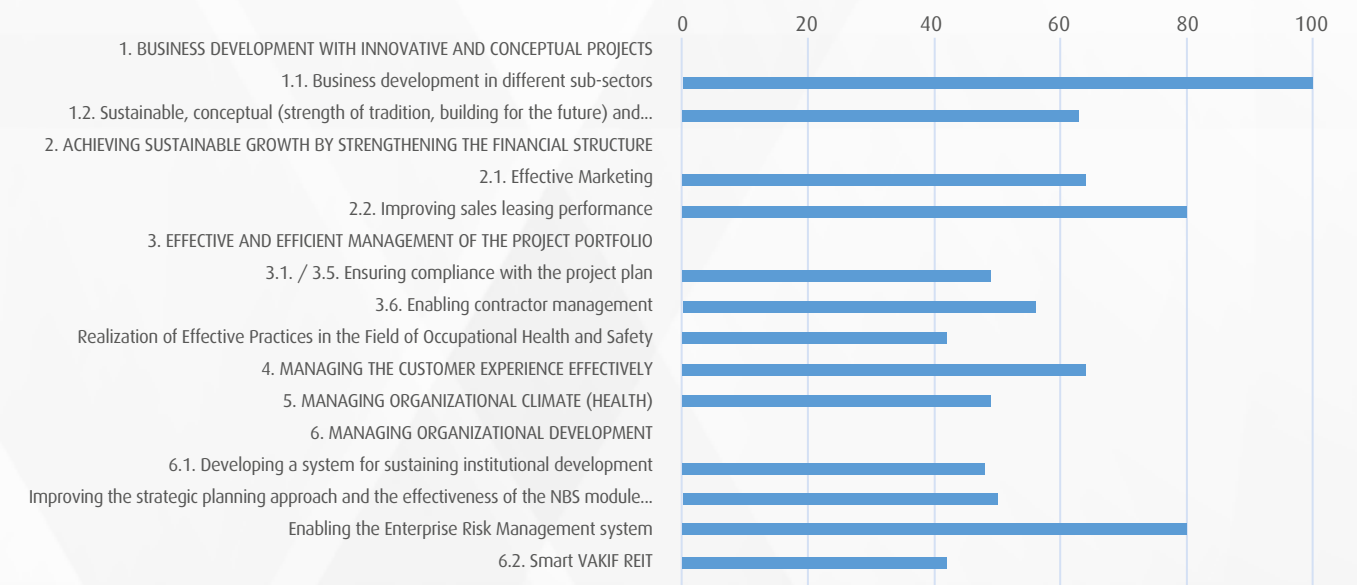


Figure 3.5 Strategy Prioritization Matrix

3.6. STRATEGIC PERFORMANCE

Our 2022 Strategic Performance is presented in two dimensions;

• **Strategic Direction Realization** : The performance results of our Core Purpose, Vision, Mission and Core Strategy presented in Section 1.3, which define our Strategic Direction, are our business results (see section 1.3). Sections 1.4 and 1.5). Our Business Results clearly demonstrate that we have grown in line with our Core Strategy of “Growing by differentiating through innovative and sustainable solutions”.

• **2022 Performance Program Realization** : Considering the comprehensiveness of our strategies (Figure 3.6), with an 81.23% Realization Rate, the results of the 2022 Performance Program (Figure 3.7) shows a remarkably high level of performance in the realization of the Change (S1-S3) and Transformation (S4-S7) strategies, in meeting the expectations and satisfaction of our Stakeholders, and in implementing the Sustainability Programs.

Strategies	Change/Transformation		Stakeholder					Sustainability			
	Change	Transformation	Customer	Employee	Share Holders	Suppliers / Contractors	Comm.	People	Planet	Profit	Product
S1. Business Development with Innovative and Conceptual Projects	x				x					x	
S2. Strengthening Financial Structure through Effective Sales and Marketing	x		x	x	x					x	
S3. Effective and Efficient Management of Project Portfolio	x					x					x
S4. Managing Customer Experience Effectively		x	x							x	
S5. Managing Organizational Climate		x		x				x			
S6. Managing Corporate Development		x	x	x	x	x	x		x	x	x
S7. Strengthening Our Reputable Position by Managing Reputation Effectively		x			x		x	x	x		

Figure 3.6 Evaluation of our Strategies and their Inclusiveness

Strategies	Sub-Strategy	KPI	Target	2022 Realization	SDGs Targeted to Contribute
Developing Business with Innovative and Conceptual Projects	Business Development in Different Sectors	- Number of business developments	2	2	
	Project Development with Sustainable, Conceptual and Innovative Technologies				
Sustainable Growth through Effective Marketing and Sales	Effective Marketing	- Active Size Ranking	13	13	
	Increasing Sales and Rental Performance				
	Effective Fund and Resource Management	- Market Share	2,80%	2,27%	
	Effective Expense Management				
Effective and Efficient Management of Project Portfolio	Compliance with IUFM Project Plan	- IUFM Project progress Rate	100%	98,30%	
	Compliance with Cubes Project Plan	- Cubes Ankara Project Progress Rate	54,00%	43,97%	
	Compliance with Izmir Konak Project Plan	- Izmir Konak Project Progress Rate	10%	5,89%	
	Tablo Adalar Compliance with Project Plan	- Tablo Adalar Project Progress Rate	60,00%	55,70%	
Managing Customer Experience Effectively	Effective Use of CRM System	- Customer Satisfaction Rate	84,00%	84,30%	
	Monitoring and Evaluating Customer Experiences				
	Customer Relationship Management System (CRM)				
Managing Organizational Climate (Health)	Managing Corporate Culture	- Employee Satisfaction Rate	76,00%	80,60%	
	Increasing Employee Satisfaction and Loyalty				
	Improving Employee Training Process				
	Improvement and Effective Implementation of the Individual Performance Evaluation System				
Managing Organizational Development	System Development for Sustaining Organizational Development	- Self-assessment score	600 points and above	600-650	
	Smart Foundation REIT	- Digitalization Level	61,00%	61,00%	
	Effective Performance-Based Management of Processes	- Strategy Realization Rate	75,00%	81,23%	
Strengthening Our Reputable Position by Managing Reputation Effectively	Strengthening Reputation through Effective ESG	- Corporate Reputation Rate	76,00%	81,00%	
	Effective Implementation of Corporate Communication Plan	- Corporate Governance Rating (KYD) Rating	8,8 Points	8,96 Points	
	Improving Communication and Coordination with CSOs				

Figure 3.7 2022 Performance Program



4 SUSTAINABILITY PERFORMANCE

SUSTAINABILITY PERFORMANCE

With the implementation of our Sustainability Program covering Economic, Social, Environmental and Product Sustainability (4P) of our Strategic Plan, the improvement in our sustainability performance is remarkable. In this context;

- Sustainable growth performance with our Core Strategy and strategies S1, S2, S4 and S6,
- Social and environmental sustainability performance through sustainability projects implemented within the scope of the “S7.1 Strengthening Reputation through 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 in five sustainability dimensions and material issues defined by the SASB-REIT Standard. In addition, the environmental data presented in this section has been verified in accordance with ISO 14064-1 Greenhouse Gas Verification Certificate.

4.1. ENVIRONMENT

Reflecting our respect for nature, we continuously improve the environmental performance of our projects to meet the LEED Certificate and YES-TR evaluation criteria, which are green building evaluation standards.

The environmental results presented on a project basis vary according to project progress rates, and the rates of change in values such as energy consumption, water consumption, etc. on an annual basis are significant when evaluated according to the project progress rates presented in Figure 4.1.

Project Progress Rate	Tablo Adalar	Cubes Ankara	IUFM
2021	7,33	17,35	86,22
2022	55,70	43,97	98,30

Figure 4.1. Real Estate Projects Progress Rate

4.1.1. PRIORITY ISSUES

ENERGY MANAGEMENT

Project design and project implementation;

- Natural lighting and temperature control
- Use of renewable energy sources
- Energy analyzers and building automation systems
- Use of environmentally friendly materials
- Selection of mechanical equipment from the design stage, evaluation and selection of suppliers in line with building envelope glass, wall, roof performance values and lighting efficiency
- Selection according to energy performance in mechanical equipment purchases

In parallel with our approaches, our energy efficiency and renewable energy utilization performance can be seen (Figure 4.2) (Figure 4.3).

2021	Subcategory	Emission Causing Activity	tCO ₂	tCH ₄	tN ₂ O	R Gases (tons)	HFC Gases (tons)	Emission tCO ₂ e
	Constant 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
	Moving Combustion	Vehicle Fuels - Diesel	537,06	0,8	11,27	-	-	549,13
	Sub Total		537,06	0,8	11,27	-	-	549,13
	Leakage of Gases / Leakage Formation	YSC Leaks	0,01	-	-	-	0,006	7,81
		YSC Filling	-	-	-	-	0,005	6,5
		Gas Leaks	-	-	-	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	Constant Combustion	Natural Gas - Heating	137,24	0,07	0,06	-	-	137,37
		Generator - Diesel	245,05	0,93	0,53	-	-	246,5
	Moving Combustion	Vehicle Fuels - Diesel	590,67	0,03	0,03	-	-	600,68
	Leakage of Gases / Leakage Formation	Fire Extinguisher	0,02	-	-	-	-	0,02
		Gases	-	-	-	0,21	-	86,79
	Category 2 Total		972,98	1,03	0,62	0,21	0	1071,36

Figure 4.2. Energy Consumption

	Emission Causing Activity	Unit	General Directorate	Tablo Adalar	Cubes Ankara	IUFM	Vakıf 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		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	-

Figure 4.3. Electricity consumption

USE OF RENEWABLE ENERGY AND OTHER PRACTICES FOR ENERGY EFFICIENCY

In order to ensure energy efficiency in our Istanbul International Finance Center project, the glass and frame products to be used in the facade system were required to comply with LEED criteria such as color, reflection and transparency degree, light and energy transfer, shading coefficient. The lighting control system has been designed with the DALI (Digital Addressable Lighting Interface) system, one of the most modern systems of today, in order to prevent energy consumption, and to select equipment with high energy efficiency, with the least damage to the ozone layer and environmentally friendly against global warming. We have evaluated sustainability criteria such as the use of low-emission materials, thermal comfort, use of local materials, etc. at the project design stage, and we continue our work in the construction process based on these criteria.

In our Tablo Adalar Project, it is aimed to reduce energy loads with the use of high energy efficient devices, lighting automation in common areas and led luminaire selection in the project. The project is planned to provide many environmental and economic benefits as it reduces the use of limited and polluting energy by including electric vehicle charging stations for the promotion and use of vehicles that will reduce CO₂ emissions.

In our Sancaktepe Mixed Project, an integrated design approach has been adopted to position the buildings according to the sun and optimize their openings accordingly, to select highly efficient mechanical and electrical systems that will reduce energy consumption and CO₂ emissions, and to reduce heating and cooling demand. The buildings are equipped with motion sensor and LED lighting fixtures, lighting automation in parking areas, underfloor heating, and the facade materials selected aim to reduce heating loads in winter and cooling loads in summer with sun shades. In the context of the use of renewable energy sources, photovoltaic solar energy systems are designed on the roofs of the buildings and some of the energy needs of the building are provided by these panels.

WATER & WASTE WATER MANAGEMENT

Our water efficiency performance has been continuously improved through the use of a rainwater treatment system on the roof and a gray water system, the selection of the most efficient water fixtures (sink faucets, shower columns, reservoirs, etc.), and the use of low-water consuming plant species and efficient irrigation systems in landscape design (Figure 4.4).

	Emission Causing Activity	Unit	General Directorate	Tablo Adalar	Cubes Ankara	IUFM
2022	Tap Water	m ³ /m ²	0,41	0,05	0,04	0,08
	Drinking Water	liter/m ²	14,20	0,07	0,01	0,02
2021	Tap Water	m ³ /m ²	0,69	0,02	0,00	0,03
	Drinking Water	liter/m ²	11,43	0,04	0,01	0,02

Figure 4.4. Water consumption

4.1.2. SECOND PRIORITY ISSUES

GREENHOUSE GAS EMISSIONS

As Vakıf REIT, we are working to keep greenhouse gas emissions from our operations at a low level from the design work. In this direction;

- In order to comply with Green Building standards, we take care to select materials with low carbon emissions and aim to reduce our emissions with our approaches to energy, water efficiency, biodiversity, etc. and
- We measure our emissions in accordance with the ISO 14064 Standard and prepare the “Greenhouse Gas Inventory Report” in line with these measurements (Figure 4.6).

Emission Category	2021 Total (tCO ₂ e)	2022 Total (tCO ₂ e)
Category 1 Direct Greenhouse Gas Emissions	963,55	1.071,37
Category 2 Imported Energy Sourced SSI	1.185,19	2.396,08
Category 3 Indirect GHG from Transportation	904,88	332,08
Category 4 Indirect GHG from Products Used by the Organization	97.934,94	70.178,49
TOTAL	100.988,57	73.978,02

Figure 4.5. Greenhouse gas emissions

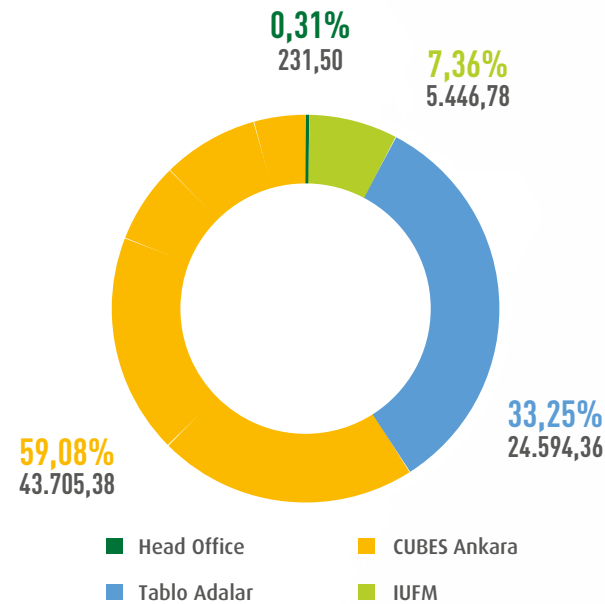


Figure 4.6. 2022 Location Emission Distribution

4.2. SOCIAL CAPITAL

Our external stakeholders "Customers", "Business and Governance Stakeholders", "Society" and "Collaborations and Suppliers" constitute our social capital. Our social capital;

- **Customers** : In line with the strategy "S4 Managing Customer Experience Effectively" and "M4. Customer Relationship Management" process,
- **Business and Governance** : In line with the strategy "S7.4 Managing Relations with Investors" and "Y2. Corporate Governance" process,
- **Society** : In line with the strategy "S7 Strengthening Our Reputable Position by Managing Reputation Effectively" and with the process "Y.3.3.3 Social Sustainability" and,
- **Collaborations and Suppliers** : In line with the "S3.6 Enabling Contractor Management" strategy and through the "M3 Supply Chain Management" process

We continuously add value by meeting their expectations and satisfaction and with an understanding of social responsibility.

All stakeholder perception measurements presented in this section are conducted by third-party market research companies to ensure objectivity, and the results are presented through reliability coefficient analyses. Cronbach's Alpha(α) reliability coefficient should be at least 0.70 in order to form an opinion on the accuracy

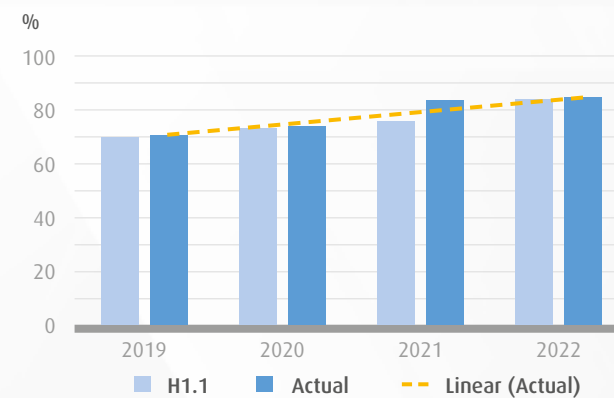
and reliability of the survey results. In this context, the reliability coefficients of our stakeholder perception results are min 0.90 and above, indicating that the survey results presented are at a level of accuracy that leaves no room for doubt.

4.2.1. PRIORITY ISSUES

STAKEHOLDER HAPPINESS / WELLBEING

4.2.1.1. CUSTOMER PERCEPTION RESULTS

"S4. Managing customer experience effectively" in line with the strategy "M4. In parallel with the effective execution of the "Customer Relationship Management" process, the results of the Customer Satisfaction Survey -General Satisfaction, disaggregated. When these are taken into consideration, it is observed that the satisfaction of our residential and commercial customers remains at a high level of loyalty (Figure 4.7).



Customer	2019	2020	2021	2022
Housing	64,0%	66,6%	81,3%	84,1%
Commercial	78,3%	80,9%	86,1%	86,5%

Figure 4.7. MMA- Overall Satisfaction (Disaggregated)

PRESENTATION OF THE ORGANIZATION'S TOTAL CUSTOMER EXPERIENCE

Unlike the consumer sector, real estate products are investment products and the relationship with our customers is, by its very nature, a long journey of experience, starting from the purchase stage through project implementation, apartment delivery and post-delivery services. In this context, the results of the organization's perception of the delivery of the total customer experience (Figure 4.8) prove that the level of satisfaction shows a strong positive trend in parallel with the continuous improvement of our Managing Customer Experience approaches.

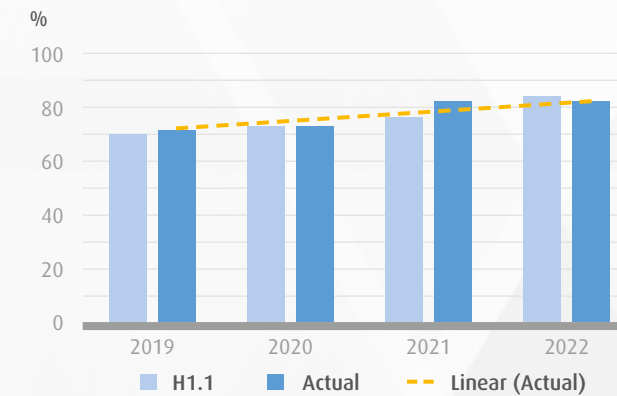


Figure 4.8 MMA - Presentation of the Organization's Total Customer Experience

CULTURE OF THE ORGANIZATION: EMPLOYEES' ATTITUDE TOWARDS CUSTOMERS AND LEVEL OF COMMITMENT

In line with our Management Policy (...Happy Customer: We provide a reassuring experience beyond expectations with the services we offer...), the perception results in this dimension show a positive trend in parallel with the sales and customer relations approaches we have developed through our contractors, the leading Real Estate Sales and Marketing Companies in the sector (Figure 4.9).

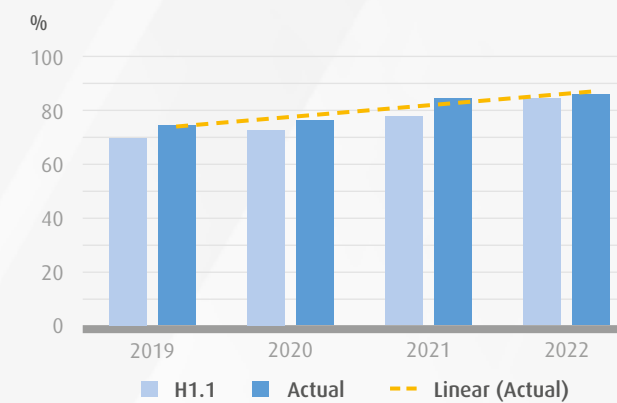


Figure 4.9 MMA - Culture of the Organization: Employees' Attitude towards Customers and Level of Commitment

BRAND POSITIONING AND REPUTATION, INCLUDING SOCIAL AND ENVIRONMENTAL PERFORMANCE OF THE ORGANIZATION

"S7.1. In line with the strategy of "Strengthening reputation through effective ESG", especially integrated with green and sustainable building management, "Y3.3. Sustainability Management" and "M2. In parallel with our practices that add value to the sector, such as the improvements made in "Project Management" processes, the perception results on this issue show that we achieved high satisfaction that exceeded our targets (Figure 4.10).

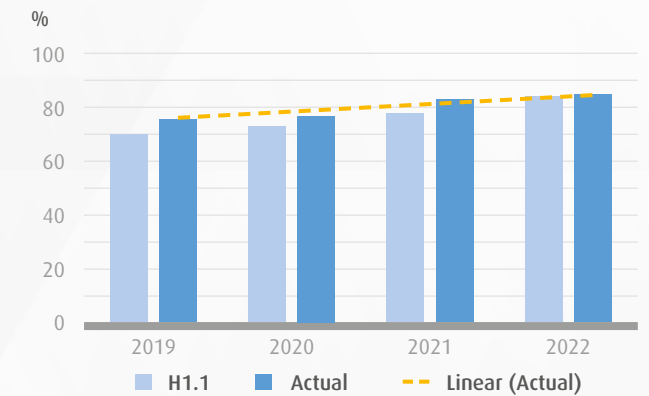


Figure 4.10 MMA - Brand Positioning and Reputation, Including Social and Environmental Performance of the Organization

UTILIZING INNOVATION TO IMPROVE THE ORGANIZATION'S PROCESSES, PRODUCTS, SERVICES AND SOLUTIONS

Utilizing innovative developments in the construction sector in all our projects, our architectural style based on the synthesis of tradition and future, the use of innovative technologies and innovative applications make us different in the sector. The positive trend in customer perception results and superior performance compared to benchmarks support our competitive advantage in this area (Figure 4.11).

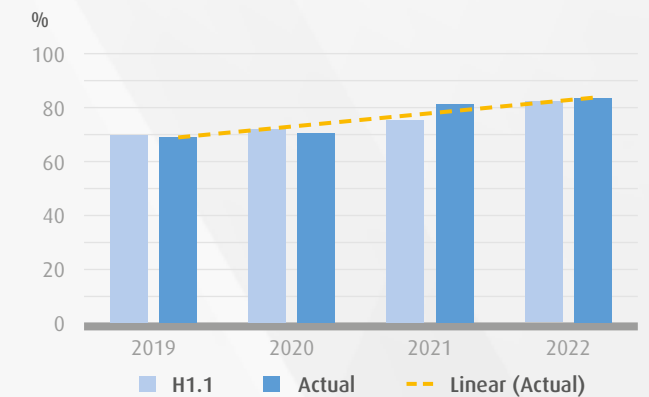


Figure 4.11 MMA - Leveraging Innovation to Improve the Organization's Processes, Products, Services and Solutions

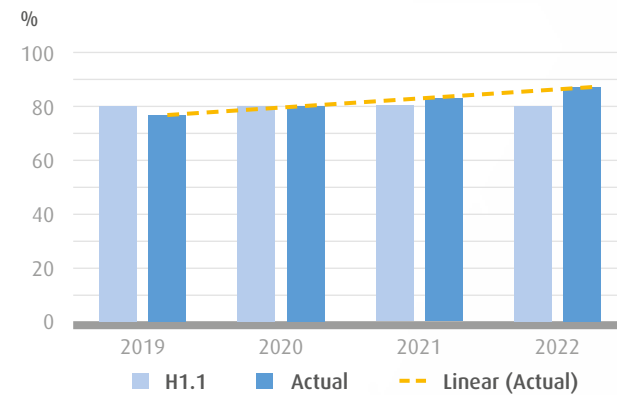
4.2.1.2. BUSINESS AND GOVERNANCE STAKEHOLDER PERCEPTION RESULTS

OVERALL SATISFACTION

In line with the strategy "S7.3 Develop Corporate Governance approaches", "Y2.1. Management of Bodies" process and "Y2.4. Investor Relations Management" processes and our business and governance stakeholders;

- Co-founders
- Capital market investors and

- The expectations of regulatory and supervisory agencies are measured through Corporate Reputation surveys, and relations are improved over the years at a superior performance level in line with the targets (Figure 4.12).



	2019	2020	2021	2022
Founding Partners (VakifBank executives)	83,2%	87,5%	88,4%	90,4%
Capital Market Investors (Investment Securities Inc.)	76,8%	79,8%	84,8%	83,0%
Regulatory and Supervisory Authorities (Public Agency Representatives and Bureaucrats)	73,1 %	76,1%	78,4%	90,0%

Figure 4.12 Business and Governance Stakeholder Perception Results - Overall (Disaggregated)

FINANCIAL MANAGEMENT, SECURITY AND SUSTAINABILITY OF THE ORGANIZATION

Our business and governance stakeholders, for whom we are responsible in terms of financial, legal, ethical and general management requirements; in parallel with our activities carried out in line with our S2.Strengthening the Financial Structure with Effective Sales and Marketing" strategy, we ensure the positive perception of our business and governance stakeholders on the level of superior performance in this dimension over the years (Figure 4.13).

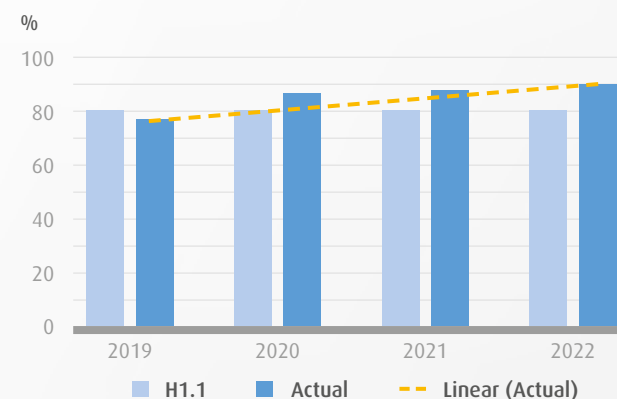


Figure 4.13 Financial Management, Security and Sustainability of the Organization

GOVERNANCE STRUCTURE, TRANSPARENCY, ACCOUNTABILITY AND ETHICAL BEHAVIOR OF THE ORGANIZATION

Relations with business and governance stakeholders

- III-48.1 Communiqué on Principles Regarding Real Estate Investment Trusts
- II-17.1 Corporate Governance Communiqué and Ethical Principles

is managed in a transparent and accountable manner. The fact that no non-compliance or penalty has been received in CMB inspections and audits since its establishment supports the effectiveness of our approaches developed over the years and clearly shows the reason for the perception of superior performance in this context (Figure 4.14).

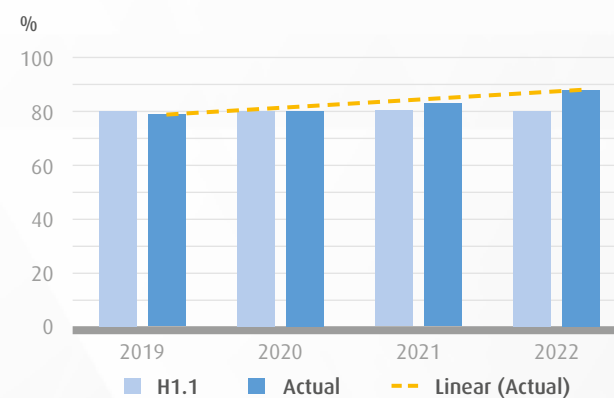


Figure 4.14 Governance Structure, Transparency, Accountability and Ethical Behavior of the Organization

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY OF THE ORGANIZATION

In line with our core purpose, "S1.2. 'Developing projects with sustainable, conceptual (strength of tradition, building for the future) and innovative technologies' and S7.1. In parallel with the realization of green and sustainable buildings in line with the "Managing reputation through effective ESG" strategies, stakeholder perception in this dimension is at a superior performance level (Figure 4.15).

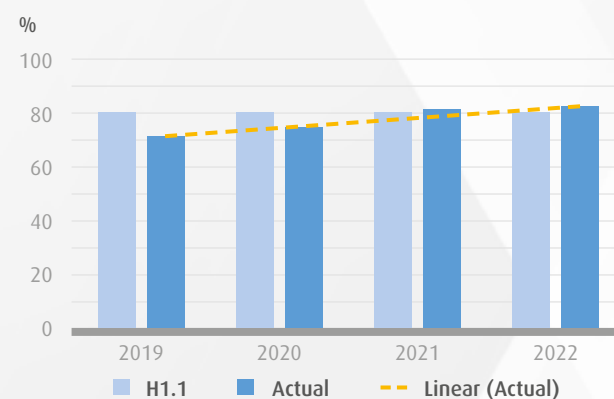


Figure 4.15 Social and Environmental Responsibility of the Organization

MANAGEMENT OF THE ORGANIZATION'S COMPLIANCE WITH RISK, LAWS AND LEGISLATION

Within the scope of the Internal Control system, corporate risks are managed and our Company's compliance with legal regulations is ensured through internal and external audits. The fact that no non-compliance and penalties were received in CMB inspections and audits clearly shows the reason for the perception of superior performance in this context (Figure 4.16).

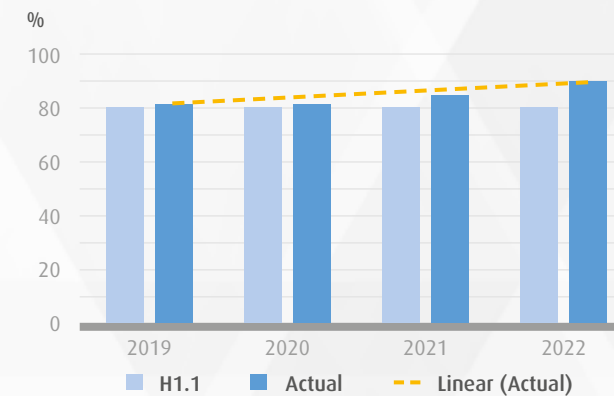


Figure 4.16 Management of the Organization's Compliance with Risk, Laws and Regulations

BRAND POSITIONING AND REPUTATION OF THE ORGANIZATION

"S7. In line with the strategy of "Strengthening Our Reputable Position by Managing Reputation Effectively", Vakif REIT's brand reputation perception is at a superior performance level with the preparation of Vakif REIT Corporate Identity Guide and the management of the brand identity accordingly (Figure 4.17).

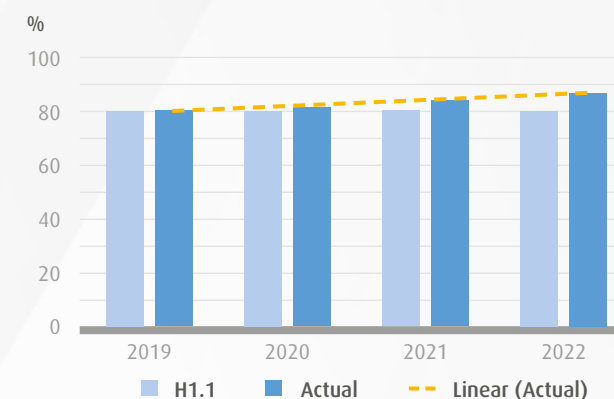


Figure 4.17 Brand Positioning and Reputation of the Organization

INNOVATION AND INNOVATIVE APPROACHES IN PRODUCTS, SERVICES, SOLUTIONS AND RELATED PROCESSES OFFERED BY THE ORGANIZATION

In line with the strategy of "S1.2 'Developing projects with sustainable, conceptual (strength of tradition, construction of the future) and innovative

technologies", it is seen that the perception of our symbolic projects, which we have realized with our innovation and innovative approaches, starting from "M2.2.4 Conceptual Project Design" and throughout the "M2.2.6 Detail Project Design" processes that require innovation, it is seen that the perception of our symbol projects, which we have realized with our innovation and innovative approaches, is high among our stakeholders (Figure 4.18).

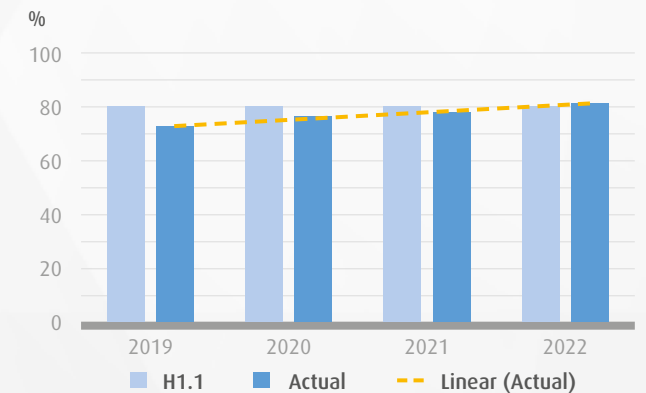
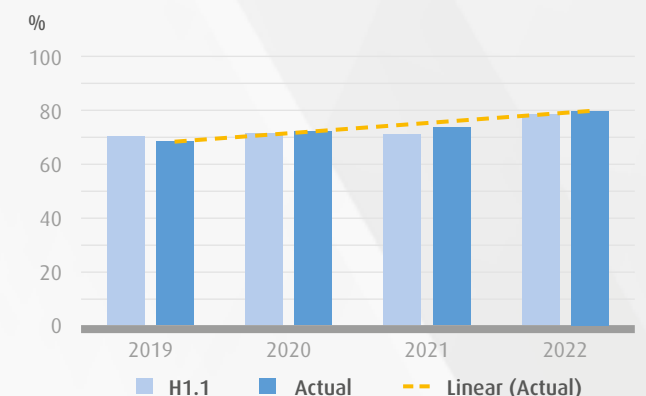


Figure 4.18 Innovation and Innovative Approaches in Products, Services, Solutions and Related Processes Offered by the Organization

4.2.1.3. COMMUNITY PERCEPTION RESULTS

OVERALL SATISFACTION

"Strength of tradition, building the future" is our main goal, "S7. In parallel with the strategy "Strengthen our reputable position by managing reputation effectively" and the "S7.2 Effective implementation of the corporate communication plan" prepared in line with the United Nations Sustainability Development Program SDGs 10, 11, 12 and 16, a high level of KIA -General Satisfaction is observed with good practices (Figure 4.19).



	2019	2020	2021	2022
Sectoral Organizations and NGOs	69,3%	74,0%	75,2%	79,7%
Universities	66,1%	69,3%	69,9%	80,0%
Members of the Media	68,8%	74,9%	78,7%	89,1%
Citizens	69,0%	71,5%	76,0%	78,9%

Figure 4.19 KIA -General Satisfaction-(Broken Down)

ABILITY TO MEET THE EXPECTATIONS OF THE SOCIETY WITH WHICH THE ORGANIZATION INTERACTS

"S7. As a result of the improvement of the activities and approaches carried out in line with the "Corporate Communication Plan" prepared based on the strategy "Strengthening Our Reputable Position by Managing Reputation Effectively" and the feedback received from the Corporate Reputation Surveys, a positive perception level is observed (Figure 4.20).

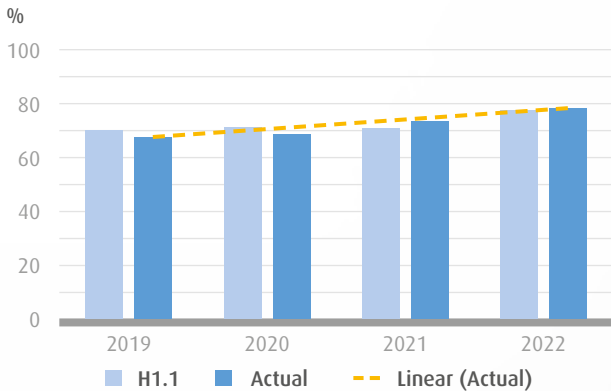


Figure 4.20 CSP - Ability of the Organization to Meet the Expectations of the Society with which it Interacts

THE IMPACT OF THE ORGANIZATION'S GOVERNANCE, TRANSPARENCY AND ETHICAL BEHAVIOR ON SOCIETY

The increasing positive impact of our transparent and ethical behavior on the society in compliance with VakıfBank Finance Ethical Principles and Vakıf REIT Corporate Governance Principles and the relevant CMB communiqué is clearly visible (Figure 4.21).

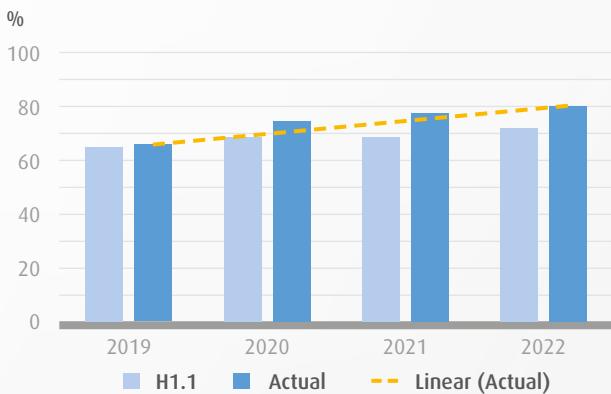


Figure 4.21 Impact of the Organization's Governance, Transparency and Ethical Behavior on Society

IMPACT OF THE ORGANIZATION'S ACTIVITIES ON THE SURROUNDING COMMUNITY

In the realization of our investment projects "M2. Public

perception was also realized at a high level due to the effective management of the social (health, safety) and environmental impacts (Leed certified green building implementation, etc.) of the activities carried out during the "Project Management" process (Figure 4.22).

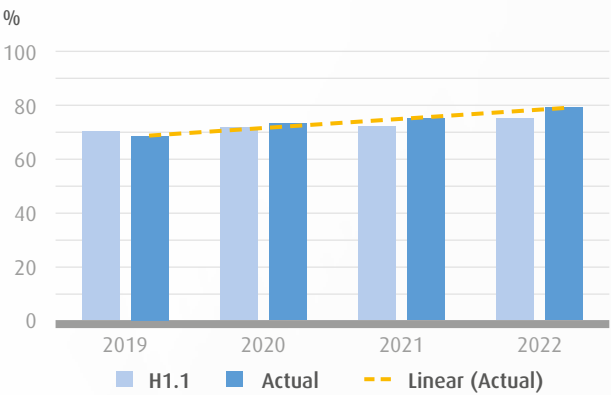


Figure 4.22 Impact of the organization's activities on the surrounding community

SUSTAINABILITY OF THE ORGANIZATION'S CONTRIBUTION TO SOCIETY IN TERMS OF ECONOMIC, SOCIAL AND ENVIRONMENTAL PRACTICES

"Y3.3.3. The activities carried out in line with the "Social Sustainability" process and the strategy "S7.2 Effective implementation of the Corporate Communication Plan" have ensured a positive public perception (Figure 4.23).

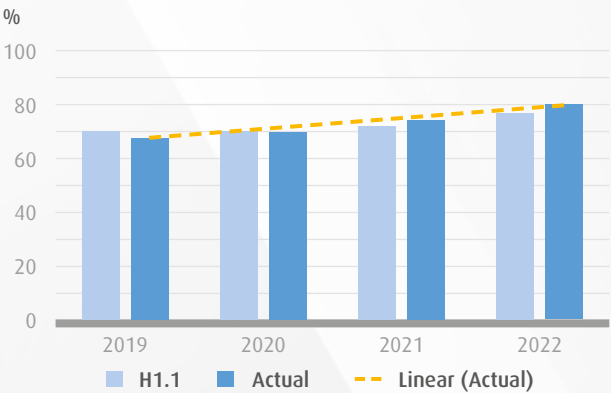


Figure 4.23 Sustainability of the Organization's Contribution to Society in terms of Economic, Social and Environmental Practices

THE ORGANIZATION'S COMMITMENT TO MOVE TOWARDS A CIRCULAR ECONOMY

Three of the eight dimensions of the LEED rating of green building projects (Materials and Resources, Water Efficiency, Energy and Atmosphere) are criteria for compliance with the circular economy. The impact of these fundamental approaches to project implementation is reflected in the perception results (Figure 4.24).

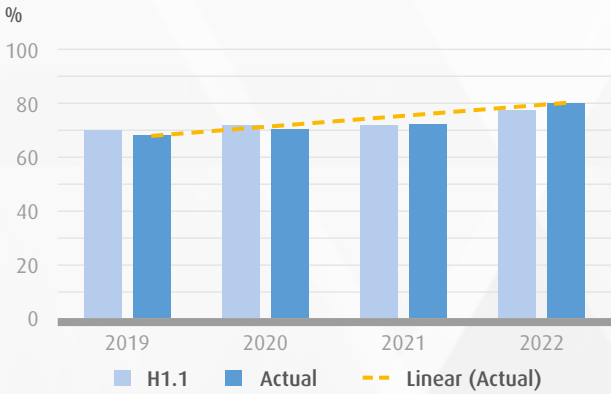
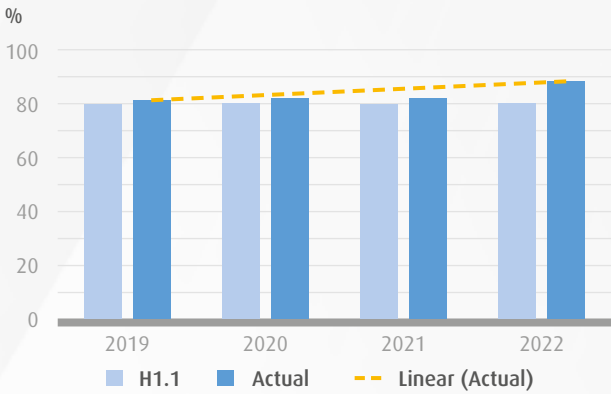


Figure 4.24 Organization's Commitment to Move Towards Circular Economy

4.2.1.4. COLLABORATIONS AND SUPPLIER PERCEPTION RESULTS

OVERALL SATISFACTION

"S3.6. Enabling Contractor Management" strategy and "M3.1. Contractor Management" process, the management of project contractors is carried out by the Feasibility and Project Development Directorate, and "M3.2. Other Supplier Management" is carried out by the Support Services Department. Corporate Reputation Survey" aimed to measure the corporate perception of our Company in the eyes of stakeholders with whom we cooperate and to identify areas open to improvement. Satisfaction results clearly show that superior performance has been sustained (Figure 4.25).



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

Figure 4.25 Collaborations and Supplier Perception Results -General (Broken Down)

EXPERIENCES OF WORKING WITH THE ORGANIZATION

It is seen that the perception in this context is at a high

level by managing trust-based experiences at the contact points identified along the supply chain (experience journey) in order to create sustainable value with our collaborations and suppliers (Figure 4.26).

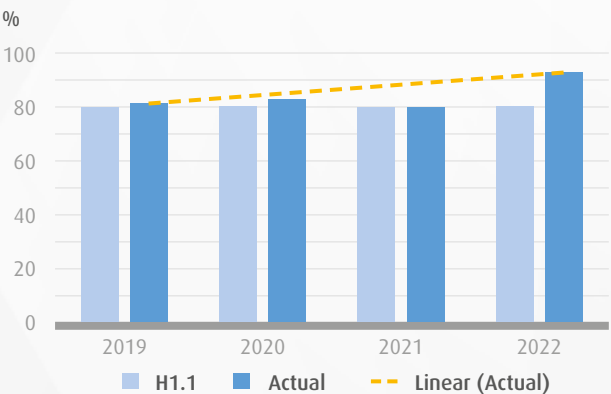


Figure 4.26 Experiences of Working with the Organization

ORGANIZATION'S COMMITMENT AND SUCCESS IN CO-CREATION AND WORKING FOR MUTUAL BENEFIT

In order to achieve the strategic objectives, "Y1.2. We create mutually sustainable value through the combination of our core competencies (foundation tradition, trust, reputation, financial strength) identified during the "Strategic Direction Setting" process and the competencies of our specialized contractors (Figure 4.27).

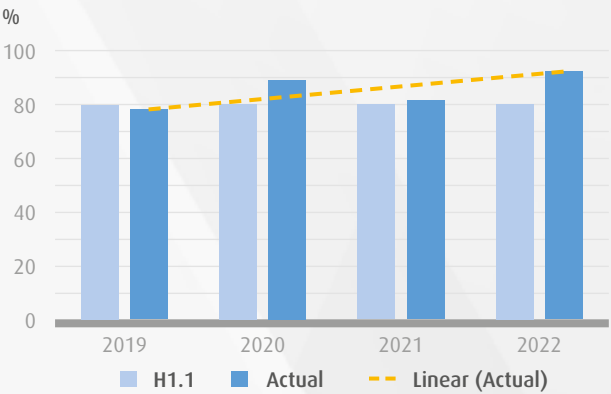


Figure 4.27 Organization's Commitment and Success in Co-creation and Working for Mutual Benefit

RATE OF IMPLEMENTATION OF NEW TECHNOLOGIES AND CHANGES

In the design phase, the use of high-tech solutions, the pursuit and integration of new materials, as well as the search for long-term, cost-effective and sustainable applications and innovative solutions. In parallel with the realization of transformations and the use of new technologies, the perception in this dimension hovers at the level of sustainable superior performance (Figure 4.28).

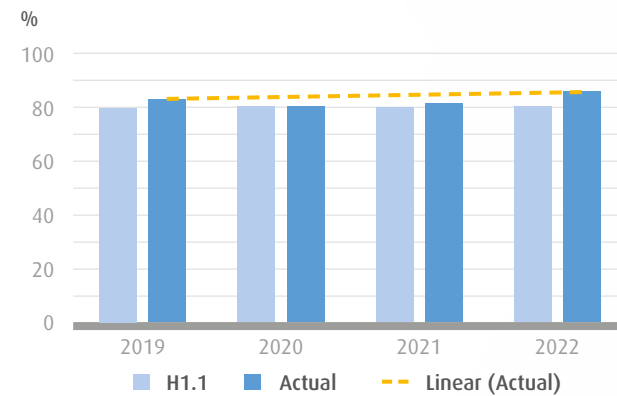


Figure 4.28 Rate of Implementation of New Technologies and Changes

SOCIAL COMMITMENTS OF THE ORGANIZATION

Our approaches carried out within the scope of the strategy “S7.1.2 Effective management of social sustainability based on performance” and continuously improved over the years clearly demonstrate our superior performance level in this context (Figure 4.29).

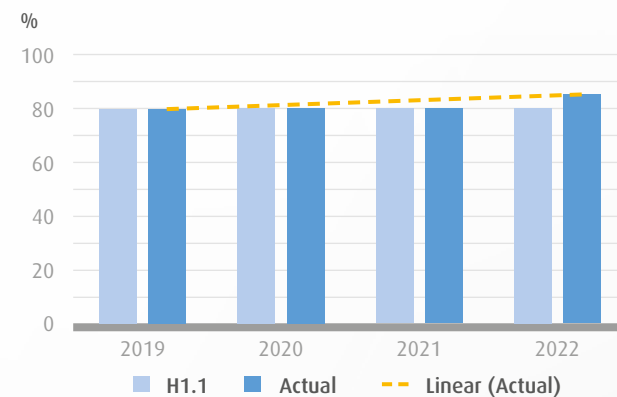


Figure 4.29 Social Commitments of the Organization

ORGANIZATION'S COMMITMENT AND SUCCESS IN MOVING TOWARDS A CIRCULAR ECONOMY

Three of the eight dimensions of the LEED rating of green building projects (Materials and Resources, Water Efficiency, Energy and Atmosphere) are criteria for compliance with the circular economy. The impact of these fundamental approaches in the realization of the projects is also reflected in the perception results.

Technical specifications ensure compliance and continuous improvement with green building (Leed certified) rating standards in the evaluation and selection of architectural projects from design firms and ISO 9001, ISO 45001, ISO 14001 standards from building contractors. The effectiveness of our approaches is also reflected in the perception results in this context (Figure 4.30).

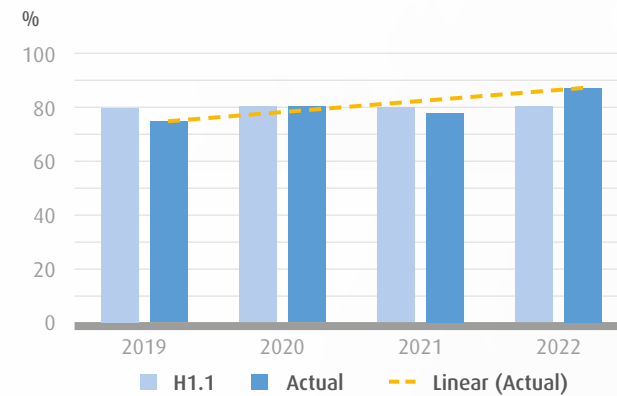


Figure 4.30 Organization's Commitment and Success in Moving Towards Circular Economy

MANAGING AND IMPROVING THE PERFORMANCE OF KEY COLLABORATIONS AND SUPPLIERS

“M3.1.4. In line with the “Contractor Performance Evaluation” process, the performance of our contractors is evaluated and improved to contribute to the development of our contractors. The development in our approaches based on the principle of mutual benefit is reflected in the high satisfaction perception of our suppliers (Figure 4.31).

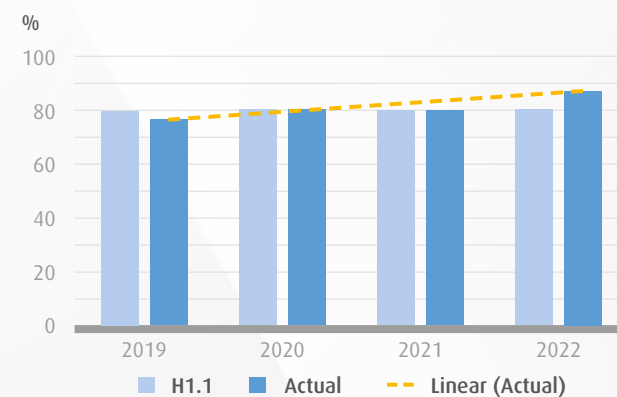


Figure 4.31 Managing and Improving the Performance of Key Collaborations and Suppliers

COMMUNICATION AND RELATIONSHIP MANAGEMENT WITH THE ORGANIZATION

In line with our good practice level approaches in Supply Chain Management, such as Contractor Experience Management, which is the first of its kind in our industry, the perception in this dimension is also at a superior performance level (Figure 4.32).

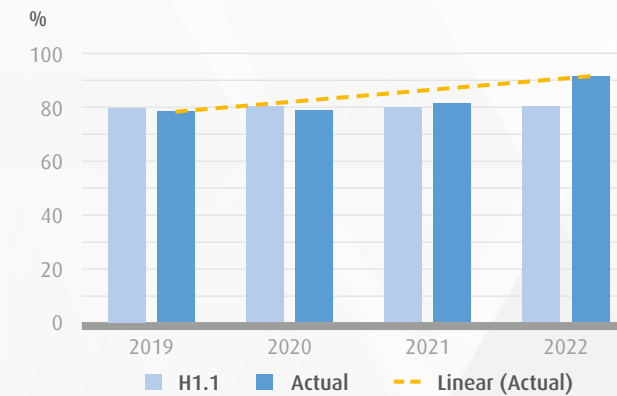


Figure 4.32 Communication and Relationship Management with the Organization

GOVERNANCE STRUCTURE, TRANSPARENCY, CODE OF ETHICS AND PRACTICES OF THE ORGANIZATION

On the basis of transparency, accountability and ethical rules, within the framework of the CMB legislation and the conditions determined by the company, all kinds of information that arise in relation to our activities and that may affect the share value of the Company the PDP disclosures that we share with our stakeholders for continuous improvement create a high level of satisfaction perception that exceeds the superior performance targets (Figure 4.33).

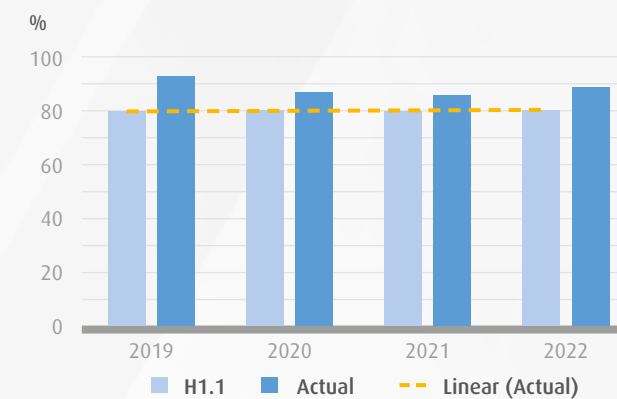


Figure 4.33 Governance Structure, Transparency, Code of Ethics and Practices of the Organization

SUSTAINABILITY OF THE ORGANIZATION'S RELATIONS WITH KEY COLLABORATIONS AND SUPPLIERS

Our main strategy of “Sustainable growth through sectoral differentiation and collaborations” and our main strategy of “With the strength we derive from our tradition, we build the living spaces of the future and provide. In line with our mission “We deliver sustainable value”, experiences with our collaborations and suppliers are managed based on trust at designated touch points along the supply chain. This approach, based on a sustainable relationship, leads to a high perception of satisfaction (Figure 4.34).

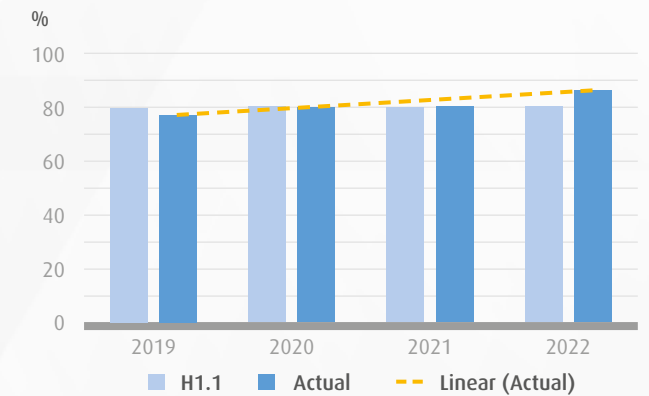
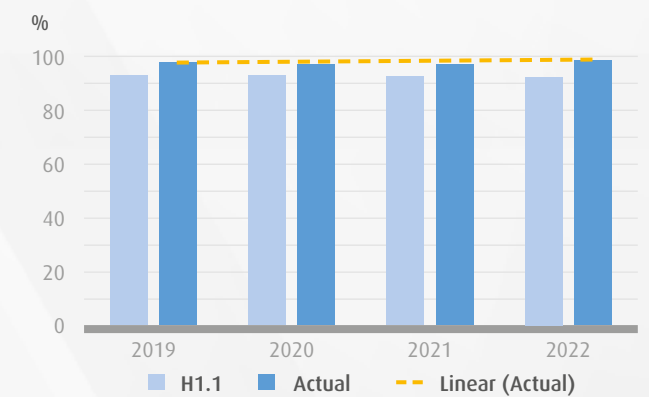


Figure 4.34 Sustainability of the Organization's Relations with Key Collaborations and Suppliers

PRODUCT QUALITY & SAFETY



	2019	2020	2021	2022
Bizimtepe Aydos	-	-	-	-
IUFM	96,95	97,64	97,90	98,01
Tablo Adalar	-	-	96,46	-
Cubes Ankara	-	-	95,66	-

Figure 4.35 Building Quality Performance (Breakdown: Project)

4.2.2. SECOND PRIORITY ISSUES

CONTRIBUTION TO SOCIAL RESPONSIBILITY

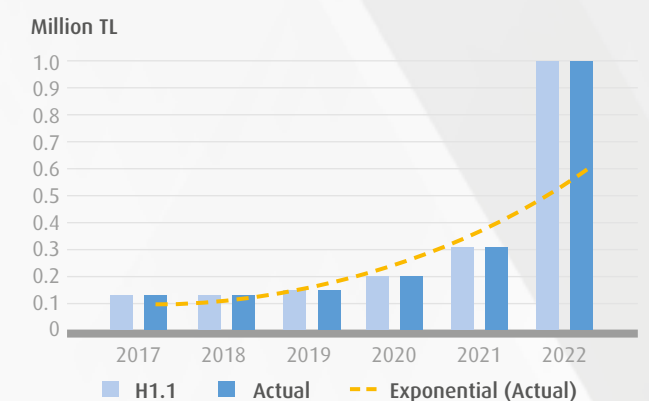


Figure 4.36 Contribution to Social Responsibility (TL)

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

Accordingly, as Vakıf REIT, our primary social responsibility projects are:

- Sustainable Cities and Communities
- Industry, Innovation and Infrastructure
- Quality Education
- Reducing Inequalities
- It covers Gender Equality issues.

2022 Corporate Social Responsibility Projects Realized in 2022 :

Miniature Building Competition - MDC'22 (Miniature Design Competition)

In line with Vakıf REIT's main objective of "The Power of Tradition, Building the Future", the Miniature Building Competition, organized in cooperation with Yıldız Technical University, is aimed at the architects and engineers of the future. The aim of the project is to foster a culture of sustainability by encouraging and rewarding students to produce innovative ideas and projects.



Marmara University Dormitory Transformation Project

In line with Vakıf REIT's sustainability approach, it is aimed to support projects that will provide social benefits. In order to raise awareness about the need for student dormitories in our country, we supported the renovation of the Marmara University School of Banking and Insurance building, which was designed under the umbrella of GYODER (Real Estate Investors Association), of which our Company is also a member, and made it ready to be used as a dormitory for female students in the new period.



Climate Defenders Workshop

In line with Vakıf REIT's main purpose of "The Power of Tradition, Building the Future"; it is aimed to raise the awareness of children who will build the future about the effects of climate change and to provide a culture of sustainability to our students aged 8-12.



VakıfBank Sports Club Sponsorship

As a member of VakıfBank Finance Group family, we have been supporting VakıfBank Sports Club since 2018 with the awareness that sports is one of the most important elements of a society's social capital that shapes its lifestyle. With this support we provide for VakıfBank Sports Club volleyball schools and infrastructure investments, we aim to both introduce our little girls to sports and contribute to the national and international success of the club.



COLLABORATIONS AND MEMBER ASSOCIATIONS

As Vakıf REIT, we have created an integrated strategic plan that includes the "S 7. In line with our strategy of "Strengthening our Reputable Position by Managing Reputation Effectively", we aim to improve our communication and coordination processes by collaborating with sectoral non-governmental organizations. In line with this goal, our employees participate in events and activities of sector NGOs such as GYODER, KONUTDER, TMB, ÇEDBİK and INDER. Associations we are a member of and our collaborations (Figure 4.37) ;

Member Associations	Our Collaborations
 Gayrimenkul Yatırımcılar Derneği	The Real Estate Investors Association (GYODER) was established in 1999 by representatives of real estate investment partners in Türkiye. As Vakıf REIT, our representatives are actively involved in the association's Real Estate Investment Trust, 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, work continues on LEED certification, YES TR, and Green Consensus.
 KalDer Türkiye Kalite Derneği	The Quality Association of Türkiye (KALDER) was established in 1991 with the gathering of leading representatives of the industrial sector. The Association continues its activities with the vision of being a non-governmental organization that leads transformation and guides sustainable business and quality of life. 2020 Vakıf REIT, which participated in the national quality movement in 2021, 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 its integrated management model.
 Türkiye Kurumsal Yönetim Derneği	The Corporate Governance Association of Türkiye (TYKD) was established in 2003 as a voluntary non-governmental organization to promote and develop the corporate governance approach in Türkiye. The association follows the principles of fairness, transparency, accountability and responsibility to serve its purpose and works closely with the private sector, public institutions, media, academia and civil society organizations.
 TÜYİD Yatırımcılar Birliği Derneği	The Investor Relations Association (TÜYİD) was founded 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' achievement of fair market values and helps them gain depth in the Turkish capital markets.

Figure 4.37 Associations Membership

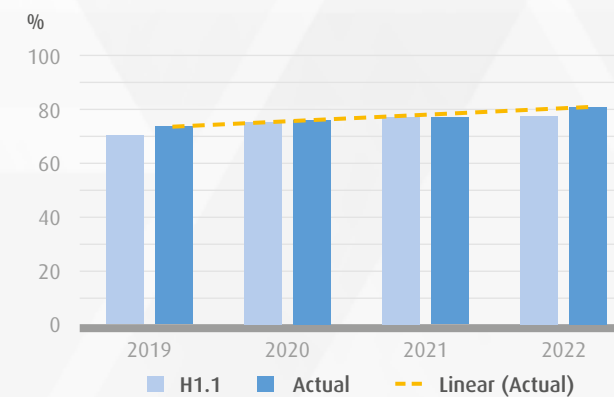
4.3. HUMAN CAPITAL

4.3.1. PRIORITY ISSUES

EMPLOYEE SATISFACTION

Within the scope of the 2022-2026 Strategic Plan, the strategy "S5. Managing organizational climate (health)" is one of our 7 main strategies, and the Employee Satisfaction Survey (ESS) is one of our key success indicators (KPI).

In parallel with the activities carried out in line with our sub-strategies "S5.2 Increasing employee satisfaction and loyalty / Improving employee competencies" and "S5.1 Managing the corporate culture", our EMR-General perception results show a positive trend (Figure 4.38).



		2019	2020	2021	2022
Mission	Administrator	73,10%	75,0%	86,0%	87,3%
	Employee	69,69%	71,5%	69,3%	75,9%
Seniority	0-2 years	80,90%	83,0%	80,7%	83,5%
	2-5 years	73,49%	75,4%	70,6%	81,6%
	5 years and above	65,31%	67,0%	70,1%	74,8%

Figure 4.38 ESA General (with Breakdown)

CORPORATE CULTURE

Digital transformation and cultural transformation are at the heart of our transformation program. In 2020, in line with the corporate culture studies we initiated in 2020, especially the implementation of the health and well-being program to all employees, the perception of our employees regarding corporate culture was realized as targeted. In 2022, in parallel with the improvements in the level of good practices made in the corporate culture management process, it is aimed to develop performance at an even better level compared to the previous years (Figure 4.39).

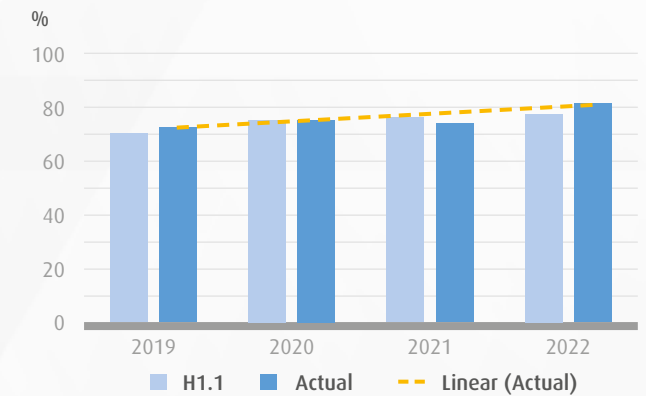


Figure 4.39 ESA-Corporate Culture

EXPERIENCE OF WORKING IN AN ORGANIZATION, INCLUDING HOW CHANGE IS MANAGED

Within the scope of the "Y4.7.Organizational Climate Management" process; in parallel with the development of organizational behaviors, the realization of the strategic plan with a participatory approach and the improvement of the experience of our employees through the dissemination of our S1, S2 and S3 change strategies to all employees, the perception in this context shows a positive trend above the targets (Figure 4.40).

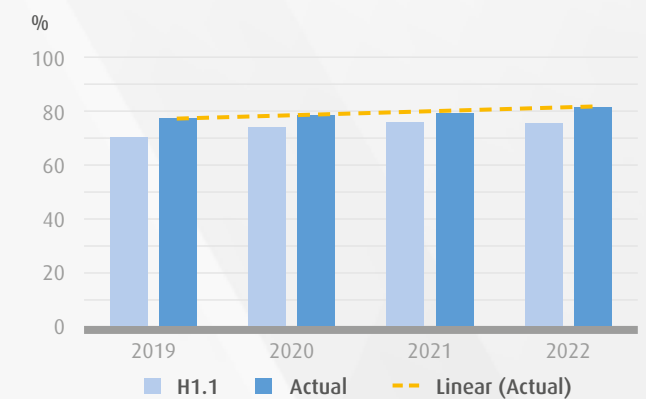


Figure 4.40 EMMA - Experience of Working in the Organization, Including How Change is Managed

LEVEL OF REALIZATION OF THE ORGANIZATION'S COMMITMENTS ON GENDER BALANCE AND EQUALITY, DIVERSITY AND INCLUSION

Our HR Policy in line with the "SDG.5 Gender Equality" goal and SDT5.1 target of the United Nations Sustainability Program "Article 3. In parallel with the recruitment and promotion approaches in line with the principle of providing equal opportunities to people under equal conditions, and no discrimination on grounds such as race, language, religion and gender is allowed." As the survey results show, as Vakıf REIT employees, we see diversity as a richness (Figure 4.41).

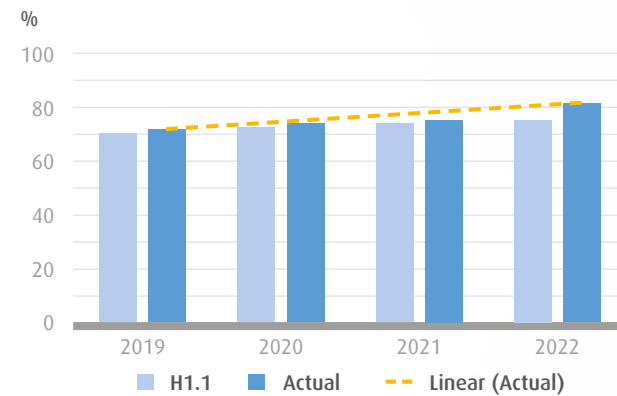


Figure 4.41 ESM - Level of Realization of the Organization's Commitments on Gender Balance and Equality, Diversity and Inclusion

HOW THE ORGANIZATION ADAPTS TO FUTURE WAYS OF WORKING

In line with our "S6.2 Smart Vakıf REIT" strategy for the realization of digital transformation, "S6.2.1. Improvement of IT Infrastructure", "S6.2.2.2 Centralization and Continuous Improvement of Corporate Software", "S6.2.3 Conducting ISO 27001 studies", the perception shows a positive trend (Figure 4.42).

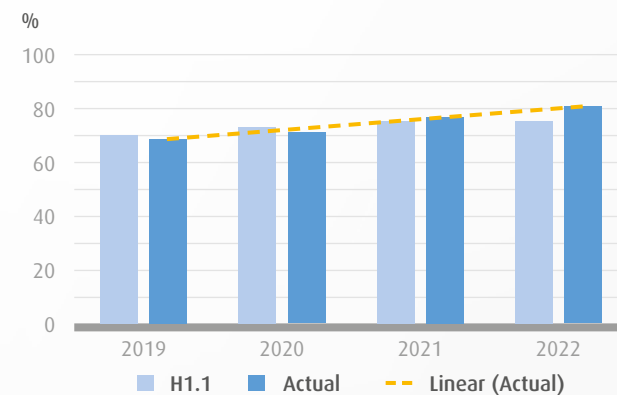


Figure 4.42 ESA - How the Organization Adapts to Future Ways of Working

ORGANIZATION'S SUPPORT TO FAMILY AND PERSONAL LIFE

"Happy Employee: ... we create a healthy corporate climate with a common feeling." Management Policy and "Y4.7.5.2. The activities carried out within the scope of the "Work-Life Balance" process (our stress management, awareness-raising practices and social activities ensure a high level of satisfaction with work-life balance (Figure 4.43).

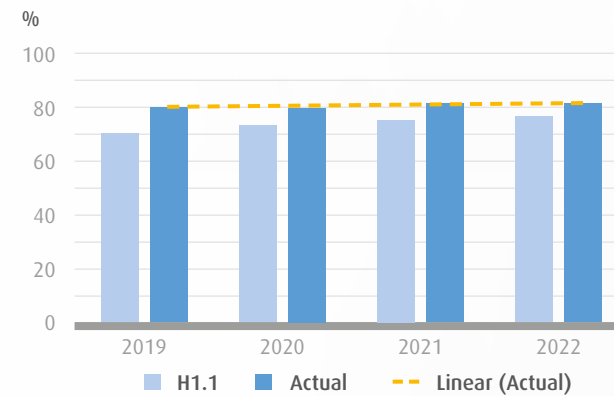


Figure 4.43 ESA - Organization's Support to Family and Personal Life

ORGANIZATION'S SUPPORT TO EMPLOYEES, CONTRIBUTION TO THEIR DEVELOPMENT, EMPOWERMENT, RECOGNITION AND APPRECIATION OF EMPLOYEES

Implementation of training and development program in order to improve employee competencies and support employee loyalty in line with the strategy "S5.3. Improving the employee training process" and with the effective implementation of the "Y4.7.5.1. Recognition-appreciation" process, the perception in this context shows a positive trend (Figure 4.44).

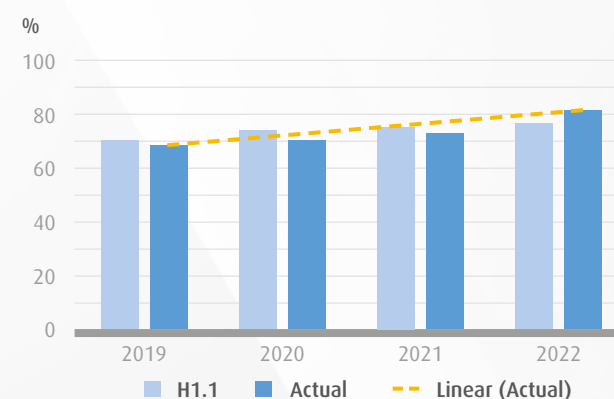


Figure 4.44 ESM - Organization's Support for Employees, Contribution to their Development, Empowerment, Recognition and Appreciation of Employees

REPUTATION OF THE ORGANIZATION, INCLUDING ITS LEADERSHIP IN ITS ECOSYSTEM

In line with our strategy "S7 Strengthening our reputable position by managing reputation effectively" and "Y4.7.2.2.3. Within the scope of the "Adding Meaning to Life" process, participation in "adding meaning to the eco-system and social responsibility" activities and mindfulness program practices including Esenlik Talks have shown a strong positive increase in the perception of our employees (Figure 4.45).

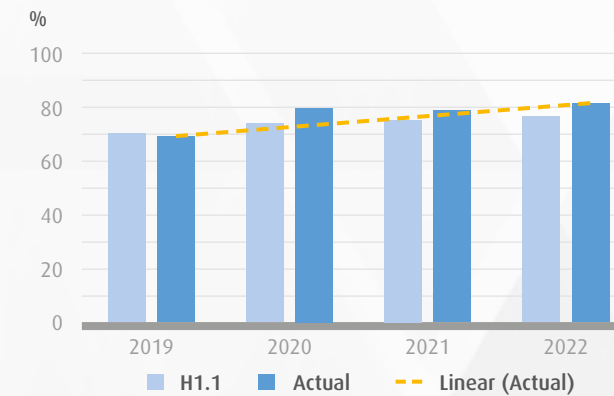


Figure 4.45 ESA - Reputation of the Organization, Including its Leadership in its Ecosystem

INTERNAL COMMUNICATION

Y4.5.3. Within the scope of the "Employee Communication" process, the publication and implementation of the Internal Communication Calendar for 2022 and the activation of communication support the positive perception in this context (Figure 4.46).

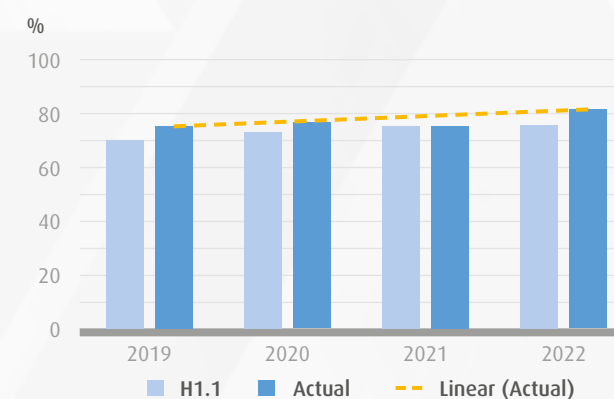


Figure 4.46 EMMA - Internal Communication

ACQUIRING TALENTS AND ENSURING THEIR COMMITMENT

S5.3. The activities carried out in line with the sub-strategy "Improving the employee training process" have positively affected the perception in this context (Figure 4.47).

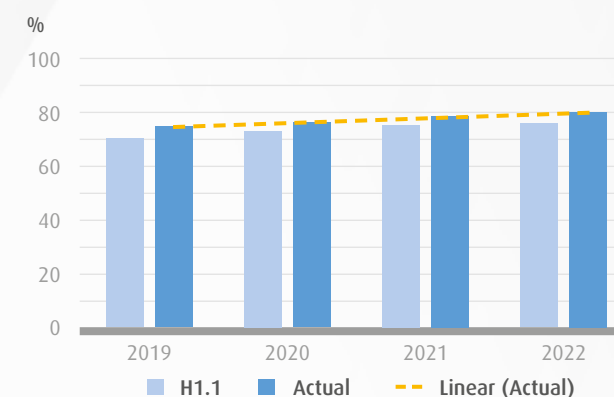


Figure 4.47 ESM - Acquiring Talents and Ensuring their Commitment

THE DIRECTION OF THE ORGANIZATION, HOW WELL THE STRATEGY IS IMPLEMENTED, THE CONTRIBUTION OF EMPLOYEES AND THE DEGREE OF THEIR CONFIDENCE IN THE FUTURE

The Participatory Strategic Planning approach, the dissemination of goals, and goal- and competency-based performance evaluation practices positively affect employees' perceptions in this regard (Figure 4.48).

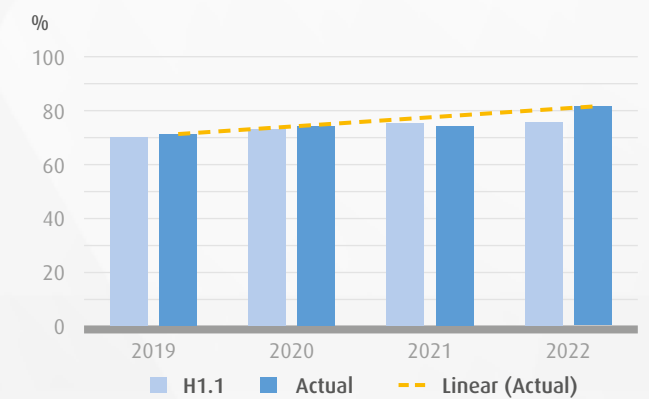


Figure 4.48 ESA - The Direction of the Organization, How Well the Strategy is Implemented, Employees' Contribution to it, and the Degree of Confidence They Have in the Future

4.3.2. SECOND PRIORITY ISSUES

WORKING CONDITIONS

Beyond creating a healthy and safe working environment within the scope of our HR Policy, which also includes the Human Rights and Employee Rights Policy, by improving our awareness in line with our "S5.1 Managing Corporate Culture" strategy and through the "Y4.7 Organizational Climate Management" process;

- Fair, transparent, trust-based common feelings and
- With a success-oriented, continuously learning common mind
- We live and keep alive the culture of peacefulness.

As Vakıf REIT, we continuously improve our approaches to ensure equal opportunities for our employees, create a safe working environment, and increase employee productivity. We support our employees with the policies we have established in this direction (Human Rights and Employee Policy, Equal Opportunity, Diversity and Gender Equality Policy, Occupational Health and Safety Policy, Vakıf REIT Code of Ethics).

NUMBER OF EMPLOYEES

	2019	2020	2021	2022
Woman	12	16	19	16
Male	21	21	22	24

Figure 4.49 Number of Employees (broken down)

NUMBER OF EMPLOYEES PROMOTED

	2019	2020	2021	2022
Woman	1	1	4	8
Male	1	2	6	4
Female Manager/Male Manager *	0,21	0,6	0,46	0,64

Figure 4.50 Number of Employees Promoted (Breakdown: Female-Male)

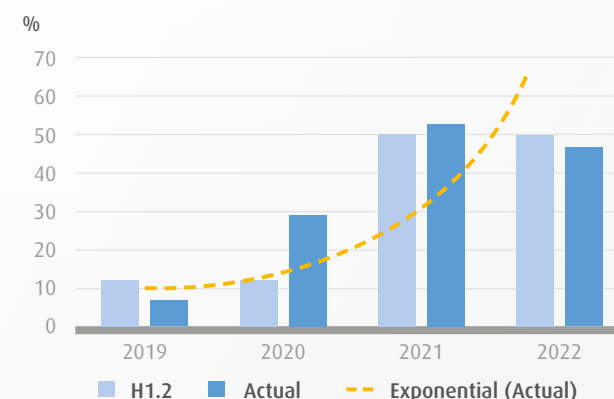
(*The ratio of the number of female executives to the number of male executives according to the number of promoted employees is presented in the table).

NUMBER OF EMPLOYEES QUITTING

	2021		2022	
	Woman	Male	Woman	Male
Under 30	1	-	4	-
Between 30-50 Years	1	1	1	1
Total	3		6	

Figure 4.51 Number of Employees Who Quit (Broken Down: Age Group)

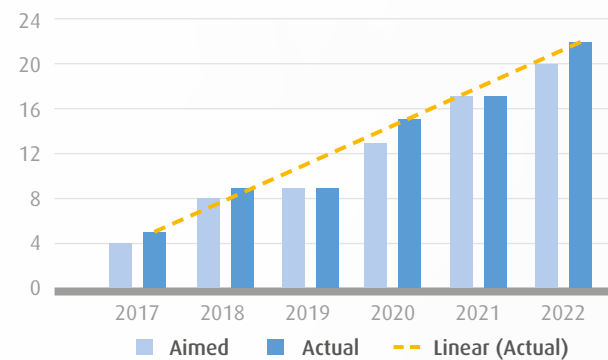
DURATION OF TRAINING



	2019	2020	2021	2022
Administrator	11,76	27,77	100	63,64
Employee	11,76	15,38	51,28	63,64

Figure 4.52 Training Man/Hour (Broken down: Manager-Employee)

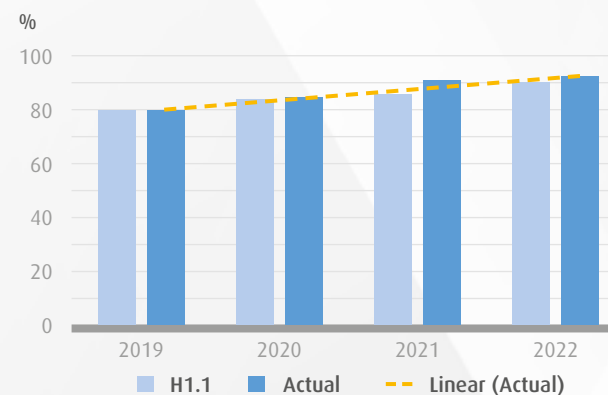
EDUCATION PORTFOLIO



Types of Education	Type of Education Number / Year					
	2017	2018	2019	2020	2021	2022
Seminar					1	
General Trainings			1			
Periodic Trainings				3		2
Personal Development Trainings					5	4
Informatics Trainings		2			1	
Finance Trainings		3		1		
Legal Trainings		1		1		
Administrative Vocational Trainings	4	3	5	5	3	7
Technical Vocational Trainings	1		3	1		2
Quality Trainings				4	5	3
Leadership Trainings					1	2
In-house Trainings					1	2
Total	5	9	9	15	17	22

Figure 4.53 Training Portfolio (Broken down: Training type)

TRAINING EVENT



	2019	2020	2021	2022
Administrator	75,0%	82,0%	90,0%	92,4%
Employee	83,0%	88,0%	93,0%	94,2%

Figure 4.54 Evaluation of Training Effectiveness (Breakdown: Manager-Employee)

OCCUPATIONAL HEALTH & SAFETY

In line with our Occupational Health and Safety Policy, in compliance with occupational health and safety legislation and within the scope of the ISO 45001 Occupational Health and Safety (OHS) standard; securing 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”.

Number of Work Accidents		2018	2019	2020	2021	2022
Vakıf REIT-Employee	Number of Accidents with Lost Time	0	0	0	0	0
	Number of Accidents Resulting in Death	0	0	0	0	0
Project Contractors	Number of Accidents with Lost Time	0	1	4	2	2
	Number of Accidents Resulting in Death	0	0	0	0	0

Figure 4.55 Number of Occupational Accidents (broken down: lost time and fatal)

	2020			2022		
	Woman	Male	Total	Woman	Male	Total
Occupational Health and Safety Training	48	56	104	96	112	208

Figure 4.56 Occupational Health and Safety Training

EMPLOYEE ENGAGEMENT, DIVERSITY & INCLUSION

In line with the “Equal Opportunity, Diversity and Gender Equality policy” within the scope of our Human Resources Policy;

We provide a working environment based on the principle of diversity and inclusiveness, without discrimination based on religion, race, gender, age, philosophical belief, sect, political opinion, disability, social class difference and similar reasons, in accordance with the ethical principles of our employees in their relations with each other and our customers. In our corporate activities, we do not allow any treatment that violates or restricts human rights and freedoms, or behaviors and practices that prevent equal opportunities. We do not make any discrimination other than competence by considering equal opportunity and inclusiveness in the content of the advertisements given within the scope of our

recruitment process, interviews and employee selection processes, performance measurement and evaluation, career planning, promotion systems and wage policies applied.

Strengthening the position of women in business life, combating the prejudices brought about by the concept of gender, including women in the workforce and the policy of “equal pay for equal work” are among our basic principles adopted for both our employees and our Board Members.

	2020	2021	2022
Woman	16	19	16
Male	21	20	24
Under 30	9	9	6
Between 30-50 Years	28	30	34
Total	37	39	40

Figure 4.57 Number of Employees (Broken Down: By Age)

4.4. BUSINESS MODEL and INNOVATION

4.4.1. PRIORITY ISSUES

PRODUCT DESIGN & LIFE CYCLE MANAGEMENT

Our customer-oriented processes are our sustainable value creation processes. To create sustainable value for our customers in line with their expectations and requirements;

- Designing value and how to create value through the processes “M1.3 Business Development and Feasibility” and “M2.1 Project Development”,
- The delivery of value is realized through the “M2.2 Project Implementation” process.
- The “M2.2.2.5 Sustainable (Green) Building Implementation Management” process, which ensures the quality assurance of project management, ensures the compliance and development of our projects with the legislation and frameworks related to green building rating covering the life cycle of our projects.

The results of our assessment within the scope of “Green Building Rating” show that sustainability performance is managed effectively in the dimension of “product design & life cycle management” (Figure 4.58).

	Leed Score	Certificate
IUFM	72	LEED Gold Certificate
Cubes Ankara	49+9	Leed Silver level
Tablo Adalar	49+9	Leed Silver level
Izmir Konak	51+9	Leed Gold Certificate target

Figure 4.58 Green Building Credit Score (Breakdown: Project based)

PHYSICAL IMPACTS OF CLIMATE CHANGE

In addition to earthquake disasters, it is crucial to take into account the widespread destructive effects of global warming and climate change such as forest fires, floods and storms in urban planning and real estate investments. In this context, Vakıf REIT, which realizes sustainable and green buildings with “innovative and conceptual projects”, has not experienced the negative physical effects of climate change in its investments

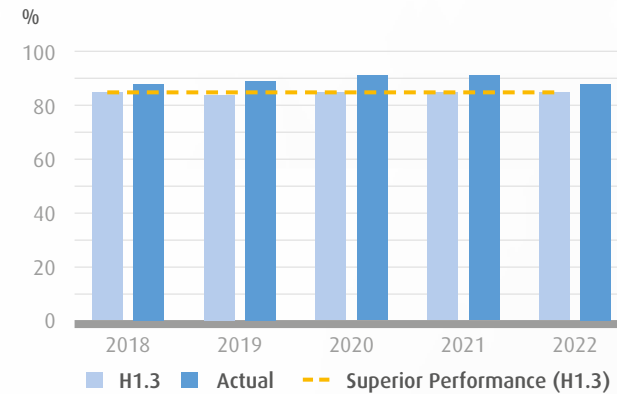
4.4.2. SECOND PRIORITY ISSUES

SUPPLY CHAIN MANAGEMENT

Our project contractors, who are our main suppliers and cooperation partners, consist of building contractors, design firms, sales and marketing firms, project consultants (facade, fire, elevator, infrastructure, ground, IT, etc.) and project management firms. Our project contractors “M3. Supply Chain Management” process. In this context,

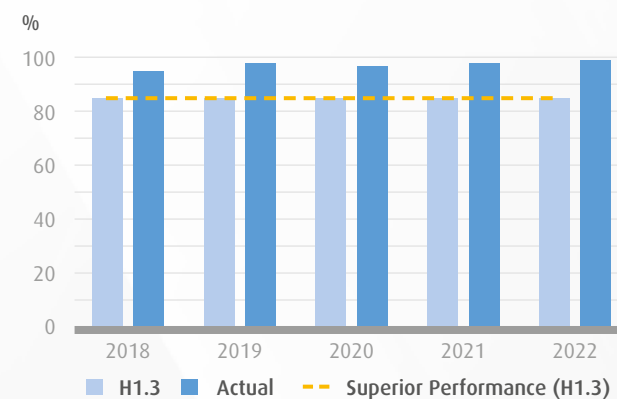
“M3.1.1 Contractor selection”, our contractors are required to have ISO 9001 Quality Management System, ISO 45001 Occupational Health and Safety Management System and ISO 14001 Environmental Management System certificates. In addition, it is essential to work in accordance with our ethical principles and in compliance with the International Labor Organization (ILO) agreement and other relevant legislation. In addition to establishing transparent, honest and trust-based business relationships, Vakıf REIT aims to work with suppliers that increase sustainability awareness, respect the society and the environment, and add value to the sector in which they operate.

With the “M3.1.4 Contractor Performance Evaluation” process, the performance of our contractors is evaluated on an annual basis and they are expected to improve. The performance results presented clearly show that the performance of our contractors is effectively managed (Figure 4.59) (Figure 4.60) (Figure 4.61) .



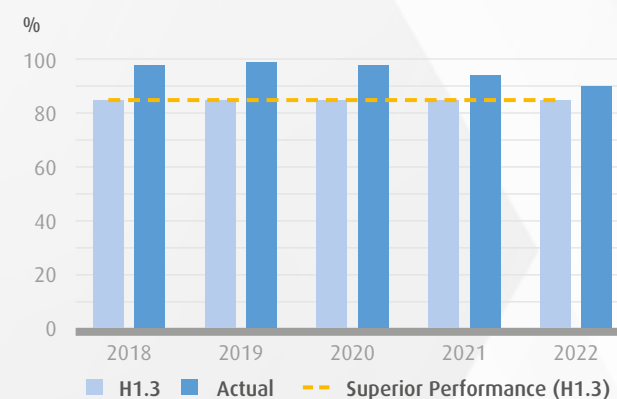
	2018	2019	2020	2021	2022
Bizimtepe Aydos	82,46	85,06	-	-	-
IUFM	92,10	93,62	94,23	95,15	96,16
Tablo Adalar	-	-	-	90,60	97,55
Izmir Konak	86,65	86,90	87,45	90,25	-
Cubes Ankara	-	-	-	85,05	78,95

Figure 4.59 Contractor Performance - Prime Contractor (Broken Down: Project Based)



	2017	2018	2019	2020	2021	2022
Bizimtepe Aydos	96,60	96,60	97,60	-	-	-
IUFM	92,33	93,12	95,76	96,17	97,65	98,89
Tablo Adalar	-	-	-	-	95,72	95,90
Izmir Konak	-	-	-	-	94,02	95,90
Cubes Ankara	-	-	-	-	94,87	95,90

Figure 4.60 Contractor Performance-Project Management (Broken Down: Project Based)



	2017	2018	2019	2020	2021	2022
Bizimtepe Aydos	100	100	100	-	-	-
IUFM	92,94	94,97	96,93	97,12	98,09	98,70
Tablo Adalar	-	96,70	-	-	93,63	88,05
Cubes Ankara	-	-	-	95,70	93,88	87,50

Figure 4.61 Contractor Performance-Design (Broken Down: Project Based)

CDP SUPPLIER ENGAGEMENT RATING SCORE 2022

Vakıf REIT, with its best practices in supply chain management, received an A- grade in the Leadership band in its first year of CDP reporting. This is higher than the European regional average of C and the financial institutions sector average of B-.

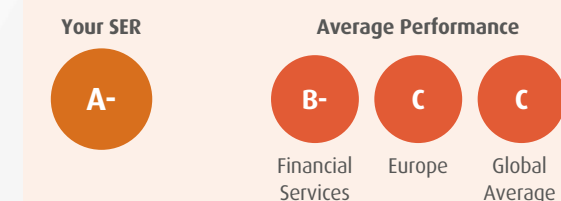
CDP SUPPLIER ENGAGEMENT RATING REPORT 2022

VAKIF REIT

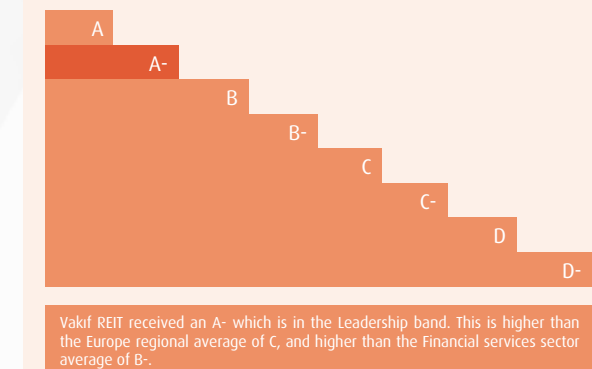
Region : Europe
Country/Area : Türkiye
Questionnaire : Real estate
Activity Group : Financial services



CDP evaluates organizations engagement with their suppliers on climate change. Purchasing organizations have the potential to incentivize significant environmental changes through engagement with their suppliers. By evaluating supplier engagement and recognizing best practice, CDP aims to accelerate global action on supply chain emissions. This document presents your supplier engagement rating and helps you benchmark against your peers



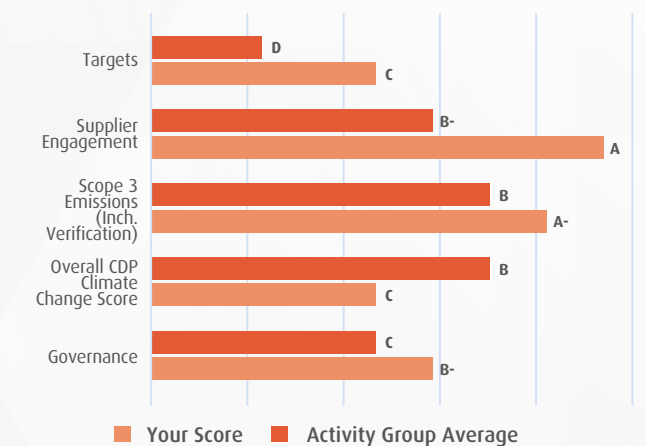
UNDERSTANDING YOUR SCORE REPORT



Vakıf REIT received an A- which is in the Leadership band. This is higher than the Europe regional average of C, and higher than the Financial services sector average of B-.

Leadership (A/A-): Implementing current best practices
Management (B/B-): Taking coordinated action on supplier engagement issues
Awareness (C/C-): Knowledge of impacts on, and of, supplier engagement issues
Disclosure (D/D-): Transparent about supplier engagement issue

CATEGORY SCORES BENCHMARKING



MATERIAL PROCUREMENT & EFFICIENCY

“M3.1.1 Contractor selection” process, we will ask our contractors to work on a circular economy basis, as defined in the project design. In line with the evolution of the environment, recyclable and/or Environmental Product Declaration (EPD) certified materials and products are requested to be used in the projects. Contractor performance in this dimension is also taken into account in the “Contractor Performance Evaluation”.

BUSINESS MODEL RESILIENCE

Managing change and transformation effectively depends on how effectively the resilience of the organization is managed. As Vakıf REIT, we continuously improve the approaches and performance of our processes covering the five dimensions of our Business Model in line with the relevant strategies, thereby continuously improving the resilience of our organization (Figure 4.62). In this context, in parallel with the remarkable improvement in our “EFQM Self-Assessment Score” and “Process Maturity Level” performance, which are the leading indicators of our organizational resilience;

According to the International Consortium for Organizational Resilience’s Organizational Resilience Capacity Assessment (ICOR’s ORCA), we have increased our Organizational Resilience Capacity Index from 31.5% in 2020 to 69% in 2022.

Organizational Resilience Dimension	Vakıf REIT Integrated Management Model Dimension	Strategy	Process	Basic Approach
Organizational Behavior	Direction	S5	Y4.7. Organization Climate Management	Adhocracy culture, a culture of solidarity and innovation
Organizational Structure	Leadership and Corporate Governance	S6	Y2. Corporate Governance Y4. HR and Climate Management	Corporate Governance Principles
Managing Risks	Corporate Governance	S6	Y2.4.2. Enterprise Risk Management	CRM system at Environment/ Culture, Strategic and Operational level
Technological Infrastructure	Sources	S6	D2. Information Technology Management	Digitalization and ERP project
Continuous Improvement and Innovation	Direction	S1, S3, S6	Y1. Strategic Planning Y3.1 Process Management	*Integrated Str. Planning *Improvement and Innovation Management

Figure 4.62 Vakıf REIT Approaches to Managing Organizational Resilience

SELF-ASSESSMENT SCORE

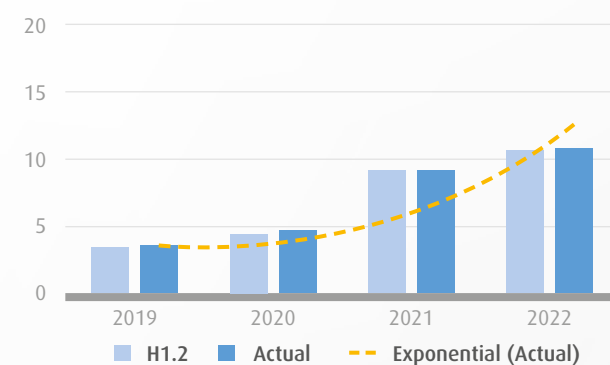
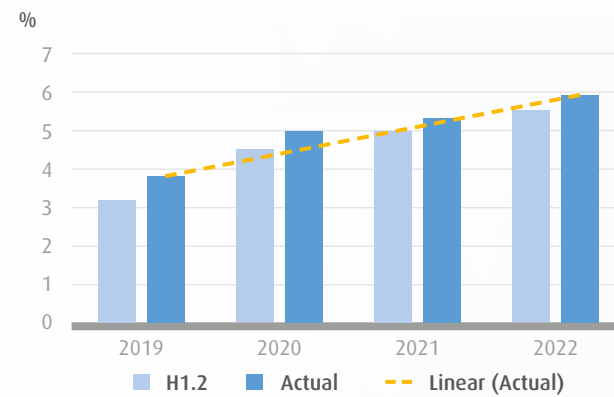


Figure 4.63 Self-assessment Score (Broken down by criteria) (Indexed)

Criteria	2019	2020	2021	2022
Direction	5,92	9,25	18,83	20,67
Application	13,58	16,17	22,83	28,00
Results	15,00	20,00	28,33	53,33

PROCESS MATURITY LEVEL



Process	2019	2020	2021	2022
Managerial Processes	3,25	5,00	5,50	6,00
Customer Oriented Processes	3,80	5,00	5,40	6,00
Support Processes	4,30	5,00	5,30	5,67

Figure 4.64 Process Maturity Level (Broken down: Main process based)

4.5. LEADERSHIP and CORPORATE MANAGEMENT

4.5.1. CORPORATE GOVERNANCE PERFORMANCE RESULTS

4.5.1.1. CORPORATE GOVERNANCE RATING

Our Company paid utmost attention to compliance with Corporate Governance Principles in 2022.

A Corporate Governance Rating Agreement has been signed between our Company and Kobirate International Credit Rating and Corporate Governance Services for a period of one year, effective as of June 23, 2021. Pursuant to this agreement, our Company's Corporate Governance Principles Compliance Rating was determined as 8.28 as of 30.09.2021 as a result of the evaluation made under four weighted main headings (Shareholders, Public Disclosure and Transparency, Stakeholders, Board of Directors) and this rating was increased to 8.96 on September 30, 2022.

The grade indicates that the Company has achieved significant compliance with the Corporate Governance Principles published by the CMB and deserves to be listed in the BIST Corporate Governance Index (Figure 4.65).

Sections	Corporate Governance Rating		
	Weight	2021	2022
Shareholders	25%	8,3	9,1
Public Disclosure and Transparency	25%	8,4	9,4
Stakeholders	15%	8,1	8,2
Board of Directors	35%	8,3	8,9
	100%	8,28	8,96

Figure 4.65 Corporate Governance Rating Score

As a result of the grade received, our Company was included in the Borsa Istanbul Corporate Governance Index as of September 30, 2021 and continued to remain in the index in 2022 by increasing its grade.

4.5.1.2. ENTERPRISE RISK MANAGEMENT

ENTERPRISE RISK SCORE

Within the scope of Internal Control Management, Corporate Risk Assessment has been conducted since 2014. Especially in the Enterprise Risk Assessment System, which was developed at the reference application level in 2020, risks are identified on a strategic, process and project basis and actions are planned to mitigate risks. Performance results clearly demonstrate that risks are managed effectively (Figure 4.63).

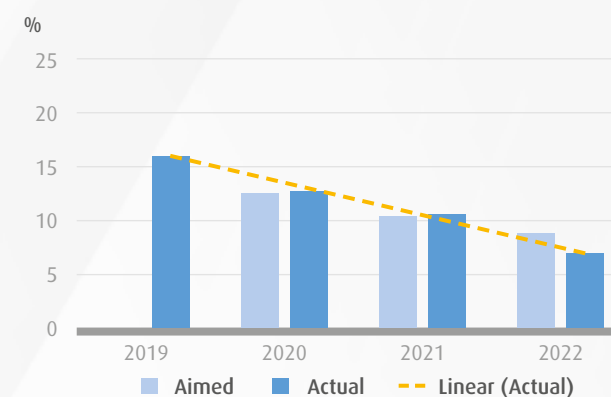


Figure 4.66 Corporate Risk Score

4.5.1.3. LEGAL & REGULATORY COMPLIANCE

• **LEGISLATIVE CHANGES THAT MAY SIGNIFICANTLY AFFECT OPERATIONS :** There are no significant changes that will affect our Company's activities. In addition, there are no administrative or judicial sanctions imposed on the

Company or the members of the Board of Directors due to practices contrary to the provisions of the legislation.

• **LAW SUITS TO WHICH THE COMPANY IS A PARTY:** As of December 31, 2022, the Company is a party to 52 lawsuits, 37 lawsuits are related to consumer lawsuits, 10 enforcement proceedings, 4 receivable proceedings, 1 lawsuit is related to labor lawsuits. According to the opinion of the lawyers, there are no material cases for which indemnification will be awarded against the Company.

4.5.1.4. BUSINESS ETHICS

Ethical violation notifications are evaluated by the Disciplinary Board. In 2022, no reports of ethical violations were received.



5

**FINANCIAL
PERFORMANCE**

FINANCIAL PERFORMANCE

5.1. BALANCE SHEET

VAKIF REAL ESTATE INVESTMENT TRUST
STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2022 AND DECEMBER 31, 2021 (*)
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

Assets	Footnote Reference	Audited December 31, 2022	Audited December 31, 2021
Current Assets		1.168.630.977	2.038.355.679
Cash and cash equivalents	4	864.642.136	849.041.503
Financial investments	5	113.195.889	-
Trade receivables			
- Trade receivables from third parties	7	164.649.291	36.445.330
Other receivables			
- Other receivables from third parties	8	7.916.692	807.016
Stocks	12	111.123	973.711.360
Prepaid expenses	9	8.228.266	20.485.966
Assets related to current period tax	10	9.885.013	7.874.776
Other current assets	10	2.567	149.989.728
Non-Current Assets		5.534.268.036	2.581.459.332
Trade receivables			
- Trade receivables due from third parties (UV)	7	30.401.117	29.484.195
Other receivables			
- Other receivables from third parties (UV)	8	49.374	45.944
Inventories (UV)	12	1.785.703.532	607.713.712
Investment properties	11	3.444.057.000	1.594.626.855
Property, plant and equipment	13	1.085.969	406.987
Intangible assets			
- Goodwill	15	14.631.400	14.631.400
- Other intangible assets	14	1.493.922	1.520.765
Prepaid expenses (UV)	9	119.360.322	311.920.680
Other non-current assets	10	137.485.400	21.108.794
Total Assets		6.702.899.013	4.619.815.011

Sources	Footnote Reference	Audited December 31, 2022	Audited December 31, 2021
Short-Term Liabilities		577.423.970	1.673.057.086
Short-term portion of long-term borrowings			
- Long-term borrowings from related parties short-term portions	3,6	103.651.393	103.651.639
- Long-term due from third parties short-term portion of borrowings	6	11.385.790	23.897.347
Trade payables			
- Trade payables to related parties	3,7	145.277	126.296.305
- Trade payables to third parties	7	310.136.599	234.722.519
Employee benefit obligations		887.465	207.774
Other payables			
- Other payables to third parties	8	25.154.714	41.970.524
Deferred income			
- Deferred income from related parties	3,18	81.900.000	1.127.006.536
- Deferred income from third parties	18	10.793.946	699.060
Short-term provisions			
- Short-term provisions for employee benefits	17	1.918.326	868.300
Other current liabilities	18	31.450.460	13.737.082
Long Term Liabilities		1.352.705.689	505.627.905
Long-term borrowings			
- Long-term borrowings from related parties	3,6	102.052.443	184.521.721
- Long-term borrowings from third parties	6	-	10.233.314
- Other payables to third parties (UV)	8	44.457.493	1.436.089
Deferred income (UV)			
- Deferred income from third parties	18	1.203.789.772	308.443.584
Long-term provisions			
- Long-term provisions for employee benefits	17	2.405.981	993.197
Total Liabilities		1.930.129.659	2.178.684.991
Equity		4.772.769.354	2.441.130.020
Paid-in capital	19	1.145.000.000	1.000.000.000
Adjustment to share capital	19	21.599.008	21.599.008
Share premiums/discounts	19	301.118.336	301.118.336
Not to be reclassified to profit or loss			
accumulated other comprehensive income or loss			
- Revaluation and measurement gain/(loss)	19	(664.786)	(186.972)
Restricted reserves appropriated from profit		19.519.775	11.781.404
Retained earnings/(losses)		954.079.873	632.130.300
Net profit for the period		2.332.117.148	474.687.944
Total Resources		6.702.899.013	4.619.815.011

5.2. INCOME STATEMENT

VAKIF REAL ESTATE INVESTMENT TRUST

For the periods January 1 - December 31, 2022 and January 1 - December 31, 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (*)

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

	Footnote Reference	Audited January 1st - December 31, 2022	Audited January 1st - December 31, 2021
Profit or Loss			
Revenue	20	2.807.370.710	248.238.123
Cost of sales (-)	20	(1.961.325.390)	(60.457.969)
Gross Profit		846.045.320	187.780.154
General administrative expenses (-)	21	(33.174.702)	(18.848.025)
Marketing expenses (-)	21	(44.344.337)	(17.726.344)
Other income from operating activities	22	1.574.382.523	343.449.371
Other operating expenses (-)	22	(224.240)	(5.636.244)
Operating Profit / (Loss)		2.342.684.564	489.018.912
Before Finance Income/(Expense) Operating Profit / (Loss)		2.342.684.564	489.018.912
Finance expenses (-)	24	(10.567.416)	(14.330.968)
Financial Income / (Expenses), Net		(10.567.416)	(14.330.968)
Profit/(Loss) for the Period before Continuing Operations		2.332.117.148	474.687.944
Net Profit for the Period		2.332.117.148	474.687.944
Other Comprehensive Income			
Items not to be reclassified to profit or loss			
- Gain/(loss) on remeasurement of defined benefit plans	17	(477.814)	(173.796)
Total Other Comprehensive Income		(477.814)	(173.796)
Total Comprehensive Income		2.331.639.334	474.514.148
Earnings per Ordinary Share	26	2,037	0,608

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

5.3. PORTFOLIO TABLE

CONTROLLING COMPLIANCE WITH PORTFOLIO RESTRICTIONS

As of December 31, 2022, the information given in the footnote titled "Control of Compliance with Portfolio Restrictions" is summary information derived from the financial statements in accordance with Article 16 of the CMB Communiqué Serial: II, No: 14.1 "Communiqué on Principles Regarding Financial Reporting in Capital Markets" and is in the nature of summary information derived from the financial statements in accordance with the Communiqué Serial:

III, No: 48.1 "Communiqué on Principles Regarding Real Estate Investment Trusts" published in the Official Gazette numbered 28660 on May 28, 2013; III, No: 48.1 "Communiqué on Principles Regarding Real Estate Investment Trusts" published in the Official Gazette numbered 28660 on May 28, 2013 and Serial: III, No: 48.1a published in the Official Gazette numbered 28891 on January 23, 2014; III, No: 48.1a "Communiqué on the Amendment to the Communiqué on Principles Regarding Real Estate Investment Trusts" published in the Official Gazette dated May 286, 2013 and numbered 28891 on January 23, 2014.

In this context, information on total assets, total portfolio and portfolio limitations as of December 31, 2022 and December 31, 2021 are as follows and the ratios related to these limitations are shown in the table:

Financial Statement Main Account Items	Related Regulation	Current Period	Prior Period
Money and capital market instruments	Article 24/(b) of Communiqué III-48.1	977.838.025	849.041.503
Real estate, real estate based projects, real estate based rights	Article 24/(a) of Communiqué III-48.1	5.229.871.655	3.176.051.927
Subsidiaries	Article 24/(b) of Communiqué III-48.1	-	-
Due from related parties (Non-trade)	III-48.1 Communiqué Art. 23/(f)	-	-
Other assets		495.189.333	594.721.581
Total Assets (Total Assets)	III-48.1 Communiqué Art.3/(p)	6.702.899.013	4.619.815.011
Financial liabilities	Article 31 of Communiqué III-48.1	217.089.626	322.304.021
Other financial liabilities	Article 31 of Communiqué III-48.1	-	-
Finance lease payables	Article 31 of Communiqué III-48.1	-	-
Due to related parties (Non-trade)	III-48.1 Communiqué Art. 23/(f)	-	-
Equity	Article 31 of Communiqué III-48.1	4.797.520.568	2.441.130.020
Other sources		1.688.288.819	1.856.380.970
Total Resources	III-48.1 Communiqué Art. 3/(p)	6.702.899.013	4.619.815.011

Other Financial Information	Related Regulation	Current Period	Prior Period
3-year infrastructure investment and services of money and capital market instruments the portion held for payments	Article 24/(b) of Communiqué III-48.1	976.655.139	848.468.031
Foreign currency denominated time and demand deposits/special current and participation accounts and TL denominated time deposit / participation account	Article 24/(b) of Communiqué III-48.1	1.182.886	573.472
Foreign capital market instruments	Article 24/(d) of Communiqué III-48.1	-	-
Foreign real estate, real estate based projects, real estate based rights	Article 24/(d) of Communiqué III-48.1	-	-
Idle land/plots of land	Article 24/(c) of Communiqué III-48.1	228.187	220.926
Foreign subsidiaries	Article 24/(d) of Communiqué III-48.1	-	-
Participation in the operating company	Article 28/1 (a) of Communiqué III-48.1	-	-
Non-cash loans	Article 31 of Communiqué III-48.1	573.983.244	375.061.982
Costs of mortgages not owned by the partnership on which the project will be developed	Article 22/(e) of Communiqué III-48.1	-	-
Total investments in money and capital market instruments in a single company	Article 22/(1) of Communiqué III-48.1	1.182.886	573.472

Portfolio Limitations	III-48.1 Related Regulation	Current Period	Prior Period	Minimum/Maximum Rate
The property on which the project will be developed does not belong to the partnership Mortgage costs of mortgaged land	Art.22/(e)	0,00%	0,00%	≤ 10%
Real estate, projects based on real estate, rights based on real estate (*)	Art.24 / (a), (b)	92,59%	87,11%	≥ 51%
Money and Capital Market Instruments and Subsidiaries	Art.24/(b)	0,02%	0,01%	≤ 49%
Foreign Real Estate, Real Estate Based Projects, Real Estate Based Rights, Subsidiaries, Capital Market Instruments	Art.24/(d)	0,00%	0,00%	≤ 49%
Idle Land/Land Plots	Art.24/(c)	0,00%	0,00%	≤ 20%
Participation in an Operating Company	Art.28/1(a)	0,00%	0,00%	≤ 10%
Borrowing Limit	Art.31	16,49%	28,57%	≤ 500%
Foreign currency denominated time and demand deposits/ special current and participation accounts and TL denominated time deposit / participation account	Art.24/(b)	0,02%	0,01%	≤ 10%
Total Money and Capital Market Instruments Investments in a Single Company	Art.22/(1)	0,02%	0,01%	≤ 10%

(*) Pursuant to subparagraph (b) of the first paragraph of Article 24 of the Capital Markets Board Communiqué No. III-48.1 on Real Estate Investment Trusts, the Company has notified the Capital Markets Board of the planned expenditure amounts related to the projects whose cost payments are made in return for certain progress payments or in installments. The cash surpluses corresponding to these expenditures were utilized through the assets mentioned in subparagraph (k) of the first paragraph of Article 22 and presented under the main account item "Part of Money and Capital Market Instruments Held for 3-Year Real Estate Payments" in the Control of Compliance with Portfolio Restrictions 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, in its meeting dated March 23, 2016 and numbered 10/305, decided that the cash amounts invested in time deposits/participation accounts are subject to the Article 22 of the Communiqué. Since it was decided not to be considered within the scope of the 10% issuer limit set forth in subparagraph (l) of the first paragraph of Article 1, cash surpluses subject to these expenditures were not included in the calculation. Considering these issues, as of December 31, 2022 and December 31, 2021, there is no non-compliance 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.

5.4. REAL ESTATE PORTFOLIO

1. AVAILABLE STOCKS

1.1. BIZIMTEPE AYDOS PROJECT INDEPENDENT SECTIONS

Province : Istanbul

District : Sancaktepe

Island/Parcel : 8085/36

Our Company, together with Halk REIT INC, has realized a project consisting of 17 residential blocks within a complex on a 95,221.84 m² residential zoned land located on block 8085, parcel 36 in Karapinar Mevkii, Samandira Mahallesi, Sancaktepe District, Sancaktepe District, Istanbul Province and adjacent to the ongoing Metro Istanbul M5 Cekmekoy-Sultanbeyli extension line. Construction activities have been completed and life has started in the project, which has social facilities, indoor and outdoor swimming pools and a landscape area of approximately 80 decares. 100% of the residential and commercial stock (1037 residential units + 47 commercial units) has been sold and sales and marketing activities have been completed.

1.2. TABLO ADALAR PROJECT

Province : Istanbul

District : Maltepe

Island/Parcel : 15646/44

Purchase Date : 17.05.2016

Purchase Cost (including fees) : TL 66.971.250

Appraisal Date : 30.12.2022

Appraisal Value : TL 611.375.000

The land with an area of 15.268.61 m² and a residential zoning of E:1,25 and TAKS:0,20-0,40 registered in Istanbul Province, Maltepe District, Zmrutevler Neighborhood, block 15646, parcel 44, was purchased by the ordinary partnership established with Obakoy Real Estate Development Construction Investment Contracting Industry and Trade for TL 66.971.250 TL+VAT, 50% to be paid by Vakıf REIT and 50% to be paid by Obakoy.

On January 31, 2018, Obakoy, 50% shareholder of the ordinary partnership, transferred 49% of its shares to our Company for a total consideration of TL 56.831.614, consisting of TL 42.151.214 for the land and development expenses incurred until that date and TL 14.680.400 as share transfer fee.

After this transfer, our share in the ordinary partnership was increased to 99%.

In order to find the most appropriate and correct design for the project to be realized on the land, a preliminary concept was requested from 5 firms with high references and recognition, and a contract was signed with Tabanlıoğlu Architecture as a result of the concept presentations.

It is thought that the project, which will be realized by Tabanlıoğlu Architecture and Vakıf REIT, will have a high brand value and will increase the projected sales figures and speed. In the current situation, the Building Permits were renewed from Maltepe Municipality on October 14, 2021, and the “Main Contractor Service” and “Project Management Service” tenders of the project were finalized and the contracts were signed with the relevant companies. i activities have been initiated.

On December 01, 2021, the launch meeting of the project was held and the sales process was initiated and as of 31.12.2022, a sales promise agreement worth TL 558,976,234.00 was signed for the sale of 226 independent units.

The Total Value of the Project according to the 51,25% Completion Rate of the Project in the 2022 year-end appraisal report is TL 611.375.000, and the Total Value of the Project in case of 100% Completion is TL 975.065.000.

1.3. IZMİR KONAK MIXED PROJECT

Province	: İzmir
District	: Konak
Island/Parcel	: 8601/2
Purchase Date	: 19.08.2015
Purchase Cost (including fees)	: TL 57.500.000
Appraisal Date	: 20.12.2022
Project Current Appraisal Value	: TL 791.250.000

The land located in İzmir Province, Konak District, Mersin Neighborhood, Block 8601, Parcel 1 with an area of 17.673,63 m² and located in CBD (Central Business Area) was purchased for TL 57.500.000 + VAT on August 19, 2015.

Aiming to create a mixed-use project on block/parcel 8601/1, a main contractor tender was held under the name of “İzmir Konak Mixed Project” and with the method of “Revenue Sharing Work in Return for Land Sale” and the best bidder İlk İnşaat and Kaf Technical Business Partnership has committed a Company Share Income of TL 185,100,000 to Vakıf REIT INC over 30% Company Share Income Rate in return for land sale. 100.000 TL Company Share Income has been committed. The project to be realized in İzmir, one of the most important metropolises of the country, is expected to be extremely beneficial for the Company in terms of maintaining its growth vision and increasing its profitability.

The TEİAŞ 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 Free Public Leaving” process, it was registered to the title deed as “8601 block 2 parcel” with an area of 17.703.70 m² area “Block 8601, Parcel 2” and subsequently demolished the risky structures on the parcel and the title deed type was changed to “Land”.

The contractor company has completed the project design works based on the license and a building license was obtained on April 16, 2020. Implementation project works are ongoing in the project. In October 2020, site construction activities were started by the Main Contractor. In line with the needs in the region, the main contractor made adjustments to the license project and obtained an amendment license dated December 31, 2021.

As of 2021, construction implementation activities have been initiated, and while the project progress level is still at ~4.81%, it was decided to terminate the service contract with the Board of Directors Decision dated 13.09.2022/108 due to the contractor’s failure to fulfill its obligations under the contract.

According to the valuation report of the real estate dated December 20, 2022, the appraisal value of the “current status of the project” is 791.250.000,-TL.

1.4. CUBES ANKARA PROJECT

Province	: Ankara
District	: Cankaya
Island/Parcel	: 16124/5 and 16125/4
Purchase Date	: 06.07.2020
Purchase Cost	: TL 252.500.000
Appraisal Date	: 30.12.2022
Appraisal Value	: TL 1.689.485.000

Cubes Ankara Project, which is being constructed in 2 separate blocks with a total area of 16.778,93 m² on land plots with block/parcel numbers 16124/5 and 16125/4 in Cukurambar Neighborhood, Cankaya District, Ankara Province, with a total closed construction area of 207.853 m² closed construction area with residential, office, commercial and social facilities areas on a total area of 16,777.93 m² on land plots numbered 1612.5/5 and 16125/4 with a total area of 16,773.93 m² in Cukurambar Neighborhood with the price of TL 252,500,000+VAT. A contract was signed with Vakıflar Bankası T.A.O. On July 06, 2020, the title deed transfer of “Cubes Ankara Project” to our Company was realized. A renovation license was obtained for the project on April 20, 2021 and according to the renovation license, the project has a closed construction area of 216,932.15 m².

The tenders for “Main Contractor Service” and “Project Management Service” of the project were finalized and construction activities were initiated by signing contracts with the relevant companies.

On October 13, 2021, the launch meeting of the project was held and the sales process was initiated and as of 31.12.2022, a sales promise contract worth TL 876,712,018 was signed for the sale of 290 independent units.

In the December 30, 2022 dated valuation report; the completion rate of the project is 41,36% and the total value of the project is TL 1.689.485.000 according to the completion rate.

2. PROPERTIES UNDER DEVELOPMENT

2.1. ISTANBUL INTERNATIONAL FINANCE CENTER PROJECT

Province	: İstanbul
District	: Ümraniye
Island/Parcel	: 3328/12
Purchase Date	: 07.06.2011
Purchase Cost (including fees)	: TL 122.000.920
Appraisal Date	: 30.12.2022
Appraisal Value According to 100% Completion Rate	: TL 1.774.040.000 + VAT

The 8.774,05 m² land plot on block 3328, parcel 5 in Umraniye District, Istanbul Province and the 7.225,80 m² land plot on block 3328, parcel 12 in Umraniye District, Istanbul Province are located in the Istanbul International Finance Center. 225,80 m² of land is located in the Istanbul International Finance Center, parcel 5 is on the ring road in the direction of 15 July Martyrs Bridge and parcel 12 is on Şenol Güneş Boulevard. It was purchased by our Company in 2011 for 120.020.438, -TL + VAT.

According to the report of Aden real estate valuation and consultancy which is authorized by the CMB to provide valuation services, dated December 30, 2022, the fair value of the Istanbul Finance Center located on 3328 block 12 parcel according to the market and cost comparison method is TL 1.750.562.000 TL and as of December 31, 2022, the fair value of the Istanbul Finance Center located on block 3328, parcel 5 amounting to TL 690.033.021 has been transferred from investment property to inventories. As of December 31, 2022, the additional costs incurred on the aforementioned real estate have been transferred to inventories, taking into account the sales promise contract rates, and the inventory has been disposed of by signing a delivery report with T.Vakıflar Bankası T.A.O. based on the sales promise contract, the costs of which were collected in advance.

The Company acquired land in Umraniye 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 districts.

The land plot of 8.774,05 m² located on block 3328, parcel 5, Kucukbakkalkoy Neighborhood, Umraniye District, Istanbul Province, located in Istanbul International Finance Center and the land plot of 7.225,80 m² located on block 3328, parcel 12, Kucukbakkalkoy Neighborhood, Umraniye District, Istanbul Province. 774,05 m² of land and 7.225,80 m² of land located on block 3328, parcel 12 in Kucukbakkalkoy neighborhood, Umraniye district, Umraniye province, located in Istanbul International Finance Center. Vakıflar Bank T.A.O. In order to realize the "General Directorate Service Building and Facilities Project", conceptual project studies were completed and our project was approved by the Ministry of Environment and Urbanization Aesthetic Board Decision dated 22.05.2014. Following the approval, the license projects were completed and prepared, and construction permits for both parcels were obtained from Umraniye Municipality on June 22, 2015.

Due to the construction of the subway adjacent to the relevant parcels within the scope of the Istanbul International Finance Center project, it was necessary to add an additional 3 basement floors in both parcels of the project, and the excavation and shoring works started in 2016 were completed in 2017. The project, which will be built by our company in the Istanbul International Finance Center, will be built by T. Vakıflar Bank T.A.O. Following the completion of the main contractor tender process for the Head Office Service Building and Facilities Project, REC International Construction Investment Industry and Trade A contract has been signed with AS.

At the meeting of the Company's Board of Directors dated 15.11.2018, it was resolved that the "T. Vakıflar Bank T.A.O. The Head Office Service Building and Facilities Project", a total area of 22,900 m² in the 52-storey block planned to be used as the Bank's Head Office Service Building, is planned to be built by T. It has been decided to realize the sale to Vakıflar Bankası T.A.O., and on 23.11.2018, T. Vakıflar Bankası T.A.O. "Real Estate Sales Promise Agreement" was signed with Vakıflar Bankası T.A.O.

At the meeting of the Company's Board of Directors held on 26.10.2020, it was resolved that the Company's portfolio of "T. Vakıflar Bank T.A.O. The 28,001.20 m² area of the 52-storey block of the "General Directorate Service Building and Facilities Project", which is planned to be used as the Bank's General Directorate Service Building, was purchased by T. It has been decided to realize the sale to 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 4,785.68 m² area located in the 52-storey block planned to be used as VakıfBank Head Office service building for TL 72,981,700 + VAT.

At the meeting of the Company's Board of Directors dated 07.04.2022, it has been decided to sell 25.718,12 m² area in the 52-storey block planned to be used as VakıfBank Head Office service building for TL 930.018.655 + VAT. Additional protocols were signed with the contractor company, project management company and professional supervision services company in order to comply with the revision made in the Master Work Program of the Istanbul International Finance Center Project.

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

The progress level of the project is 98.18% as of 31.12.2022.

2.2. TRANSFORM FİKİRTEPE PROJECT INDEPENDENT SECTIONS

Province	: Istanbul
District	: Kadikoy
Island/Parcel	: 3412/3
Purchase Date	: 09.05.2018
Purchase Cost	: TL 24.000.000
Appraisal Date	: 20.12.2022
Appraisal Value	: TL 74.400.000

In the Transform Fikirtepe Project, located on a 7.813,31 m² plot of land with an area of 7.813,31 m², registered on block 3412, parcel 3 in Merdivenkoy Neighborhood, Kadikoy District, Istanbul Province, 30 independent units with a total saleable area of 2.728,92 m² on the 13th, 14th and 15th floors of Block C were invested by our Company at a price of TL 24.000.000+VAT on May 09, 2018. floors with a total saleable area of 2.728,92 m², on May 09, 2018, our Company invested in 30 independent units with a total saleable area of 2.728,92 m² at a price of TL 24.000.000 + VAT.

In the valuation report dated December 20, 2022, the completion rate of the project is determined as 75% and the fair value of the independent units in our Company's portfolio is estimated to be TL 74,400,000 + VAT according to the goodwill study within the framework of the market approach method in case of 100% completion. After our company received the title deeds, the independent sections were transferred to investment properties.

3. RENTAL INCOME PROPERTIES

3.1. KAVAKLIDERE SHOP

3.1.1. REAL ESTATE INFORMATION

Province	: Ankara
District	: Cankaya
Island/Parcel	: 2537/6
Purchase Date	: 30.12.2004
Purchase Cost (including fees)	: TL 4.100.600
Purchase Appraisal Date	: 27.12.2004
Purchase Appraisal Value	: TL 4.070.000
Appraisal Date	: 25.11.2022
Appraisal Value	: TL 60.000.000

The immovable is located in Ankara Province, Cankaya District, Tunali Hilmi Street, block 2537, parcel 6. The surroundings

of the immovable, which is in a central and convenient location in terms of transportation, mainly consists of shops, stores, business halls, office floors and residences.

The building consists of a total of 8 floors (1 basement floor + ground floor + 6 normal floors) and 12 independent sections. 1. Basement, ground floor and 1. The independent section numbered 1 on the normal floor with a total gross area of 1.062 m², which is qualified as a warehouse shop, belongs to our Company.

In determining the value of the immovable, the ease of transportation by private and public transportation, the building's frontage to Tunali Hilmi Street, one of the main arteries of the city, and its size were taken into consideration. According to the December 27, 2004 dated Appraisal Report, the value of the immovable property was determined as TL 4.070.000 and it was included in the portfolio on December 30, 2004 with a total price of TL 4.100.600 including fees.

According to the Appraisal Report dated November 25, 2022, a total value of TL 60.000.000 + VAT including the land share was appraised for the fair value of the real estate determined according to the market approach method.

3.1.2. INFORMATION ON RENTAL INCOME

On 01.01.2020, it was leased as VakıfBank Kavaklıdere branch with a 10-year contract. The current monthly rent is 128.915,40 TL +VAT.

Rent Appraisal Date	: 25.12.2019
Rent Appraisal Value (*)	: TL 96.000
Current Monthly Rent	: TL 128.915,40

(*) In accordance with the requirement to renew the rent appraisal every five years and to determine the rental price accordingly, the rent appraisal dated December 25, 2019 was determined as 96,000,-TL. This amount will be valid for the period from the beginning of 2021 until the end of 2024.

3.2. KUTAHYA BUSINESS CENTER

3.2.1. REAL ESTATE INFORMATION

Province	: Kutahya
District	: Merkez
Island/Parcel	: 63/224
Purchase Date	: 31.01.2011
Purchase Cost	: TL 4.066.000
Purchase Appraisal Date	: 04.12.2010
Purchase Appraisal Value	: TL 4.000.000
Appraisal Date	: 25.11.2022
Appraisal Value	: TL 20.365.000

Kutahya Business Center is located in Kutahya Province, Merkez District, Alipasa Quarter, Alipasa Quarter, Cumhuriyet Street, on the corner where it intersects with Karagoz Street, on block 63, parcel 224. In January 2011, the property was included in the Company's portfolio. The historical buildings on the street, the small hammam under protection

and Karagoz Ahmed Pasha Mosque are in the immediate vicinity of the immovable. Most of the banks are located on Cumhuriyet Street, where our building is also located.

Consisting of 1 basement floor + ground floor + 7 normal floors, the building has a total of 9 floors and 9 independent sections with a gross usage area of 2.060 m².

It is located in Cumhuriyet Street, one of the most lively places of Kutahya bazaar center, where commercial activity is intense and in a corner position, and because it faces the square, it is open and can be seen from the surrounding area. The factors that positively affect the value of our building are that it has a high level of durability, it has been recently renovated, and in this context, the quality of workmanship and construction is better than the surrounding buildings.

On January 31, 2011, the immovable property, whose value was determined as TL 4.000.000 according to the Expertise Report dated December 04, 2010, was included in the portfolio with a total price of TL 4.066.000 including fees. According to the Appraisal Report dated November 25, 2022, the fair value of the real estate, which was determined according to the market approach method, was valued at TL 20.365.000 + VAT including land share. This amount will be valid for the period from the beginning of 2021 until the end of 2024.

3.2.2. INFORMATION ON RENTAL INCOME

On 01.02.2021, it was leased as VakıfBank Kutahya branch with a 10-year contract. The current monthly rent is 82.524,10 TL + VAT.

Rent Appraisal Date	: 31.12.2020
Rent Appraisal Value (*)	: TL 60.000
Current Monthly Rent	: TL 82.524,10

(*) In accordance with the necessity of renewing the rent appraisal every five years and determining the rent accordingly, the rent appraisal dated December 31, 2020 was determined as 60.000,-TL. This amount will be valid for 2021.

3.3. ALIAGA BUSINESS CENTER

3.3.1. REAL ESTATE INFORMATION

Province	: Izmir
District	: Aliaga
Island/Parcel	: -/5637
Purchase Date	: 31.01.2011
Purchase Cost (including fees)	: TL 3.049.500
Purchase Appraisal Date	: 14.12.2010
Purchase Appraisal Value	: TL 3.000.000
Appraisal Date	: 25.11.2022
Appraisal Value	: TL 20.925.000

Aliaga Business Center is located in İzmir Province, Aliaga District, Aliaga District, Aliaga Neighborhood, Istiklal Street, parcel 5637. Democracy Square, Carsı Mosque and City Park are located in the immediate vicinity of the immovable. The buildings in the area have 6-7 floors.

Consisting of 7 floors in total, 1 basement floor + ground floor + 5 normal floors, the building is registered in the title deed as 9 separate independent sections with a gross area of 1.323 m².

In the value determination; the fact that the real estate is located in a region with easy transportation facilities, the high commercial mobility of its surroundings, its suitability for workplace use and the smooth infrastructure are factors that affect positively.

According to the December 14, 2010 dated Expertise Report, the immovable property was valued at TL 3.000.000 and included in the portfolio on January 31, 2011 with a total value of TL 3.049.500 including fees. According to the Appraisal Report dated November 25, 2022, the fair value of the real estate, which was determined according to the market and income approach method, was valued at TL 20.925.000 + VAT including land share. This amount will be valid for the period from the beginning of 2021 until the end of 2024.

3.3.2. INFORMATION ON RENTAL INCOME

The 1st basement, ground and 1st floors of the building, totaling 448 m², were leased as VakıfBank Aliaga branch on 01.01.2020 with a 10-year contract. The current monthly rent is 37.823,24 TL + VAT.

In addition, 8 independent properties in the building were rented for TL 17,297.53 + VAT.

Rent Appraisal Date	: 25.12.2019
Rent Appraisal Value (*)	: TL 42.795
Current Monthly Rent	: TL 37.823,24

(*) According to the expertise report dated 25.12.2019, the monthly rent determined for the entire real estate is TL 42,795. The rent appraisal value for the areas subject to the lease agreement is TL 32.823.

3.4. FATİH BUSINESS CENTER

3.4.1. REAL ESTATE INFORMATION

Province	: Istanbul
District	: Fatih
Island/Parcel	: 2123/9
Purchase Date	: 08.02.2011
Purchase Cost (including fees)	: TL 2.642.900
Purchase Appraisal Date	: 14.12.2010
Purchase Appraisal Value	: TL 2.800.000
Appraisal Date	: 25.11.2022
Appraisal Value	: TL 27.740.000

Fatih Business Center is located on the corner of the intersection of the street and Hulusi Noyan Street on Macar Kardeşler

Street, Fatih District, Istanbul Province, on block 2123, parcel 9. There are adjoining buildings around it, which are used as shops-stores on the ground floors and as workplace-residential buildings on the normal floors.

The total gross area of the building consisting 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 lease as separate independent sections in the future, the title deed records of the real estate have been updated as 3 separate independent sections on April 20, 2021.

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

On February 08, 2011, the immovable property, whose value was determined as TL 2.800.000 according to the Expertise Report dated December 14, 2010, was included in the portfolio by leasing from Vakıf Financial Leasing for a total price of TL 2.642.900 including fees. According to the Appraisal Report dated November 25, 2022, the fair value of the real estate, which was determined according to the market and income approach method, was valued at TL 27.740.000 + VAT including the land share. This amount will be valid for the period from the beginning of 2021 until the end of 2024.

3.4.2. INFORMATION ON RENTAL INCOME

On 01.02.2021, it was leased as VakıfBank Fatih branch with a 10-year contract. The current monthly rent is 53.296,80 TL + VAT.

Rent Appraisal Date	: 30.12.2020
Rent Appraisal Value (*)	: TL 43.000
Current Monthly Rent	: TL 53.296,80

(*) In accordance with the necessity to renew the rent appraisal every five years and determine the rental price accordingly, the rent appraisal dated December 30, 2020 was determined as 43,000,-TL. This amount will be valid for 2021.

3.5. BİZİMTEPE AYDOS COMMERCIAL UNITS

Istanbul / Bizimtepe Aydos project, Istanbul Province, Sancaktepe District, Samandira Neighborhood, 8085 island, Located on 36 parcels. In 2022, the Company sold 17 independent sections for TL 7.015.918+Kdv. There is no commercial section in the project as of December 31, 2022.

As of June 30, 2019, the Company has started to sign lease agreements for its commercial units in Bizimtepe Aydos Project. Starting from January 1, 2022 and ending on December 31, 2022, the Company generated TL 70.822 of rental income.

4. LAND FOR PROJECT DEVELOPMENT

4.1. İZMİR KONAK LANDS

	8603 block 1 parcel	8604 block 1 parcel	8604 block 4 parcel
Province	Izmir	Izmir	Izmir
District	Konak	Konak	Konak
Purchase Date	19.08.2015	19.08.2015	19.08.2015
Purchase Cost (including fees)	TL 16.167.000	TL 20.553.000	TL 19.380.000
Appraisal Date	25.11.2022	25.11.2022	25.11.2022
Appraisal Value	TL 217.035.000	TL 276.365.000 TL	TL 260.485.000

In Izmir Province, Konak District, Mersin Neighborhood, Izmir Province, Mersin Neighborhood, block 8603, parcel 1 with an area of 5.183,53 m², block 8604, parcel 1 with an area of 6.600,52 m², block 8604, parcel 4 with an area of 6.221,25 m² zoned CBD (Central Business Area) lands were included in our portfolio at a cost of TL 56.100.000.221,25 m² land plots with CBD (Central Business Area) zoning were included in our portfolio at a cost of TL 56,100,000. The fair value of our lands according to the market approach method in the 2022 year-end expertise report is TL 753,885,000.

4.2. ISTANBUL SAMANDIRA LAND

Province	: Istanbul
District	: Sancaktepe
Island/Parcel	: 6770/2
Purchase Date	: 09.12.2016
Purchase Cost (including fees)	: TL 63.750.000
Appraisal Date	: 20.12.2022
Appraisal Value	: TL 262.800.000

17.518,17 m² of land zoned for commerce + housing, located in Samandira Neighborhood, Sancaktepe District, Sancaktepe District, Istanbul Province and registered in the title deed as parcel 243EE4D, block 6770, parcel 2, was purchased on 09.12.2016 for TL 63.750.000 including fees.

Aiming to develop a mixed-use project on the parcel, the “Sancaktepe Mixed Project Design Tender” was launched on 16.02.2022. The work in question was awarded to Mental Design Project Development and Construction Industry Trade Limited Company and design works are in progress.

The fair value of our land according to the market approach method in the 2022 year-end appraisal report is TL 262,800,000.

4.3. ANKARA ETIMESGUT LANDS

Province	: Ankara
District	: Etimesgut
Island/Parcel	: 48750/1 and 48744/5
Purchase Date	: 12.04.2000
Purchase Cost	: TL 205.928,64
Appraisal Date	: 25.11.2022
Appraisal Value	: TL 6.795.000

The immovables are land plots registered on block 48750, parcel 1 and block 48744, parcel 5 in Erler Neighborhood, Etimesgut District, Ankara Province. Since the lands are located in the Energy Transmission Line area, there is no construction on it. The parceling plan numbered 85170/1, in which the immovables belonging to our institution are located, was canceled with the decision of Ankara 5th Administrative Court dated December 04, 2018 and numbered

2018/2472, and the legal process continues. The area of the land on block 48750, parcel 1 is 19.023 m² and Vakıf REIT's share is 2.111/19.023. The land on block 48744, parcel 5 is 2.399 m².

The fair value of our land according to the market approach method in the 2022 year-end appraisal report is TL 6,795,000.

4.4. ISTANBUL SAMANDIRA 100 PARCEL LAND

Province	: Istanbul
District	: Sancaktepe
Island/Parcel	: 100
Purchase Date	: 12.08.2022
Purchase Cost	: TL 125.000.000
Appraisal Date	: 30.12.2022
Appraisal Value	: TL 160.780.000

Located in Istanbul Province, Sancaktepe District, Samandira Neighborhood, Parcel 100, the 21.000m² land has a split layout, H (max): 12,50 meters, TAKS: 0.40 KAKS: 1.00 construction conditions. According to the valuation report dated 27.07.2022, the fair value of the land was appraised as 130.523.774,-TL and the land was included in our portfolio on 12.08.2022 for 125.000.000,-TL. According to the valuation report dated 30.12.2022, the value of the land was appraised as 160.780.000,-TL.

4.5. KOCAELI GEBZE CAYIROVA LAND

Province	: Kocaeli
District	: Gebze
Island/Parcel	: 6365/8
Purchase Date	: 02.09.2022
Purchase Cost	: TL 167.500.000
Appraisal Date	: 28.12.2022
Appraisal Value	: TL 312.600.000

In Kocaeli Province, Gebze District, Cayirova Neighborhood, 6365/8 Parcel, 28.414 m² of land with a size of 1/1000 Scale Gebze Revision Implementation Zoning Plan, within the “Trade Area” suitable for construction with storage function, with a split layout, 12 floors, H (max): 36.50 meters, KAKS: 1.98 construction conditions, the land was included in our portfolio on 02.09.2022 at a price of 167.500.000,-TL against the real estate value of 210.241.158,-TL determined by the valuation report dated 18.08.2022. According to the valuation report dated 28.12.2022, the value of the land was appraised as 312.600.000,-TL.

5. INVESTMENTS BASED ON PROPERTY ACQUISITION

5.1. NIDAPARK KUCUKYALI PROJECT

Province	: Istanbul
District	: Maltepe
Island/Parcel	: 16772/1
Purchase Date	: 30.11.2018
Purchase Cost	: TL 24.972.192
Appraisal Date	: 20.12.2022
Appraisal Value	: TL 175.580.000

On November 30, 2018, our Company invested in a total of 102 independent units with a gross sales area of 439.61 m² in the office towers of blocks B10 and B11 of the Nidapark Kucukyali Project, registered in Kucukyali Neighborhood, Maltepe District, Istanbul Province, block 16772, parcel number 1.A total of 102 independent units with a gross sales area of 439.61 m² were invested by our Company on November 30, 2018 with an initial purchase cost of TL 220,747,788 + VAT.

According to the additional protocol signed on October 13, 2020, the gross sales area is 20,427.73 m² and the number of independent units is 106.

As of 31.12.2022, contract rights of 94 real estate properties have been transferred and 424,203,230.99 TL revenue has been obtained.

According to the valuation report dated December 20, 2022, the revenue value of the 12 independent units owned by our Company in today's market conditions will be TL 175,580,000 + VAT.

6. REAL ESTATE PORTFOLIO DEVELOPMENT and DEVELOPMENTS IN INVESTMENTS

Our Company attaches importance to the fact that its real estate portfolio consists of properties that have been qualitatively and financially analyzed and whose risk impact has been reduced. Feasibility studies and real estate appraisals are carried out for all of the real estate included in the portfolio to identify the right target groups, and these studies are taken as a basis for purchasing and leasing.

In order to achieve its investment targets, our Company has adopted the principle of including in its portfolio real estate properties with different characteristics that are safe, efficient, stable and with high income-generating factors and without risk parameters by keeping up-to-date with the global and national real estate market and taking new investment actions.

DIRECT OR INDIRECT SUBSIDIARIES OF THE COMPANY

JOINT ACTIVITIES

Joint operations arise when the parties that have joint control of an arrangement have rights to the assets and obligations for the liabilities related to that arrangement. A joint operation participant is evaluated based on its assets, liabilities, revenues and costs. The assets, liabilities, equity items, income and expense accounts and cash flows of joint operations

are included in the financial statements on a proportionate consolidation basis and intra-group transactions, balances and unrealized gains/losses arising from these joint operations are eliminated from the financial statements.

Joint Activities	Field of Activity	Enterprising Partners
Halk REIT - Vakıf REIT Ordinary Partnership ("Halk - Vakıf")	Housing project	Halk REIT Inc.
Vakıf REIT - Obakoy Ordinary Partnership ("Vakıf - Obakoy")	Housing project	Obakoy Real Estate Development Construction Investment Contracting Industry and Trade Joint Stock Company ("Obakoy")

HALK REIT - VAKIF REIT

Halk REIT - Vakıf REIT was established as an ordinary partnership with the project partnership agreement signed on August 29, 2014 and became operational on October 16, 2014. Halk REIT - Vakıf REIT was established with a capital of TL 100,000 and 50% and 50% shares, and the purpose of the established partnership is to develop a housing project in Sancaktepe Istanbul. The Company purchased the land located in Sancaktepe district of Istanbul province with a surface area of 95.221,84 m² for a consideration of TL 110.000.000 + VAT, 50% to be paid by Vakıf REIT and 50% to be paid by Halk REIT.

VAKIF REIT - OBAKOY

Vakıf REIT - Obakoy was established as an ordinary partnership with the project partnership agreement signed on April 29, 2016 and started its operations on April 29, 2016. Vakıf-Obakoy was established with a capital of TL 100,000 and a 50% shareholding and the purpose of the partnership is to develop a housing project in Maltepe Istanbul. The Company has purchased a land plot with a surface area of 15.268 m² located in Maltepe district of Istanbul province for TL 66.971.250, 50% of which will be paid by Vakıf REIT and 50% by Obakoy. According to the decision of the Board of Directors numbered 2018/4 taken on January 31, 2018, the Company has decided to increase its share in the Ordinary Partnership established with Obakoy Real Estate Development Construction Investment Contracting Industry and Trade Joint Stock Company (Obakoy) to develop a project on a residential zoned land of 15.268 m² of residential zoned land located in Maltepe district of Istanbul province, Istanbul and in which the Company has a 50% share, to increase its share in the Ordinary Partnership to 99% by signing a protocol. Until January 31, 2018, Vakıf REIT has paid Obakoy 49% (equivalent to TL 42.151.214) of the investment amount (investment amount consists of the land purchased and the development expenditures made on the land) shared by the two Partners until January 31, 2018, as well as TL 14.680.400 as share transfer fee, in total TL 56.831.614.

The amount between the fair value of the project partnership and the fair value of the net assets in the financial statements prepared as of the date of change in Vakıf REIT's shareholding rate is classified under intangible assets as goodwill arising as a result of purchase accounting in the financial statements. As of December 31, 2022, the amount of goodwill is TL 14.631.400. Goodwill arising from the business combination will be expensed gradually over the sales rate of the project with the delivery of the project and there will be no goodwill in the financial statements when the project is sold and delivered.

5.5. OTHER FINANCIAL INFORMATION

KEY RATIOS

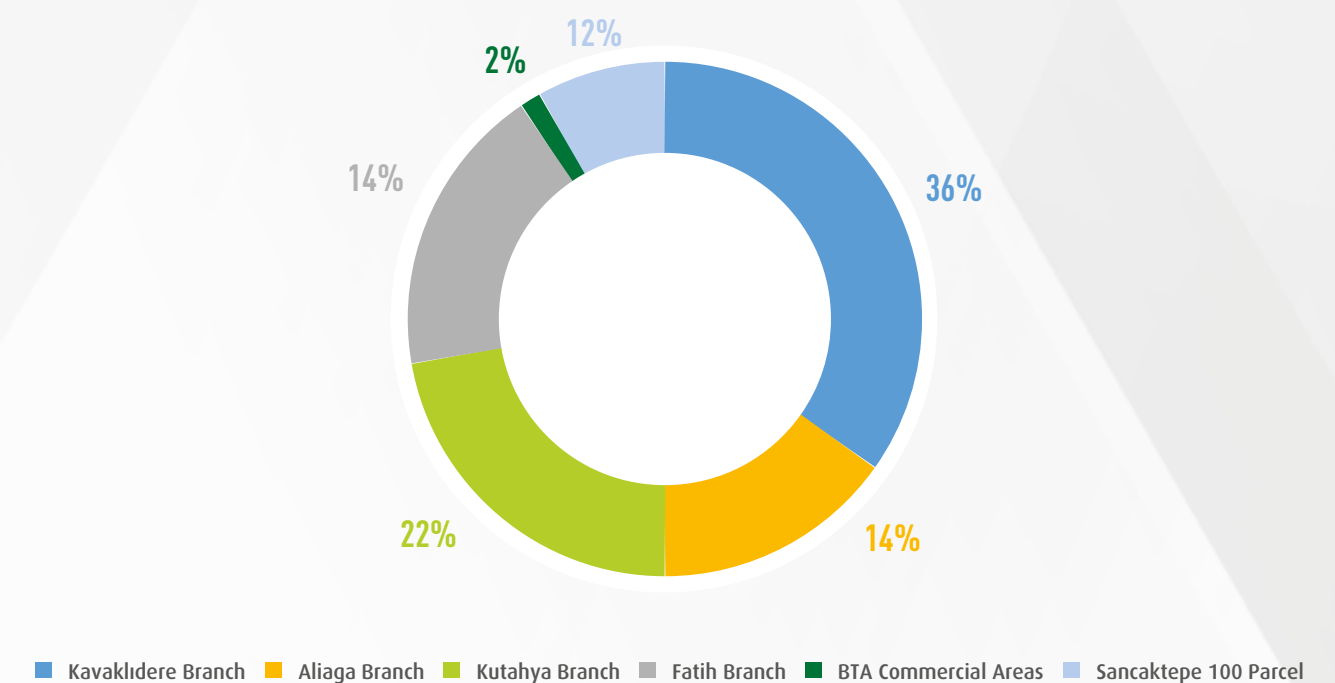


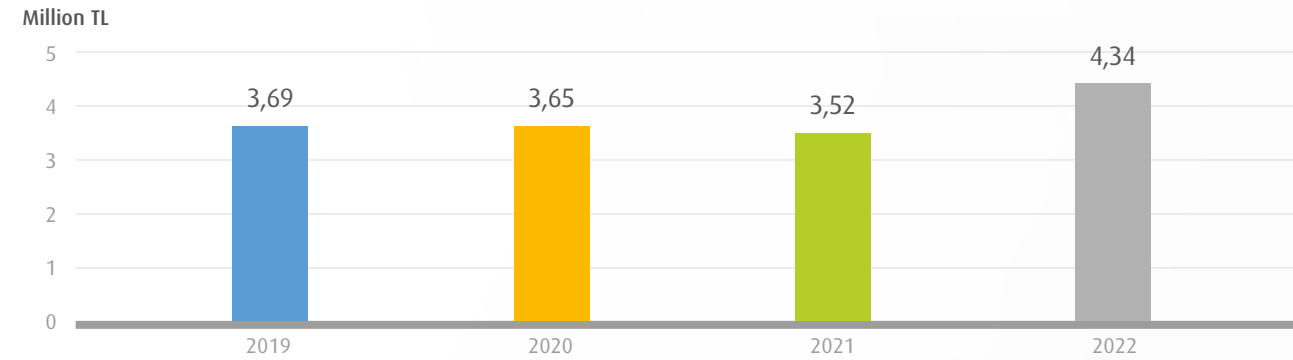
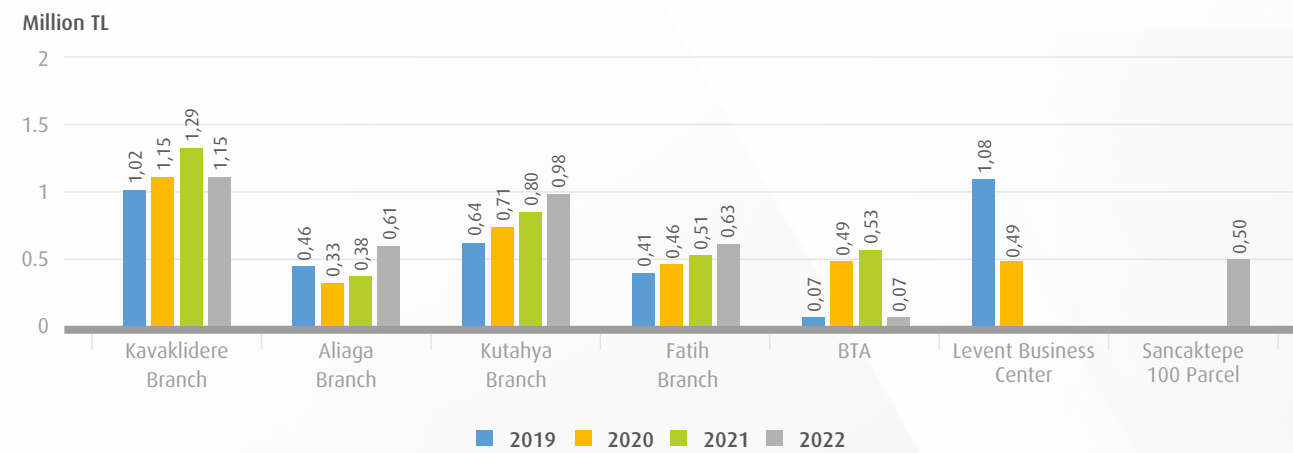
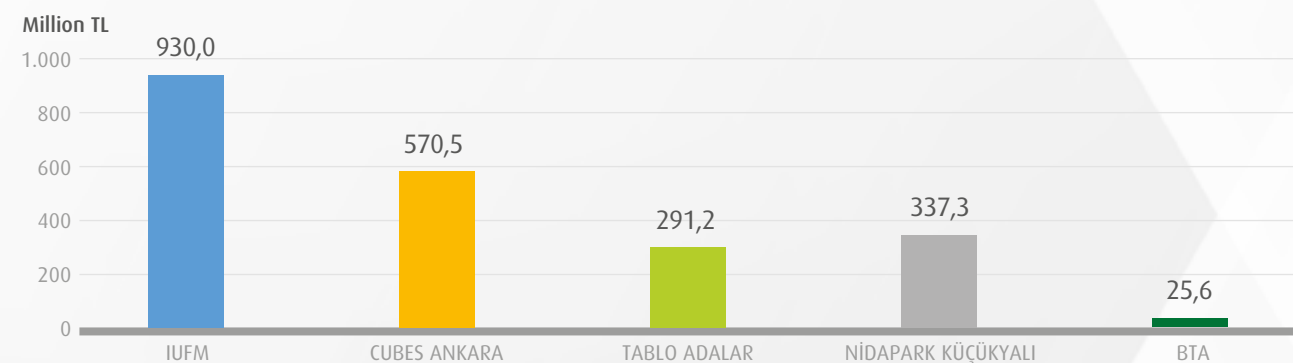
SALES AND RENTAL INCOME

As can be seen from the table below, rental income has been obtained regularly within the framework of the lease agreements of the real estates in the Company's portfolio during the period.

2022	Kavaklıdere Shop	Aliaga Business Center	Aliaga Housing	Kütahya Business Center	Fatih Business Center	Istanbul Sancaktepe 100 Parcel	Bizimtepe Aydos Commercial Units	Total
January	128.915	37.823	4.144	67.323	43.479	-	15.892	297.576
February	128.915	37.823	5.212	82.524	53.297	-	16.108	323.879
March	128.915	37.823	8.818	82.524	53.297	-	14.678	326.055
April	128.915	37.823	10.847	82.524	53.297	-	7.297	320.704
May	128.915	37.823	12.924	82.524	53.297	-	7.297	322.781
June	128.915	37.823	16.780	82.524	53.297	-	2.225	321.564
July	128.915	37.823	16.780	82.524	53.297	-	1.875	321.214
August	128.915	37.823	16.780	82.524	53.297	100.000	1.875	421.214
September	128.915	37.823	16.780	82.524	53.297	100.000	1.875	421.214
October	128.915	37.823	16.780	82.524	53.297	100.000	1.699	421.038
November	128.915	37.823	16.780	82.524	53.297	100.000	-	419.339
December	128.915	37.823	17.638	82.524	53.297	100.000	-	420.197
TOTAL	1.546.985	453.879	160.261	975.088	629.744	500.000	70.822	4.336.777

2022 Rental Income Rates (%)



Total Rental Income by Year (TL)**Total Rental Income by Years (TL)****2022 Sales Revenues (TL)****FINANCING SOURCES AND RISK MANAGEMENT POLICIES OF THE BUSINESS**

As of December 31, 2022, there are letters of guarantee given amounting to TL 95.297.575, the details are as follows

Location Given	Project	Amount (TL)
İller Bank Inc.	Istanbul International Finance Center Project	93.217.499
Ankara 25th Civil Court of First Instance	Cubes Ankara Project	270.000
Istanbul 23rd Execution Office	Bizimtepe Aydos Project	121.076
Istanbul 7th Execution Office	Bizimtepe Aydos Project	77.500
Istanbul 6th Execution Office	Bizimtepe Aydos Project	116.500
Istanbul 18th Directorate of Execution	Bizimtepe Aydos Project	120.000
Istanbul 8th Enforcement Directorate	Bizimtepe Aydos Project	230.000
Istanbul Metropolitan Municipality	Sancaktepe Mixed Project	1.145.000
Total		95.297.575

In the event that the buyers of the houses and offices in the ongoing projects of the Company purchase by using the housing/office loans from the banks contracted by the Company within the scope of the related projects, it represents the guarantee amount given to the banks in return for the loan amount. The ratio of other GPMs given by the Company in this context to the Company's equity is 12,03% (December 31, 2020: 15,36%). The details as of December 31, 2022 and December 31, 2021 are as follows.

	December 31, 2022		December 31, 2021	
	Under Guarantorship Sales Made	Company Share	Sales made within the scope of Guarantorship	Company Share
Cubes Ankara Project (100%)	64.300.665	64.300.665	21.246.099	21.246.099
Bizimtepe Aydos Project (50%)	-	-	1.115.445	557.723
Tablo Adalar Project (99%)	255.787.892	253.230.013	80.325.503	79.522.248
Total	320.088.557	317.530.678	102.687.047	101.326.070

On July 6, 2020, the "Cubes Ankara Project", which has a 15% construction progress level, was transferred to the Company. As of December 31, 2022, the total amount of GPMs given in favor of third parties in relation to this transfer is TL 161,154,991. The Company monitors the amounts of the independent units for which a sales promise agreement has been signed and collections have been made by the owner of the previous project under contingent liabilities. The relevant independent sections will be delivered to the customers when the construction is completed.

As of December 31, 2022, the Company has short and long term loans from banks amounting to TL 217,089,626. As of the current situation of our Company, the risks foreseen in this context are under control.

No incentives were utilized in the projects realized by our Company.

The Company did not issue any capital market instruments in 2022.

A young girl with long blonde hair is seen from behind, sitting on a large, weathered log in a forest. She is wearing a tan-colored trench coat, a matching wide-brimmed hat with a dark ribbon and small white flowers, and bright orange leggings. She is holding a large, vibrant yellow maple leaf in her right hand. She is wearing white boots with fur trim. The ground is covered in fallen autumn leaves in shades of orange, yellow, and brown. The background is a dense forest of trees with similar foliage, creating a warm, golden atmosphere. The lighting suggests it might be late afternoon or early morning.

6

DECLARATIONS OF COMPLIANCE

DECLARATIONS OF COMPLIANCE

6.1. STATEMENT OF COMPLIANCE WITH THE INTEGRATED ANNUAL REPORTING FRAMEWORK AND SUSTAINABILITY ACCOUNTING STANDARDS (SASB)

INTEGRATED ANNUAL REPORT 2022 VAKIF REIT

EFQM Registered Corporate Governance Assessor Opinion

General Assembly of Vakif Real Estate Investment Trust Joint Stock Company

As detailed in the “Integrated Annual Reporting Framework and SASB Compliance” Table below, the Integrated Annual Report 2022;

- The European Union’s corporate Common Assessment Framework (CAF) and the European Foundation for Quality Management’s (EFQM) sustainable performance management model, the EFQM Model, form the Integrated Annual Reporting Framework,
 - The EFQM Model criteria that constitute the Integrated Annual Reporting Framework are more inclusive and in line with the GRI - Materiality Disclosure Index,
- Integrated Annual Report, which is the integrated reporting of the Annual Report and Sustainability Report 2022;
- Given the comparison of IFRS-SASB, which defines international sustainability accounting standards, with the REIT Sector SASB standard (SASB Real Estate Sustainability Accounting Standard, v. 2018-10);
 - Vakif REIT’s material sustainability issues are in line with the SASB materiality approach and Vakif REIT focuses on 7 material issues, while SASB has identified 4 material issues that need to be disclosed,
 - Sustainability Performance Metrics were found to be more inclusive and in line with SASB Statement Metrics.

Dr. Aydın Kosova
Kosova Consulting and Training Services Ltd. Sti.

INTEGRATED ANNUAL REPORTING FRAMEWORK AND SASB COMPLIANCE

Report Content	Integrated Reporting Framework		SASB - REIT Industry Standard	
	EFQM/CAF Management Model	GRI Index	Sustainability Declaration Subject	Sustainability Accounting Disclosure Metric
1.ABOUT Vakif REIT	0. (Basic Information)	102, 203		
1.1. History and Shareholding Structure	0.1.	102-22		
1.2. Vakif REIT Organization Chart	0.5 – Annex.1	102-22		
1.3. Vakif REIT Milestones	0.1.	102-12		
1.4. Strategic Direction	0.2	102-12		
1.5. Business Results	K7.1, K7.2, K7.7	203-2		
1.6. Economic and Sectoral Situation	0.2, K1.2			
1.7. Our Projects	K4, K7	102-6, 203-1		
2.OUR INTEGRATED MANAGEMENT MODEL				
2.1. REIT Ecosystem	0.1, K1.3			
2.2. Our Stakeholders	0.4, K1.2, K3, K6	102-21,102-37, 204-1		
2.3. Our Business Model	0.5, K1, K5.1			
2.4. Value Creation	K4	201-1, 203-1		
2.4.1. Designing Value	K4.1	102-37		
2.4.2. Producing Value	K4.3	201-1		
2.4.3. Presentation and Communication of Value	K4.1, K4.3			
2.4.4. Managing Sustainable Relationships and Experience	K4.4			
2.5. Corporate Governance	K2.4, K3.3, K5.1			
2.5.1. Corporate Governance Process	K5.1			
2.5.2. Board of Directors Control Activities	K5.1	102-22, 102-29		
2.6. Sustainability Management	K2	201-2, 203-1, 203-2		
2.6.1. Sustainability Dimensions	K1.4	201-2		
2.6.2. Sustainability Processes	K1.5			
2.6.3. Sustainability Strategies	K1.4	201-2		
2.6.4. Sustainability Prioritization	K1.4			
3.STRATEGIC MANAGEMENT	K1			
3.1. Current Situation Analysis	K1.2, K1.3	102-21, 102-37		
3.2. Direction Determination	K1.1			
3.3. Strategy Development	K1.4	201-2, 203-1, 203-2		
3.4. Prioritization and Creating the Performance Program	K1.4			
3.5. Performance Monitoring and Evaluation	K1.5			
3.6. Strategic Performance	K7	203-2		
4. SUSTAINABILITY PERFORMANCE RESULTS	K6, K7			
4.1. Environment	K6.4, K7			
4.1.1. Priority Issues	K7			
• Energy Management		302-1, 302-4		IF-RE-130a
• Water & Waste Water Management		303-1a		IF-RE-140a
4.1.2. Second Priority Issues	K7			
• Greenhouse Gas Emissions		305-1		
4.2. Social Capital	K6			
4.2.1. Priority Issues	K6			
• Stakeholder Happiness / Well-being				
• Product Quality & Safety		417-1, 417-2		

Report Content	Integrated Reporting Framework		SASB - REIT Industry Standard	
	EFQM/CAF Management Model	GRI Index	Sustainability Declaration Subject	Sustainability Accounting Metric
4.2.2. Second Priority Issues	K6, K7.3			
• Human Rights & Public Relations				
• Corporate Social Responsibility		304-1, 413-2		
• Customer Privacy & Data Security				
4.3. Human Capital	K6.2, K7.3			
4.3.1. Priority Issues	K6.2, K7.3			
• Employee Satisfaction		404-1,2, 404-3		
4.3.2. Second Priority Issues	K6.2, K7.3			
• Working Conditions		202-1, 202-2, 401-2		
• Occupational Health & Safety		403-1, 403-9		
• Employee Engagement, Diversity & Inclusion		401-1,403-4,405,406,408		
4.4. Business Model & Innovation	K7.5			
4.4.1. Priority Issues	K7.5			
• Product Design & Life Cycle Management				IF-RE-410a
• Physical Impacts of Climate Change				IF-RE-450a
4.4.2. Second Priority Issues	K7.3, K7.5			
• Supply Chain Management		204-1		
• Material Procurement & Efficiency		204-1, 301-1		
• Business Model Resilience				
4.5. Leadership and Corporate Governance	K7.3, K7.5			
4.5.1. Compliance with Corporate Governance Principles		102-23, 102-24, 405-1		
4.5.2. Board Decisions and Declarations		102-24,		
4.5.3. Corporate Governance Performance Results	K7.5	102-25, 102-29		
• Corporate Governance Rating				
• Enterprise Risk Management	K5.1	102-29		
• Legal & Regulatory Compliance		205-3, 207-2		
• Business Ethics	K5.1			
5. FINANCIAL PERFORMANCE	K7.2	102-7		
5.1. Balance Sheet		207-4		
5.2. Income Statement		207-4		
5.3. Real Estate Portfolio	102-6,	203-1		
6. DECLARATIONS OF COMPLIANCE	K5.1, K7.3			
6.1. EFR and SASB Statement of Compliance				
6.2. Statement of Financial Reporting Compliance				
6.3. Annual Report Declaration of Conformity				
6.4. Board Decisions and Declarations		102-22, 102-25, 205-3, 207-2, 419-1		

6.2. FINANCIAL REPORTING COMPLIANCE STATEMENT

INDEPENDENT AUDIT OPINION

Independent Audit Organization	Audit Type	Type of Opinion
GÜNEY INDEPENDENT AUDIT AND INDEPENDENT ACCOUNTANT FINANCIAL CONSULTANCY INC.	Continuous	Positive

INDEPENDENT AUDITOR'S REPORT

General Assembly of Vakıf Real Estate Investment Trust Joint Stock Company

A) Independent Audit of Financial Statements

1) Opinion

We have audited the financial statements of Vakıf Real Estate Investment Trust Joint Stock Company ("the Company"), which comprise the statement of financial position as at December 31, 2022 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and the results of its operations for the year in all material respects, its financial performance and cash flows for the period in accordance with Turkish Financial Reporting Standards (TFRSs).

2) Basis for Opinion

We conducted our audit in accordance with standards on auditing issued by the Capital Markets Board of Türkiye and Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority (POA). Our responsibilities under these Standards are further described in the Independent Auditor's Responsibilities for the Independent Audit of the Financial Statements section of our report. We hereby declare that we are independent of the Company in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) published by POA and the ethical requirements in the regulations issued by POA that are relevant to our audit of the financial statements. Other ethical responsibilities under the Code of Ethics and legislation have also been fulfilled by us. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3) Key Audit Matters

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 were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on those matters.

Key Audit Matter	How the key audit matter is addressed in the audit
Presentation of investment properties in the financial statements and significant information disclosed	<p>We have assessed the qualifications, competencies and impartiality of the real estate appraisers appointed by the management.</p> <p>In our audit, we evaluated the appropriateness of the valuation methods used by the appraisers in the valuation reports of the investment properties selected by sampling method. The reconciliation of the values appraised by the valuation experts for the independent sections in the valuation reports to the amounts disclosed in Note 11 has been checked. In addition, we have checked the reconciliation of the inputs used in the valuation reports.</p> <p>For a sample of valuation reports, our audit procedures included examining market data against the assumptions used by the valuers in their valuations (including real discount rate, market rents and estimated occupancy rates). For this assessment, the valuation experts of another Company in our audit network were included in the studies.</p> <p>Due to the high level of judgment used in the valuation reports and the existence of alternative estimates and valuation methods, we have assessed whether the value appraised by the valuation experts is within an acceptable range for the valuation reports selected on a sample basis.</p> <p>We also questioned the appropriateness of the information provided in the financial statements and explanatory notes, taking into account the importance of the disclosed information for the readers of the financial statements.</p>
Stocks	<p>We focused on the following matters within the scope of our audit procedures related to inventories;</p> <ul style="list-style-type: none">• Comparison of development costs added to inventories in the current period with documents such as invoices and progress payment certificates,• Checking the net realizable values of inventories with valuation reports and actual sales

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with TFRSs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with standards on auditing issued by the Capital Markets Board and In AS will always detect a material misstatement when it exists. Inaccuracies may be due to 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 taken on the basis of these financial statements.

As part of an audit in accordance with standards on auditing issued by the Capital Markets Board of Türkiye and In AS, we exercise professional judgment and maintain professional skepticism throughout the audit. Also by us:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (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, as fraud may involve collusion, forgery, intentional omission, misrepresentation or violation of internal control).
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- We assess the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the 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 continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other things, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have informed those charged with governance that we comply with the ethical requirements regarding independence. We have also communicated to those charged with governance all relationships and other matters that may reasonably be thought to have an impact on independence, and we have communicated the relevant measures, if any, to those charged with governance.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in our audit of the financial statements of the current period, and are therefore key audit matters. We may decide not to disclose a matter in our auditor’s report if the legislation does not permit disclosure of the matter, or in very exceptional circumstances where the adverse consequences of disclosure could reasonably be expected to outweigh the public interest in disclosure.

B) Other Liabilities Arising from Legislation

1) Pursuant to the fourth paragraph of Article 402 of the Turkish Commercial Code No. 6102 (“TCC”), no significant matter has come to our attention that causes us to believe that the Company’s bookkeeping activities for the period January 1 - December 31, 2022, no significant matter has come to our attention that causes us to believe that the

Company's bookkeeping activities and financial statements are not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.

2) Pursuant to subparagraph 4 of Article 402 of the TCC, the Board of Directors made the necessary disclosures and provided the documents requested within the scope of the audit.

3) In accordance with subparagraph 4 of Article 398 of the TCC, the Auditor's Report on the Early Detection of Risk System and Committee was submitted to the Board of Directors on February 21, 2023.

The engagement partner on the audit resulting in this independent audit is Birkan Bilal Avcı.

Güney Independent Audit and Freelance Accountant Financial Consultancy Joint Stock Company
A member firm of Ernst & Young Global Limited
Birkan Bilal Avcı, CPA
Responsible Auditor
February 21, 2023, İstanbul, Türkiye

6.3. STATEMENT OF CONFORMITY OF ANNUAL REPORT

ANNUAL REPORT (NON-CONSOLIDATED)

INDEPENDENT AUDIT OPINION

Independent Audit Organization	Audit Type	Type of Opinion
GÜNEY INDEPENDENT AUDIT AND INDEPENDENT ACCOUNTANT FINANCIAL CONSULTANCY INC.	Continuous	Positive

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

General Assembly of Vakıf Real Estate Investment Trust Joint Stock Company

1) Opinion

We have audited the annual report of Vakıf Real Estate Investment Trust Joint Stock Company ("the Company") for the period January 1, 2022 - December 31, 2022.

In our opinion, the financial information provided in the annual report of the Board of Directors and the discussions of the Board of Directors on the Company's position are consistent, in all material respects, with the audited full set of financial statements and the information we obtained during the independent audit and presented fairly.

2) Basis for Opinion

We conducted our audit in accordance with standards on auditing issued by the Capital Markets Board of Türkiye and Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority (POA). Our responsibilities under these Standards are further described in the *Independent Auditor's Responsibilities for the Independent Audit of the Annual Report* section of our report. We declare that we are independent of the Company in accordance with the *Code of Ethics for Independent Auditors* (Code of Ethics) published by the POA and the ethical requirements in the legislation on independent auditing. Other ethical responsibilities under the Code of Ethics and legislation have also been fulfilled by us. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

We have expressed an unqualified opinion in our auditor's report dated February 21, 2023 on the full set financial statements of the Company for the period January 1, 2022 - December 31, 2022.

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

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

a) Prepares the annual activity report within the first three months following the balance sheet date and submits it to the general assembly.

b) Prepares the annual report in a way to reflect the flow of the company's activities for that year and its financial status in all aspects accurately, completely, straightforwardly, truthfully and honestly. In this report, the financial position is assessed based on the financial statements. The report also clearly indicates the development of the company and the risks it is likely to face. The Board of Directors' assessment of these issues is also included in the report.

c) The annual report also includes the following points:

- Events of special significance that occurred in the company after the end of the activity year,
- The company's research and development work,
- Financial benefits such as salaries, premiums, bonuses, allowances, travel, accommodation and representation expenses, in-kind and cash benefits, insurances and similar guarantees paid to the members of the Board of Directors and senior executives.

While preparing the annual report, the Board of Directors also takes into account the secondary legislation regulations issued by the Ministry of Trade and related institutions.

5) Independent Auditor's Responsibility for the Independent Audit of the Annual Report

Our aim is to analyze the financial information contained in the annual report and the discussions of the Board of Directors within the framework of the provisions of the Turkish Commercial Code and the Communiqué, and the audited financial statements of the Company to express an opinion on whether the financial statements are consistent with the financial statements and the information we obtained during the independent audit and whether they give a true and fair view, and to issue a report including our opinion.

We conducted our audit in accordance with standards on auditing issued by the Capital Markets Board of Türkiye and Standards on Auditing issued by POA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial information in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the financial statements and the information obtained in the audit.

The engagement partner on the audit resulting in this independent audit is Birkan Bilal Avcı.

Güney Independent Audit and Freelance Accountant Financial Consultancy Joint Stock Company
A member firm of Ernst & Young Global Limited
Birkan Bilal Avcı, CPA
Responsible Auditor
February 21, 2023, İstanbul, Türkiye

Resolution of the Board of Directors taken pursuant to Article 9 of the Communiqué on Principles Regarding Financial Reporting in Capital Markets (II-14.1);

Meeting No. : 2023/
 Meeting Date : / /2023
 Decision No. : 2023/
 Meeting Location : General Directorate

**VAKIF REAL ESTATE INVESTMENT TRUST
 BOARD OF DIRECTORS DECISION**

AGENDA: Integrated Annual Report and Sustainability Principles Compliance Report for the accounting period 01.01.2022-31.12.2022.

DECISION: The Integrated Annual Report for the 01.01.2022-31.12.2022 activity period was examined in accordance with the decision of the Audit Committee and the Sustainability Principles Compliance Report was examined in accordance with the decisions taken by the Board of Directors of our Company based on the decision of the Corporate Governance Committee. According to this;

a) Our Company's Integrated Annual Report and Sustainability Principles Compliance Report for the 01.01.2022-31.12.2022 activity period have been reviewed and accepted by us.

b) Within the framework of the information available to the Company within the scope of its duties and responsibilities, the Integrated Annual Report and the Sustainability Principles Compliance Report have been prepared in accordance with the principles set out in the. It has been observed that the disclosure does not contain any explanation that is contrary to the law or any deficiency that may result in the disclosure being misleading as of the date of the disclosure.

c) Within the framework of the information available within the scope of our Company's duties and responsibilities, it has been observed that the information on other financial matters included in the Integrated Annual Report accurately reflects the truth about our Company's financial status and results of operations.

01.01.2022-31.12.2022 Integrated Annual Report and Sustainability Principles Compliance Report.

ANNEX : 1- Audit Committee Decision dated ... /... / 2023 and numbered 2023 /
 2- Corporate Governance Committee Decision dated ... /... / 2023 and numbered 2023 /

Mikail HİDİR
 Chairman of the Board of Directors

Assoc. Dr. Şükrü Mete TEPEGÖZ
 Chairman of the Board of Directors V.

Onur İNCEHASAN
 Member

ARZU SEYAN
 Member

Tevfik ERPEK
 Member

Korhan TURGUT
 Member

Rıfat DEMİRBAŞ
 Member

Ömer DEMİR
 Member

Mustafa ŞENGÜL
 Member

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

THE BOARD OF DIRECTORS' APPROVAL OF THE INTEGRATED ANNUAL REPORT

DECISION DATE : / /2023
 DECISION NO : 2023/

**CAPITAL MARKETS BOARD
 9. PURSUANT TO ART.
 OUR DECLARATION**

a) We have reviewed the Integrated Annual Report and Sustainability Principles Compliance Report of our Company for the activity period ending on 31.12.2022, prepared in accordance with the Communiqué No. II-14.1 published by the Capital Markets Board,

b) Within the framework of the information we have within the scope of our duties and responsibilities in the Company, the Integrated Annual Report and the Sustainability Principles Compliance Report do not contain any misrepresentation of the facts on important issues or any omission that may be misleading as of the date of disclosure,

c) Within the framework of the information we have within the scope of our duties and responsibilities in the Company, we hereby declare that the Integrated Annual Report prepared in accordance with the CMB Communiqué No. II-14.1 honestly reflects the truth about the Company's assets, liabilities, financial position, profit and loss, business development and performance, together with the significant risks and uncertainties faced.

Sincerely,
 VAKIF REAL ESTATE INVESTMENT TRUST
 GENERAL DIRECTORATE

Mustafa ŞENGÜL
 Board Member

Rıfat DEMİRBAŞ
 Board Member

Onur İNCEHASAN
 General Manager

Audit Committee Decision on the Presentation of the Integrated Annual Report to the Board of Directors

Meeting No : 2023 /
 Meeting Date : / / 2023
 Decision No : 2023 /
 Meeting Place : Vakıf REIT Head Office

**VAKIF REAL ESTATE INVESTMENT TRUST
 COMPANY AUDIT COMMITTEE DECISION**

We have reviewed the Integrated Annual Report of our Company for the 01.01.2022-31.12.2022 activity period. The Integrated Annual Report does not contain any misrepresentation of the facts on any material issue or any omission that may be construed as misleading as of the date of the disclosure; and it has been seen that the information on other financial issues in the Integrated Annual Report accurately reflects the truth about the financial status and operating results of our Company, and it has been resolved to submit our opinion to the Board of Directors to approve the Integrated Annual Report for the 01.01.2022-31.12.2022 activity period, and it has been resolved to submit our opinion to the Board of Directors regarding the approval of the Integrated Annual Report for the 01.01.2022-31.12.2022 activity period.

Mustafa ŞENGÜL
 Audit Committee Chairman

Rifat DEMİRBAŞ
 Audit Committee Member

Meeting No : 2023 /
 Meeting Date : / / 2023
 Decision No : 2023 /
 Meeting Place : Vakıf REIT Head Office

**VAKIF REAL ESTATE INVESTMENT TRUST
 CORPORATE GOVERNANCE COMMITTEE DECISION**

We have examined the Sustainability Principles Compliance Report of our Company for the 01.01.2022-31.12.2022 activity period. The Sustainability Principles Compliance Report does not contain any misstatements on material issues or any omissions that may be construed as misleading as of the date of disclosure. It has been observed that the information contained in the Sustainability Principles Compliance Report as of the period to which it relates accurately reflects the truth about the operating results of our Company, and it has been resolved to submit our opinion to the Board of Directors to approve the Sustainability Principles Compliance Report for the 01.01.2022-31.12.2022, the Sustainability Principles Compliance Report for the 01.01.2022-31.12.2022 activity period was found appropriate by our Committee and it was resolved to submit our opinion to the Board of Directors for approval.

Ömer DEMİR
 Corporate Governance Committee
 Chairman

Tevfik ERPEK
 Corporate Governance Committee
 Member

Ebru BOZDOĞANGİL
 Corporate Governance Committee
 Member

6.4. DECLARATIONS OF INDEPENDENCE**DECLARATION WITHIN THE SCOPE OF THE COMMUNIQUÉ ON THE DETERMINATION AND IMPLEMENTATION OF CORPORATE GOVERNANCE PRINCIPLES**

- 1) I, my spouse and my relatives by blood or marriage up to the second degree have no employment relationship with the company, partnerships in which the company has management control or significant influence, shareholders who control the management of the company or have significant influence in the company and legal entities in which these shareholders have management control, and myself, my spouse and my relatives by blood or marriage up to the second degree; I have not been employed in a managerial position to assume important duties and responsibilities in the last five years, I do not own more than 5% of the capital or voting rights or privileged shares together or alone, or no significant commercial relationship has been established,
- 2) Within the last five years, within the framework of the agreements made, the company has provided significant services or products, primarily auditing (including tax audit, statutory audit, internal audit), rating and consultancy of the company. I have not worked as a partner (5% or more), in a managerial position to assume important duties and responsibilities, or as a member of the Board of Directors in companies that purchase or sell services or products during the periods when services or products are purchased or sold,
- 3) I have the professional training, knowledge and experience to duly 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 member, except for university faculty membership, provided that it is in accordance with the legislation to which they are affiliated,
- 5) I am deemed to be a resident of Türkiye according to the Income Tax Law (G.V.K.),
- 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 shareholders, and to make decisions freely by taking into account the rights of stakeholders,
- 7) I have not served as a member of the Board of Directors of the Company for more than six years within the last ten years,
- 8) I am able to allocate time for company affairs to the extent that I can follow the functioning of the company activities and fully fulfill the requirements of the duties I have undertaken,
- 9) I am not serving as an Independent Member of the Board of Directors in more than three of the companies controlled by the company or the shareholders who control the management of the company 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 the event that a situation arises that removes my independence, I will immediately convey this situation to the board of directors to be disclosed on PDP with its justification, simultaneously convey this situation and its justification to the Board in writing and resign in principle,

I declare, accept and undertake.
Rifat DEMİRBAŞ

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

1) I, my spouse and my relatives by blood or marriage up to the second degree have no employment relationship with the company, partnerships in which the company has management control or significant influence, shareholders who control the management of the company or have significant influence in the company and legal entities in which these shareholders have management control, and myself, my spouse and my relatives by blood or marriage up to the second degree; I have not been employed in a managerial position to assume important duties and responsibilities in the last five years, I do not own more than 5% of the capital or voting rights or privileged shares together or alone, or no significant commercial relationship has been established,

2) In the last five years, within the framework of the agreements made, the company has provided significant services or products, primarily auditing (including tax audit, statutory audit, internal audit), rating and consultancy of the company. I have not worked as a partner (5% or more), in a managerial position to assume important duties and responsibilities, or as a member of the Board of Directors in companies that purchase or sell services or products during the periods when services or products are purchased or sold,

3) I have the professional training, knowledge and experience to duly 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 member, except for university faculty membership, provided that it is in accordance with the legislation to which they are affiliated,

5) I am deemed to be a resident of Türkiye according to the Income Tax Law (G.V.K.),

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 shareholders, and to make decisions freely by taking into account the rights of stakeholders,

7) I have not served as a member of the Board of Directors of the Company for more than six years within the last ten years,

8) I am able to allocate time for company affairs to the extent that I can follow the functioning of the company activities and fully fulfill the requirements of the duties I have undertaken,

9) I am not serving as an Independent Member of the Board of Directors in more than three of the companies controlled by the company or the shareholders who control the management of the company 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 the event that a situation arises that removes my independence, I will immediately notify the board of directors to be disclosed on PDP with its justification, simultaneously notify the Board of Directors in writing about this situation and its justification, and resign in principle,

I declare, accept and undertake.
Ömer DEMİR

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

1) I, my spouse and my relatives by blood or marriage up to the second degree have no employment relationship with the company, partnerships in which the company has management control or significant influence, shareholders who have management control or significant influence in the company and legal entities in which these shareholders have management control, and myself, my spouse and my relatives by blood or marriage up to the second degree; I have not been employed in a managerial position to assume important duties and responsibilities in the last five years, I do not own more than 5% of the capital or voting rights or privileged shares together or alone, or no significant commercial relationship has been established,

2) Within the last five years, within the framework of the agreements made, the company has provided significant services or products, primarily auditing (including tax audit, statutory audit, internal audit), rating and consultancy of the company. I have not worked as a partner (5% or more), in a managerial position to assume important duties and responsibilities, or as a member of the Board of Directors in companies that purchase or sell services or products during the periods when services or products are purchased or sold,

3) I have the professional training, knowledge and experience to duly 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 member, except for university faculty membership, provided that it is in accordance with the legislation to which they are affiliated,

5) I am deemed to be a resident of Türkiye according to the Income Tax Law (G.V.K.),

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 shareholders, and to make decisions freely by taking into account the rights of stakeholders,

7) I have not served as a member of the Board of Directors of the Company for more than six years within the last ten years,

8) I am able to allocate time for company affairs to the extent that I can follow the functioning of the company activities and fully fulfill the requirements of the duties I have undertaken,

9) I am not serving as an Independent Member of the Board of Directors in more than three of the companies controlled by the company or the shareholders who control the management of the company 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 the event that a situation arises that removes my independence, I will immediately notify the board of directors to be disclosed on PDP with its justification, simultaneously notify the Board of Directors in writing about this situation and its justification, and resign in principle,

I declare, accept and undertake.
Mustafa ŞENGÜL

6.5. STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLE

- In 2022, our Company complied with all of the compulsory principles of the Capital Markets Board Corporate Governance Communiqué (II-17.1) and complied with the following non-compulsory principles:

Legislation Article	Compliance Status
1.3. Whether the documents related to the general assembly meeting are available in English simultaneously with Turkish	The documents related to the general assembly meeting were presented in English simultaneously with Turkish and the principles were complied with.
2.1.3. Financial statement disclosures, excluding material events and footnotes, which are required to be disclosed to the public pursuant to capital markets legislation, are disclosed on the PDP in English simultaneously with Turkish.	Our Company has started to disclose its Financial Statement disclosures in English, and other PDP disclosures have also started to be disclosed in English in 2023.
Providing information on operational and financial performance targets and whether they have been achieved in the Annual Report	Information on operational and financial performance targets and their achievement is included in the annual report.
3.2.1. Stakeholders are adequately informed about company policies and procedures regarding the protection of their rights through the corporate website.	Compensation Policy, Customer Satisfaction Policy, Occupational Health and Safety Policy, Human Rights and Employee Rights Policy, Board of Directors Meetings Procedurer, Procedure for Employee Participation in Management Bodies, Corporate Social Responsibility Policy and Equal Opportunity, Diversity and Gender Equality Policy have been added to the website.
3.2.1. Models that support the participation of stakeholders, particularly company employees, in company management are developed in a manner that does not hinder company operations. Such models adopted by the Company are included in the Company's internal regulations or articles of association.	A Procedure on Employee Participation in Governance Bodies was created and added to the website.
3.2.2. Stakeholders' opinions are taken in important decisions that have consequences for stakeholders.	The Procedure on Employee Participation in Governance Bodies has been added to the website.
3.3.3. The Company has a Human Resources Development Policy and organizes trainings for employees within this scope.	A Human Resources Development Policy is in place and published on the website. Trainings are organized in this context.
4.2.8. Any damage to the Company caused by the members of the Board of Directors due to their faults during the execution of their duties shall be insured for an amount exceeding 25% of the Company's capital and this matter shall be disclosed on the Public Disclosure Platform.	In 2022, Vakıfbank took out an insurance policy to cover its subsidiaries. This information was disclosed on PDP.
4.3.9. The Company has set a minimum target of 25% for the ratio of female members on the board of directors and established a policy to achieve this goal. The composition of the Board of Directors is reviewed annually and the nomination process is carried out in accordance with this policy.	(There is partial incompatibility) The Company has determined a company policy for the ratio of female members on the Board of Directors and disclosed it on its website. There are no regulations restricting the presence of women members on the Company's Board of Directors. There is 1 female member on the Company's Board of Directors.
3.3.1. When creating recruitment policies and career planning, the principle of providing equal opportunities to people under equal conditions is adopted. In cases where it is foreseen that changes in executive duties may cause disruptions in the management of the company, a succession plan is prepared to determine the new executives to be appointed.	In cases where it is foreseen that executive changes may cause disruptions in the management of the company, succession planning has been made and added to the HR Policy.

- In 2022, our Company did not comply with the following principles, which are not mandatory to be complied with, for the reasons stated below:

Legislation Article	Reason for Non-Compliance
1.4.2. Voting privileges are avoided. In case there are voting privileges, it is essential to remove the privileges that prevent the representation of the holders of publicly traded shares in the management.	In the election of the members of the Board of Directors, each Group A share has 15 (fifteen) voting rights and each Group B share has 1 (one) voting right.
1.5.2. Minority rights may also be granted by the articles of association to holders of less than one-twentieth of the share capital. The scope of minority rights may be expanded by the articles of association.	There is no provision in the Articles of Association granting minority rights to shareholders holding less than one twentieth of the share capital.
3.3.5. Decisions taken with regard to employees or developments concerning employees shall be notified to employees or their representatives, and the opinions of the relevant trade unions shall be sought for such decisions.	(There is partial incompatibility) Decisions that may affect employees are communicated to them.
3.3.6. Job descriptions and performance criteria were prepared in detail for all employees, announced to employees and used in remuneration decisions.	(There is partial incompatibility) Job descriptions and performance criteria have been prepared and announced to the staff, but are not yet reflected in remuneration.
3.3.8. The Company supports the effective recognition of the right to freedom of association and collective bargaining.	There is no regulation on this issue.
4.4.7. The board member allocates sufficient time for company affairs. In the event that a member of the board of directors is an executive or a member of the board of directors in another company or provides consultancy services to another company, it is essential that this situation does not lead to a conflict of interest and does not hinder the member's duties in the company. In this context, the member's taking on other duties or tasks outside the company is subject to certain rules or restricted. The duties of the member of the board of directors outside the company and the reasons thereof are submitted for the information of the shareholders together with the agenda item related to the election at the general assembly meeting where the election of the member of the board of directors is discussed, by making a distinction between in-group and out-group.	Members of the Board of Directors are not restricted from assuming other duties or tasks outside the Company, and the provisions of the Turkish Commercial Code regarding the prohibition of competition are complied with. It is ensured that he/she is able to allocate time for company affairs to the extent that he/she can follow the functioning of the Company's activities and fully fulfill the requirements of his/her duties.
4.5.5. Care is taken to ensure that a board member does not serve on more than one committee.	As a result of the reduction of the number of members of the Board of Directors to 9 members, the number of independent members has been reduced to 3 members; therefore, a member of the Board of Directors could not serve in only one committee.

- Our Company's Corporate Governance Compliance Report for 2022 Pursuant to the CMB's decision dated 10/01/2019 and numbered 2/49, our Company's Corporate Governance Compliance Reporting, prepared in accordance with the Corporate Governance Communiqué No. II-17.1, was made through the PDP Platform, using the Corporate Governance Compliance Report (URF) and Corporate Governance Information Form (KYBF) templates. The reports are also presented to our investors in the appendix of the integrated annual report;

- <https://www.kap.org.tr/en/cgif/4028e4a140f2ed72014101a0d3b501f7>
- <https://www.kap.org.tr/en/sirket-bilgileri/ozet/1116-vakif-gayrimenkul-yatirim-ortakligi-a-s>
- [Vakıf REIT : Compliance with the Corporate Governance Principles Report \(vakifgyo.com.tr\)](https://www.vakifgyo.com.tr)

links are also available.

- After the 2021 Fiscal Year Ordinary General Assembly Meeting held on March 31, 2022, Committees were formed and announced in accordance with the Corporate Governance Principles together with the distribution of duties of the Board of Directors. The Committees established within this scope consist of at least two members. Care has been taken to ensure that independent members are the Committee Chairmen. Care has been taken to ensure that a board member does not serve on more than one committee. The Investor Relations Manager serves as a member of the Corporate Governance Committee.

6.6. CONSULTING SERVICES AND DECLARATION OF CONFLICT OF INTEREST

Our Company receives the Independent Audit services for 2022 from Guney Independent Audit and Freelance Accountant Financial Consultancy Joint Stock Company and full attestation services from HSY Independent Audit and Certified public accountant joint stock company.

A Corporate Governance Rating Agreement has been signed between our Company and Kobirate International Credit Rating and Corporate Governance Services Joint Stock Company for a term of one year to be effective as of June 23, 2022.

A one-year contract was signed with Jcr Avrasya Rating Joint Stock Company to measure the creditworthiness of our Company.

Since the Company has a portfolio manager with a license certificate employed by the Company for investment consultancy and portfolio management, the Company did not need an institution for additional services.

In 2022, the Company received services from Aden Real Estate Valuation and Consultancy for each asset in our portfolio that requires valuation, and from Arge Real Estate Valuation and Consultancy and Aden Real Estate Valuation and Consultancy for the valuation of assets that may be included in our portfolio during the year and require valuation.

Within the scope of the Istanbul International Finance Center Project, as of 2022, our company has been providing project management services to Entegre Project Management Consulting Engineering Trading Comapny and Tabanlıoğlu Architecture INC. for professional supervision services.

Within the scope of the Tablo Adalar Project, as of 2022, the project management service is provided by Erya Engineering Project Management Trade and the professional supervision service is provided by Tabanlıoğlu Architecture Joint Stock Company.

Within the scope of Izmir Konak Karma Project, ground consultancy services are provided by SG Consultancy Engineering Geotechnical And Environmental Services as of 2022.

Within the scope of Cubes Ankara Project, as of 2022, Erya Engineering Project Management Trade Joint Stock Company will provide project management services and Lejant Architecture Construction Ltd. will provide professional supervision services. Company from Innobuild Cephe Dan. And Eng. Ltd. Company, Fire Consultancy services from Alara Project Engineering Production Construction Commitment Trade And Industrial Limited Company and elevator consultancy services from Bylift Elevator Automation Consultancy Industry And Trade Limited Company.

Our company has procured 27001 Information Security Management System consultancy service from Volfram Information Technologies Trade Limited Company in order to provide the services of analyzing the difference required by the administration within the scope of ISO 27001 ISMS, determining the scope, preparing the relevant documents, making preliminary preparations for the certification audit, and completing the documents determined to be missing after the audit.

In the real estate sector, our company has established its own Corporate Resource Management system in accordance with the growing market and its corporate structure, and has strengthened its competitiveness in the short, medium and long term. and support its growth policy, provide fast, accurate and reliable data flow in the decision support process, increase the productivity of the organization and its employees, increase the efficiency of them will consolidate information resources and business processes on an integrated and manageable system, which can be managed on a process-based basis, and will enable cost management. Agc Erp Srvc. provided consultancy and support services for the ERP product purchased in order to create a structure in which information technologies can be used effectively and efficiently with high efficiency and flexibility. Write. Ltd. Company has provided it.

Managing change and transformation effectively and raising Vakıf REIT's corporate performance to a distinctive and sustainable superior performance level. Within the scope of the "Corporate Development Project" initiated with the aim of enhancing corporate development, Kosova Consulting Ltd. was engaged in Strategic Planning, Corporate Risk Management, Process Management, Corporate Culture Management and monitoring of corporate development company for consultancy services.

There has been no conflict of interest with the aforementioned individuals and organizations.

APPENDICES



ANNEX1- CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

Vakif Real Estate Investment Trust 2022 Corporate Governance Compliance Report						
	Compliance Status					Description
	Yes	Partially	No	Exempt	Disinterested	
1.1. Facilitating the Exercise of Shareholder Rights						
1.1.2-Up-to-date information and explanations that may affect the exercise of shareholders' rights are made available to investors on the corporate website.	x					
1.2. Right to Information and Inspection						
1.2.1-The Company management has refrained from taking actions that 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 given under a separate heading.	x					
1.3.7-Persons with privileged access to partnership information have informed the board of directors to be added to the agenda in order to ensure that the general shareholders' meeting is informed about the transactions carried out on their behalf within the scope of the partnership's field of activity.					x	
1.3.8-The members of the board of directors, other related persons, authorized persons who are responsible for the preparation of the financial statements and auditors were present at the general shareholders' meeting.	x					
1.3.10-In the agenda of the general assembly, the amounts of all donations and aids and the beneficiaries of these donations and aids are included in a separate item.	x					
1.3.11-The General Assembly meeting was held open to the public, including stakeholders and media, without the right to speak.	x					
1.4. Right to Vote						
1.4.1-There are no restrictions and practices that make it difficult for shareholders to exercise their voting rights.	x					
1.4.2-The Company has no shares with privileged voting rights.			x			In the election of the members of the Board of Directors, each Group A share has 15 (fifteen) voting rights and each Group B share has 1 (one) voting right.
1.4.3-The Company has not exercised its voting rights in the General Assembly of any corporation with which it has a cross-shareholding relationship that brings with it a relationship of dominance.					x	
1.5. Minority Rights						
1.5.1-The Company has paid utmost attention to the exercise of minority rights.	x					
1.5.2-Minority rights are also granted to holders of less than one-twentieth of the share capital and the scope of minority rights is expanded by the articles of association.			x			There is no provision in the Articles of Association granting minority rights to shareholders holding less than one twentieth of the share capital.
1.6. Right to Dividend						
1.6.1-The dividend distribution policy approved by the general shareholders' meeting is publicly disclosed on the corporate web site.	x					
1.6.2-The dividend distribution policy contains minimum information that will enable shareholders to predict the procedures and principles of distribution of future profits of the Company.	x					
1.6.3-The reasons for not distributing dividends and the method of utilization of the undistributed profit are stated in the relevant agenda item.					x	
1.6.4-The board of directors reviewed whether the dividend distribution policy strikes a balance between the interests of shareholders and those of the Company.	x					
1.7. Transfer of Shares						
1.7.1-There are no restrictions on the transfer of shares.	x					

	Compliance Status					Description
	Yes	Partially	No	Exempt	Disinterested	
2.1. Corporate Website						
2.1.1-The company's corporate website contains all the elements included in the corporate governance principle numbered 2.1.1.	x					
2.1.2-Shareholding structure (names, privileges, number and ratio of shares held by real person shareholders holding more than 5% of the issued capital) is updated on the corporate website at least every 6 months.	x					
2.1.4-The information on the Company's corporate website is also prepared in foreign languages selected according to need, with the same content as Turkish.	x					
2.2. Activity Report						
2.2.1-The board of directors ensures that the annual report fully and accurately reflects the company's activities.	x					
2.2.2-The annual report includes all elements of principle 2.2.2.	x					
3.1. Company Policy on Stakeholders						
3.1.1-The rights of stakeholders are protected within the framework of relevant regulations, contracts and goodwill rules.	x					
3.1.3-Policies and procedures regarding the rights of stakeholders are published on the corporate website.	x					
3.1.4-Necessary mechanisms have been established for stakeholders to report transactions that are contrary to legislation and unethical.	x					
3.1.5-The Company handles conflicts of interest between stakeholders in a balanced manner.	x					
3.2. Supporting Stakeholders Participation in Company Management						
3.2.1-Employee participation in management is regulated by the articles of association or internal 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 staff recruitment are set in writing.	x					
3.3.3-The Company has a Human Resources Development Policy and organizes trainings for employees within this scope.	x					
3.3.4-Meetings were organized to inform employees about the Company's financial status, remuneration, career planning, training and health.	x					
3.3.5-Decisions that may affect employees are communicated to them and their representatives. The relevant trade unions were also consulted on these issues.		x				Our company is not affiliated to a union.
3.3.6-Job descriptions and performance criteria were prepared in detail for all employees, announced to employees and used in remuneration decisions.		x				Job Descriptions and Performance Criteria were prepared in detail for all employees and announced to employees. However, it is not used in decisions on remuneration.
3.3.7-Measures such as procedures, trainings, awareness raising, targets, monitoring, 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. Relations with Customers and Suppliers						
3.4.1-The company measured customer satisfaction and operated with an understanding of unconditional customer satisfaction.	x					
3.4.2-Customers are notified when there is a delay in the processing of customer requests for goods and services purchased.	x					
3.4.3-The Company is committed to quality standards for goods and services.	x					
3.4.4-The Company has controls to protect the confidentiality of sensitive information of customers and suppliers within the scope of trade secrets.	x					

	Compliance Status					Description
	Yes	Partially	No	Exempt	Disinterested	
3.5. Ethics and Social Responsibility						
3.5.1-The board of directors has determined the Code of Ethical Conduct and published it on the corporate website.	x					
3.5.2-The partnership 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 in place.	x					
4.1.2-Meeting agendas and minutes reveal that the board of directors discusses and approves the company's strategic goals, determines the resources needed and audits the performance of the management.	x					
4.2. Operating Principles of the Board of Directors						
4.2.1-The board of directors has documented its activities and submitted them to the shareholders for information.	x					
4.2.2- Duties and authorities of the members of the board of directors are explained in the annual report.	x					
4.2.3-The board of directors has established a system of internal control appropriate to the scale of the company and the complexity of its operations.	x					
4.2.4-Information on the functioning and effectiveness of the internal control system is provided in the annual 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 function effectively and has worked 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 an executive liability insurance with an amount exceeding 25% of the share capital in relation to the damages that may be caused by the members of the board of directors during the execution of their duties.	x					
4.3. Structure of the Board of Directors						
4.3.9-The Company has set a minimum target of 25% for the ratio of female members on the board of directors and established a policy to achieve this goal. The composition of the Board of Directors 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 audit/accounting and finance.	x					
4.4. Form of Board of Directors Meetings						
4.4.1-All board members have physical or electronic attendance at most board meetings.	x					
4.4.2-The board of directors has defined a minimum period of time for the information and documents related to the items on the agenda to be sent to all members before the meeting.	x					
4.4.3-The opinions of the members who could not attend the meeting but submitted their opinions in writing to the board of directors were submitted for the information of the other members.	x					
4.4.4-Each member has one vote in the Board of Directors.	x					
4.4.5-The conduct of the board meetings is documented in writing through internal regulations.	x					
4.4.6-The minutes of the board of directors meeting show that all items on the agenda have been discussed and the minutes are prepared to include dissenting opinions.	x					
4.4.7-Board members are restricted from assuming other duties outside the company. The external duties of the members of the board of directors were submitted to the shareholders' information at the general shareholders' meeting.		x				Members of the Board of Directors are not restricted from assuming other duties or tasks outside the Company, and the provisions of the Turkish Commercial Code regarding the prohibition of competition are complied with. It is ensured that he/she is able to allocate time for company affairs to the extent that he/she can follow the functioning of the Company's activities and fully fulfill the requirements of his/her duties.

	Compliance Status					Description
	Yes	Partially	No	Exempt	Disinterested	
4.5. Committees Established Under the Board of Directors						
4.5.5-Each board member serves on only one committee.			x			Due to the requirement of Corporate Governance Principles that committee chairs must be independent members, some members of the Board of Directors served on more than one committee.
4.5.6-Committees invited the persons they deemed necessary to receive their views to the meetings and received their views.					x	
4.5.7-Information on the independence of the person/organization that the Committee receives consultancy services from is included in the annual report.					x	
4.5.8-A report on the results of the committee meetings was prepared and presented to the members of the board of directors.	x					
4.6. Financial Benefits Provided to Board Members and Executives with Administrative Responsibilities						
4.6.1-The board of directors conducted a board performance evaluation to assess whether it fulfilled its responsibilities effectively.			x			The Board of Directors did not conduct a Performance Evaluation.
4.6.4-The Company has not extended any loans or credits to any of the members of the Board of Directors or executives with administrative responsibilities, or extended the term of the loan, improved the terms, extended loans under a personal loan title through third parties, or provided guarantees such as surety in favor of them.	x					
4.6.5- Remuneration of board members and executives with administrative responsibilities is disclosed on individual basis in the annual report.		x				Remuneration and benefits provided to the members of the Board of Directors are disclosed on an individual basis, while remuneration and benefits provided to senior executives are disclosed collectively.

2022 Corporate Governance Information Form

Shareholders	
1.1. Facilitating the Exercise of Shareholder Rights	
Number of investor conferences and meetings organized by the company throughout the year	5
1.2. Right to Information and Inspection	
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 disclosing the information requested under Principle 1.3.1 (a-d)	https://www.kap.org.tr/en/Bildirim/1008840
Whether the documents related to the general assembly meeting are available in English simultaneously with Turkish	Presented
Within the scope of Principle 1.3.9,linksto PDP announcements regarding transactions that do not have the approval of the majority of independent members or unanimous vote of those attending	None
Links to PDP announcements related to related party transactions within the scope of Article 9 of the Communiqué on Corporate Governance (II-17.1)	https://www.kap.org.tr/en/Bildirim/1017357 https://www.kap.org.tr/en/Bildirim/1019791 https://www.kap.org.tr/en/Bildirim/1052094 https://www.kap.org.tr/en/Bildirim/1066833
Links to PDP announcements regarding common and continuous transactions within the scope of Article 10 of the Corporate Governance Communiqué (II-17.1)	None
The name of the section on the corporate website that demonstrates the policy on donations and grants	https://www.vakifgyo.com.tr/#!donation-aid-policy
Link to the PDP announcement containing the minutes of the general assembly meeting where the policy on donations and grants was approved	https://www.kap.org.tr/en/Bildirim/475672
Number of the article in the articles of association regulating the participation of stakeholders in the general shareholders’ meeting	Article 19
Information on stakeholders who attended the general shareholders’ meeting	No one other than shareholders attended the General Assembly meeting. However, there are no restrictions on the participation of stakeholders in the General Assembly.
1.4. Voting Rights	
Whether there are voting privileges	Yes
If there are privileged voting rights, privileged shareholders and their voting rates	In the election of the members of the Board of Directors, each Group A share has 15 (fifteen) voting rights and each Group B share has 1 (one) voting right.
Shareholding rate of the largest shareholder	49,65%
1.5. Minority Rights	
Whether minority rights are expanded (in terms of content or ratio) in the articles of association of the company	No
If minority rights have been expanded in terms of content and ratio, please indicate the number of the relevant article of the articles of association.	None
1.6. Dividend Right	
The name of the section on the corporate website that demonstrates the dividend distribution policy	https://www.vakifgyo.com.tr/#!dividend-policy
In the event that the board of directors proposes to the general assembly not to distribute the profit, the text of the minutes of the general assembly agenda item stating the reasons for this and the use of the undistributed profit	Pursuant to the decision taken at the General Assembly Meeting, it has been decided to distribute dividends amounting to TL 145,000,000, equivalent to 31.0526% of the net profit and 14.50% of the capital, as bonus shares.
If the board of directors proposes to the general assembly not to distribute dividends, the link to the PDP announcement containing the minutes of the relevant general assembly meeting	https://www.kap.org.tr/en/Bildirim/1014782

General Assembly Meetings	
General Assembly Date	31.03.2022
Number of requests for additional explanations regarding the agenda of the general shareholders’ meeting	0
Shareholders’ participation rate in the general assembly	70,81%
Proportion of shares represented directly	69,53%
Proportion of shares represented by proxy	1,28%
The name of the section on the Company’s corporate website that contains the minutes of the general shareholders’ meeting, including the affirmative and negative votes on each agenda item	https://www.vakifgyo.com.tr/#!general-assembly
The name of the section on the corporate website that demonstrates all questions asked at the general shareholders’ meeting and the answers provided to them	https://www.vakifgyo.com.tr/#!general-assembly
Article or paragraph number of the minutes of the general assembly meeting related to related parties	Article 14
Number of people who have privileged access to shareholder information who report to the board of directors (Insider list)	308
Link to the general assembly notice published on PDP	https://www.kap.org.tr/en/Bildirim/1014782

Public Disclosure and Transparency	
2.1. Corporate Website	
The names of the sections on the corporate website that contain the information required by the corporate governance principle numbered 2.1.1.	https://www.vakifgyo.com.tr/#!investor-relations
The section of the corporate website containing the list of real person shareholders who directly or indirectly own more than 5% of the shares	https://www.vakifgyo.com.tr/#!incorporation-shareholding-capital-structure
Languages in which the corporate website is prepared	Turkish and English
2.2. Annual Report	
2.2.2. Page Numbers or Section Names Where the Information Specified in the Corporate Governance Principle Numbered 2.2.2. is Included in the Annual Report	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the duties of the board members and executives outside the company and the independence declarations of the members	Annual Report > Members of the Board of Directors and Senior Executives > Outside positions held by the members of the Board of Directors and executives and their declarations of independence
b) Page number or section name of the information on the committees established within the Board of Directors	Annual Report > Board Members and Senior Executives > Activities of the Board Committees in 2022
c) Page number or section name of the information on the number of meetings of the board of directors during the year and the attendance of the members to the meetings	Annual Report > Board Members and Senior Executives > Board of Directors Meetings
ç) Page number or section name of the information on legislative amendments that may significantly affect the Company’s activities	Annual Report > Other Information on Activities > Legislative Changes that will Significantly Affect Activities
d) Page number or section name of the information on significant lawsuits filed against the Company and their possible outcomes	Annual Report > Other Information on Operations > Lawsuits to which the Company is a Party
e) Page number or section name of the information on conflicts of interest between the Company and the institutions that provide services such as investment consultancy and rating services and the measures taken to prevent them	Annual Report > Other Information on Activities > Consultancy Services
f) Page number or section name of the information on cross-shareholdings where direct participation rate exceeds 5%	Annual Report > Other Information on Operations > Direct or Indirect Subsidiaries of the Company
g) Page number or section name of the information on social rights and vocational training of employees and other corporate social responsibility activities related to company activities that have social and environmental consequences	Annual Report > Other Information on Activities > Corporate Social Responsibility

Stakeholders	
3.1. Company Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the compensation policy	https://www.vakifgyo.com.tr/#!compensation-policy
Number of judicial decisions finalized against the company due to violation of employee rights	1
Title of the official in charge of the whistleblowing mechanism	Ethics Committee
Access information to the company's whistleblowing mechanism	etik@vakifgyo.com.tr
3.2. Supporting Stakeholders' Participation in Company Management	
The name of the section on the corporate website that demonstrates the internal regulations on employee participation in the management bodies	https://www.vakifgyo.com.tr/#!procedure-on-the-participation-of-the-employees-in-the-governing-bodies
Governance 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 succession plans for key executive positions	Within the scope of the authority delegated by the Board of Directors to the General Manager, a succession plan has been established for all employees, especially key executives.
The name of the section on the corporate website that includes the human resources policy on equal opportunities and recruitment criteria or a summary of the relevant articles of the policy	https://www.vakifgyo.com.tr/#!equal-opportunity-diversity-and-gender-equality-policy
Whether there is a share acquisition plan	There isn't an employee stock ownership program
The name of the section on the corporate website that includes the human resources policy on measures to prevent discrimination and ill-treatment or a summary of the relevant articles of the policy	https://www.vakifgyo.com.tr/#!human-rights-and-employee-rights-policy
Number of judicial decisions finalized against the company due to liability related to occupational accidents	None
3.5. Code of Ethics and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics policy	https://www.vakifgyo.com.tr/files/vgyo-ethical-principals.pdf
The name of the section on the corporate website that includes the corporate social responsibility report. If there is no corporate social responsibility report, measures taken on environmental, social and corporate governance issues	https://www.vakifgyo.com.tr/#!social-responsibility-sponsorships
Measures to combat all forms of corruption, including extortion and bribery	Vakif REIT Ethics Regulation 3.18 titled Anti-Bribery and Anti-Corruption. In the article; Vakif REIT employee ensures compliance with anti-bribery and anti-corruption legal regulations and other relevant international standards. They take measures to protect themselves from corruption and suspicions of corruption such as bribery, embezzlement, nepotism, etc.? In addition, there is a provision in Vakif GYO Disciplinary Directive / Disciplinary Penalty Schedule titled 20. In the article, attempting to bribe or give a bribe / Taking or giving a bribe are among the disciplinary offenses that may lead to dismissal of the employee.
Board of Directors-I	
4.2. Operating Principles of the Board of Directors	
Date of the most recent board performance evaluation	None
Whether independent experts are utilized in the performance evaluation of the board of directors	No
Whether all board members are discharged or not	Yes
Names of the members of the board of directors to whom authority is delegated with the distribution of duties and the content of such authorities	Mikail HİDİR (Chairman of the Board of Directors - 1st Degree Signature Authority) Assoc. Prof. Dr. Şükrü Mete TEPEGÖZ (Deputy Chairman of the Board of Directors - 1st Degree Signature Authority) Onur İNCEHASAN (Board Member-General Manager - 1st Degree Signature Authority) On 26.09.2022, the content of the authorizations was determined in the internal directive published in the Turkish Trade Registry Gazette dated 26.09.2022 and numbered 10668.
Number of reports submitted by the internal control unit to the audit committee or other relevant committees	6
The name of the section or page number of the annual report that includes the assessment of the effectiveness of the internal control system	Annual Report > Effectiveness of the Internal Control System, Risks and Assessments of the Governing Body
Name of the chairman of the board	Mikail HİDİR
Name of the chief executive officer/general manager	Onur İNCEHASAN
Link to the PDP announcement stating the reason for the chairman of the board of directors and chief executive officer/general manager being the same person	It's not the same person.
Link to the PDP announcement regarding the insurance of the damages that may be caused by the members of the board of directors during the execution of their duties for an amount exceeding 25% of the company's capital	https://www.kap.org.tr/en/Bildirim/1066329
The name of the section on the corporate website that provides information on the diversity policy to increase the proportion of female board members	https://www.vakifgyo.com.tr/#!equal-opportunity-diversity-and-gender-equality-policy
Number and proportion of female members	1 - 11.11 %

Board of Directors Members											
Name-Surname	Gender	Mission	Profession	Whether the Executor is in Charge	Duties in the Incorporation in the Last 5 Years	Positions Held Outside the Company as of the Latest Status	At least 5 Years of Experience in Auditing, Accounting and/or Finance	Independent Member of the Board of Directors	Whether the Independent Member is Evaluated by the Nomination Committee	Whether there are any members who lost their independence	Committees and Duties
MIKAIL HİDİR	Male	Chairman of the Board of Directors	Banker	Non-Executive	Chairman of the Board of Directors	T.Vakıflar Bankası T.A.O. Assistant General Manager	Yes	Not Independent Member			
Assoc. Dr. ŞÜKRÜ METE TEPEGÖZ	Male	Deputy Chairman of the Board of Directors	Banker	Non-Executive	Deputy Chairman of the Board of Directors	T. Vakıflar Bank T.A.O. Head of Specialized Loans Management	Yes	Not Independent Member			
ONUR İNCEHASAN	Male	Board Member	Business and Management Professional	Executive Officer	General Manager			Not Independent Member			
ARZU SEYAN	Woman	Board Member	Banker	Non-Executive	Board Member	T. Vakıflar Bank T.A.O. Head of Corporate Banking Marketing	Yes	Not Independent Member			
TEVFIK ERPEK	Male	Board Member	Banker	Non-Executive	Board Member	T. Vakıflar Bank T.A.O. Head of SME Banking Marketing	Yes	Not Independent Member			Early Detection of Risk Committee Member / Corporate Governance Committee Member
KORHAN TURGUT	Male	Board Member	Banker	Non-Executive	Board Member	T. Head of General Accounting and Financial Affairs Department of Vakıflar Bank	Yes	Not Independent Member			
RIFAT DEMİRBAŞ	Male	Board Member	Architect	Non-Executive	Independent Board Member	High Architect		Independent Member	Evaluated	No	Early Detection of Risk Committee Chairman / Audit Committee Member
ÖMER DEMİR	Male	Board Member	Other	Non-Executive	Independent Board Member			Independent Member	Evaluated	No	Chairman of the Corporate Governance Committee
MUSTAFA ŞENGÜL	Male	Board Member	Lawyer			Lawyer	Yes	Independent Member	Evaluated	No	Audit Committee Chairman

Board of Directors-II	
4.4. Form of Board of Directors Meetings	
Number of board meetings held physically or electronically during the reporting period	52
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 working principles of the board of directors, how many days prior to the meeting the information and documents are presented to the members	2 days
The name of the section on the corporate website that includes information about the internal regulations governing the conduct of board meetings	https://www.vakifgyo.com.tr/#!board-meetings-procedure
The upper limit set in the policy limiting the members from taking other duties outside the company	Members of the Board of Directors are not restricted from assuming other duties or tasks outside the Company, and the provisions of the Turkish Commercial Code regarding the prohibition of competition are complied with. It is ensured that he/she is able to allocate time for the Company's affairs to the extent that he/she can follow the functioning of the Company's activities and fully fulfill the requirements of his/her duties.
4.5. Committees Established within the Board of Directors	
Page numbers or section names of the annual report where information on board committees are presented	Annual Report > General Information > Board Members and Senior Executives > Activities of Board Committees in 2022
Link to the PDP announcement of the Committee's working principles	https://www.kap.org.tr/en/Bildirim/918505

Board Committees-I			
Names of Board Committees	Name-Surname of Committee Members	Committee Chairmanship	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	EBRU BOZDOĞANGİL	No	Not a Board member
Audit Committee	MUSTAFA ŞENGÜL	Yes	Board member
Audit Committee	RİFAT DEMİRBAŞ	No	Board member
Early Detection of Risk Committee	RİFAT 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	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report > Board Members and Senior Executives > Activities of Board Committees in 2022
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report > Board Members and Senior Executives > Activities of Board Committees in 2022
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report > Board Members and Senior Executives > Activities of the Board Committees in 2022
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report > Board Members and Senior Executives > Activities of the Board Committees in 2022
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report > Board Members and Senior Executives > Activities of the Board Committees in 2022
4.6. Financial Benefits Provided to Board Members and Executives with Administrative Responsibility	
Page numbers or section names of the annual report where information about operational and financial performance targets and whether they have been achieved or not	Annual Report > Strategic Management and Objectives
The name of the section of the corporate website that demonstrates the remuneration policy for executive and non-executive members	https://www.vakifgyo.com.tr/#!principles-and-procedures-for-wages
Page numbers or section names of the annual report where the remuneration and all other benefits provided to board members and executives with administrative responsibilities are presented	Annual Report > General Information > Board Members and Senior Executives > Benefits and Rights Provided to Board Members and Senior Executives

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

ANNEX2- COMPLIANCE REPORT WITH SUSTAINABILITY PRINCIPLES

If the compliance status with the principles is determined as "Yes" or "Partially", the report information/link regarding the information disclosed to the public should be included. Explanations on compliance with the principles are included in the "Explanation" column. The extent to which the requested information is provided on a consolidated or solo basis should be indicated in the "Explanation" column.		Compliance Status				Explanation	Report Information Regarding Publicly Disclosed Information (Page number should also be indicated) / link
		Yes	No	Partly	Irrelevant		
A. General Principles							
A1. Strategy, Policy and Objectives							
A1.1	Material environmental, social and corporate governance (ESG) issues, risks and opportunities have been identified by the Company's board of directors.	x				In the 2022-2026 Strategic Planning study, ESG priority issues, threats (risks) and opportunities were identified through the PESTEL analysis conducted in the Current Situation Analysis. In addition, strategic risks in the strategies within the scope of ESG and operational risks in the related processes were identified and approved by the Board of Directors.	https://www.vakifgyo.com.tr/#!corporate-governance
	ESG policies (e.g. Environmental Policy, Energy Policy, Human Rights and Employee Policy, etc.) have been established and disclosed to the public by the board of directors.	x				Policies have been established in accordance with the ESG issues identified, approved by the board of directors and published on the website.	https://www.vakifgyo.com.tr/#!corporate-governance
A1.2	Short and long term targets set within the scope of ESG policies are disclosed to the public.	x				Vakif REIT Integrated Strategic Plan is an integrated plan prepared in integration with the UN Sustainable Development goals and targets. In the Strategic Planning study, the Mission, Vision and the Core Strategy, which is the strategy of the Partnership, were identified. In line with the main strategy, 5-year strategies and annual performance program were prepared. The Strategic Plan is disclosed to the public in the integrated annual report and on the website.	Page No. 16 (1.4. Strategic Direction) and Page No. 54 (3. Strategic Management)"
A2. Implementation/Monitoring							
A2.1	Committees and/or units responsible for the execution of ESG policies and the highest level responsible persons in the company related to ESG issues and their duties are identified and disclosed to the public.	x				A Corporate Development and Sustainability Department responsible for sustainability management has been established and reports to the top executive. All information is disclosed to the public through the integrated report.	Page No. 50 (2.6.2. Sustainability Processes)
	The activities carried out by the responsible committee and/or unit within the scope of the policies are reported to the board of directors at least once a year.	x				The sustainability management process has been defined and strategic activities and targets related to economic, social and environmental sustainability have been set and their realization is monitored on a monthly basis. Activities carried out within the scope of sustainability are reported to the Board of Directors through an integrated report.	https://www.vakifgyo.com.tr/client/webs/vakifgyo/documents/reports/vgyo-entegre-rapor-yeni-2021.pdf

	If the compliance status with the principles is determined as “Yes” or “Partially”, the report information/link regarding the information disclosed to the public should be included. Explanations on compliance with the principles are included in the “Explanation” column. The extent to which the requested information is provided on a consolidated or solo basis should be indicated in the “Explanation” column.	Compliance Status				Explanation	Report Information Regarding Publicly Disclosed Information (Page number should also be indicated) / link
		Yes	No	Partly	Irrelevant		
A2.2	Implementation and action plans have been established and disclosed to the public in line with ESG objectives.	x				5-year long-term “Vakif GYO Strategic Plan” and annual short-term “Vakif GYO Performance Program” Strategic Planning Implementation actions and plans related to the strategy, which includes sustainability targets, have been established and are disclosed to the public through the integrated report.	Page No. 59 (3.6. Strategic Performance)
A2.3	ESG Key Performance Indicators (KPIs) and the level of achievement of these indicators on an annual basis are disclosed to the public.			x		In the Performance Program, the KPIs of ESG activities were determined and explained in the integrated report. The benchmarking data monitored together with sectoral benchmarking data will be disclosed to the public in the 2022 Integrated Report.	Page No. 62 (4. Sustainability Performance)
A2.4	Activities to improve the sustainability performance of business processes or products and services are disclosed to the public.	x				Activities to improve the sustainability performance of business processes or products and services are disclosed to the public through the integrated report.	Page No. 62 (4. Sustainability Performance)
A3. Reporting							
A3.1	Information on the Company’s sustainability performance, targets and actions is provided in the annual reports in an understandable, accurate and sufficient manner.	x				Information on sustainability performance, targets and actions is included in the integrated report in an understandable, accurate and sufficient manner.	Page No. 62 (4. Sustainability Performance)
A3.2	The Incorporation has publicly disclosed information on which of the United Nations (UN) 2030 Sustainable Development Goals its activities are related to.	x				Vakif REIT Integrated Strategic Plan is an integrated plan prepared in integration with the UN Sustainable Development goals and targets. This plan and information on which UN Sustainable Development goals and targets all activities are related to is included in the Integrated Report.	https://www.vakifgyo.com.tr/#!reports-investor-presentations
A3.3	Lawsuits filed against and/or finalized on ESG issues, which are important in terms of ESG policies and/or which may significantly affect operations, are disclosed to the public.	x				Lawsuits to which the organization is a party and which are important in terms of ESG policies and/or which will significantly affect its activities are disclosed to the public.	Page No. 82 (4.5.1. Corporate Governance Performance Results) and Page No. 83 (6. Legal and Regulatory Compliance)
A4. Verification							
A4.1	ESG Key Performance Measures of the Incorporation have been verified by an independent third party and disclosed to the public.			x		The data in the Integrated Report are the data verified by IFRS, ISO 14064.	Page No. 108 (6. Declarations of Conformity)

	If the compliance status with the principles is determined as “Yes” or “Partially”, the report information/link regarding the information disclosed to the public should be included. Explanations on compliance with the principles are included in the “Explanation” column. The extent to which the requested information is provided on a consolidated or solo basis should be indicated in the “Explanation” column.	Compliance Status				Explanation	Report Information Regarding Publicly Disclosed Information (Page number should also be indicated) / link
		Yes	No	Partly	Irrelevant		
B. Environmental Principles							
B1	The Company has publicly disclosed its policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs in the field of environmental management.			x		Since construction activities are carried out through main contractors, the prerequisite of ISO 14001 Environmental Management System certificate is included in our technical specifications. Zero waste project is implemented in Vakif REIT Head Office building, which consists of office employees. In addition, the annual greenhouse gas inventory of the Head Office and all projects under construction is calculated and ISO 14064 verification is carried out. CDP reporting is conducted for our environmental impacts.	Page No. 108 (6. Declarations of Conformity)
B2	Restrictions on the scope of the report, reporting period, reporting date, reporting date, reporting conditions regarding the environmental reports prepared for the provision of information on environmental management are disclosed to the public.	x				The integrated report, which includes environmental reports prepared to provide information on environmental management, is disclosed to the public, including the scope, reporting period, reporting date, reporting conditions and related restrictions.	https://www.vakifgyo.com.tr/#!reports-investor-presentations
B3	A2.1.	x					
B4	Environmental targets included in the rewarding criteria within the scope of performance incentive systems on the basis of stakeholders (such as board members, managers and employees) are disclosed to the public.			x		Work is being carried out in this regard.	
B5	Publicly disclosed how material environmental issues are integrated into business objectives and strategies.	x				The current situation analysis was integrated with the PESTEL study and explained in the integrated report.	Page No. 56 (3.1. Current Situation Analysis)
B6	A2.4.						
B7	Publicly disclosed how environmental issues are managed and integrated into business objectives and strategies, including suppliers and customers along the partnership value chain, including the operational process.	x				The environmental performance of all suppliers in the value chain is managed by the main contractor, under the control of the contractor who is the project management officer. Collaborations on environmental issues and the activities it supports are included in the integrated report and on its website within the scope of social responsibility.	Page No. 56 (3.1. Current Situation Analysis)

	If the compliance status with the principles is determined as “Yes” or “Partially”, the report information/link regarding the information disclosed to the public should be included. Explanations on compliance with the principles are included in the “Explanation” column. The extent to which the requested information is provided on a consolidated or solo basis should be indicated in the “Explanation” column.	Compliance Status				Explanation	Report Information Regarding Publicly Disclosed Information (Page number should also be indicated) / link
		Yes	No	Partly	Irrelevant		
B8	It is disclosed to the public whether relevant institutions and non-governmental organizations are involved in policy-making processes on the environment and the cooperation with these institutions and organizations.	x				We continue to cooperate with many NGOs operating in the field of sustainability, such as GYODER Sustainability Committee membership, GYODER REIT Committee membership, Corporate Governance Association membership, Investor Relations Association, KalDer Türkiye Quality Association.	Page No. 56 (3.1. Current Situation Analysis)
B9	In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts), information on environmental impacts is disclosed to the public in a periodically comparable manner.	x				As of 2021, greenhouse gas inventory calculation and ISO 14064 verification of the General Directorate and all ongoing projects are made and explained in the integrated report.	Page No. 64 (4.1. Environment)
B10	Details of the standard, protocol, methodology and base year used to collect and calculate the data are publicly disclosed.					Our data on our environmental impacts are collected in line with ISO 14064 standard and reported to CDP.	Page No. 64 (4.1. Environment)
B11	The increase or decrease in environmental indicators for the reporting year in comparison with previous years is disclosed to the public.			x		Environmental indicators calculated for the first time in 2021 were disclosed in 2022 in a comparative integrated report.	Page No. 64 (4.1. Environment)
B12	Short and long-term targets have been set to reduce environmental impacts, and these targets and progress against the targets set in previous years have been disclosed to the public.	x				Starting from the design phase to the project implementation phase, actions to reduce the negative impact on the environment are carried out in accordance with green building criteria. We have projects with LEED certificate candidacy. It is disclosed to the public within the scope of integrated reporting.	Page No. 79 (4.4. Business Model and Innovation and 4.4.1. Priority Issues)
B13	A strategy to tackle the climate crisis was established and planned actions were made public.	x				Under the Sustainability Policy, targets for combating the climate crisis have been set and disclosed to the public on the PDP and website. Planned actions are disclosed to the public in the integrated report.	Page No. 42 (Policies)
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.	x				Project-based greenhouse gas inventory calculation and remedial actions to prevent or minimize the potential negative impact of products and/or services on the environment are explained in the integrated report.	Page No. 64 (4.1. 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.	x				Within the scope of compliance with green building criteria, technical specifications define requirements for third parties to reduce greenhouse gas emissions.	Page No. 79 (4.4. Business Model and Innovation and 4.4.1. Priority Issues)

	If the compliance status with the principles is determined as “Yes” or “Partially”, the report information/link regarding the information disclosed to the public should be included. Explanations on compliance with the principles are included in the “Explanation” column. The extent to which the requested information is provided on a consolidated or solo basis should be indicated in the “Explanation” column.	Compliance Status				Explanation	Report Information Regarding Publicly Disclosed Information (Page number should also be indicated) / link
		Yes	No	Partly	Irrelevant		
B15	Environmental benefits/gains and cost savings from initiatives and projects to reduce environmental impacts are disclosed to the public.			x		Work is being carried out in this regard.	-
B16	Energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) data are disclosed to the public as Scope-1 and Scope-2.	x				It is carried out within the scope of ISO 14064 and explained in the Integrated report.	Page No. 64 (4.1. Environment)
B17	Public disclosures were made on electricity, heat, steam and cooling generated in the reporting year.	x				It is carried out within the scope of ISO 14064 and explained in the Integrated report.	Page No. 64 (4.1. Environment)
B18	Efforts were made to increase the use of renewable energy and transition to zero or low-carbon electricity and publicly disclosed.			x		Within the scope of compliance with Green Building criteria, the use of renewable energy and compliance with nSEB criteria are taken into consideration in our projects.	Page No. 79 (4.4. Business Model and Innovation and 4.4.1. Priority Issues)
B19	Renewable energy production and utilization data are publicly disclosed.	x				Our projects are in the manufacturing phase and information on the use of renewable energy is described in the integrated report.	Page No. 64 (4.1. Environment)
B20	Energy efficiency projects were carried out and the amount of energy consumption and emission reductions achieved through energy efficiency projects were disclosed to the public.			x		Studies on this issue are being carried out and will be announced in the Integrated Annual Report for 2022.	Page No. 64 (4.1. Environment)
B21	Water consumption, the amount of water withdrawn from underground or above ground, if any, recycled and discharged, sources and procedures are disclosed to the public.			x		Project specific (gray water use, rainwater use, etc.) design and implementation activities are carried out to reduce water consumption.	Page No. 64 (4.1. Environment)
B22	It is publicly disclosed whether its operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).				x	Company operations or activities are not included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).	-
B23	Information on carbon credits accumulated or purchased during the reporting period has been disclosed to the public.				x	This issue is not within the scope of company activities.	-
B24	If carbon pricing is applied within the Company, the details are disclosed to the public.				x	Carbon pricing is not applied.	-
B25	The platforms where the Incorporation discloses its environmental information are publicly disclosed.			x		Environmental information is verified and publicly disclosed in accordance with ISO14064.	Page No. 64 (4.1. Environment)
C. Social Principles							
C1. Human Rights and Employee Rights							
C1.1	A Corporate Human Rights and Employee Rights Policy has been established in line with the Universal Declaration of Human Rights, ILO Conventions ratified by Türkiye and other relevant legislation, the responsible parties for the implementation of the policy have been identified and the policy and responsible parties have been disclosed to the public.	x				Under the Sustainability Policy, Human Rights targets have been set and disclosed to PDP, and the Human Rights and Employee Rights Policy is also disclosed to the public on the corporate website.	https://www.vakifgyo.com.tr/#!human-rights-and-employee-rights-policy https://www.vakifgyo.com.tr/#!sustainability-policy

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	Yes	No	Partly	Irrelevant		
C1.2 Considering supply and value chain impacts, fair labor, improvement of labor standards, women’s employment and inclusion issues (such as non-discrimination based on gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc.) are included in the employee rights policy.	x				The Human Rights policy includes fair labor, improvement of labor standards, women’s employment and inclusion, and is disclosed to the public on the website.	https://www.vakifgyo.com.tr/#!sustainability-policy https://www.vakifgyo.com.tr/#!equal-opportunity-diversity-and-gender-equality-policy
C1.3 Measures taken along the value chain to protect the rights of segments sensitive to certain economic, environmental, social factors (low-income segments, women, etc.) or minority rights/equal opportunities are disclosed to the public.	x				Equal opportunity is ensured and disclosed to the public on the website.	https://www.vakifgyo.com.tr/#!sustainability-policy https://www.vakifgyo.com.tr/#!equal-opportunity-diversity-and-gender-equality-policy
C1.4 Progress in preventing and remedying discrimination, inequality, human rights violations, forced labor and child labor was made public.	x				Discrimination, inequality, human rights violations, forced labor, Human rights policy on child labor is in place and publicly disclosed.	https://www.vakifgyo.com.tr/#!sustainability-policy https://www.vakifgyo.com.tr/#!equal-opportunity-diversity-and-gender-equality-policy
C1.5 Investments in employees (training, development policies), compensation, fringe benefits, the right to unionize, work/life balance solutions and talent management are included in the policy on employee rights.	x				Activities are carried out within the scope of the Human Resources Regulation and HR and Climate Management process. Employee satisfaction is measured annually through surveys conducted by an independent survey company and is carried out with improvements. Additional regulations and arrangements have been established within the framework of the HR policy regarding training, development policies), compensation, recognized fringe benefits, the right to unionize, work/life balance solutions and talent management issues.	https://www.vakifgyo.com.tr/#!compensation-policy
Mechanisms for resolving employee complaints and disputes have been established and dispute resolution processes have been determined.	x				Ethical Principles regarding employee complaints and dispute resolution have been established and necessary mechanisms have been put in place. Ethical Principles are disclosed on the website. Ethical Principles are also disclosed on PDP.	https://www.vakifgyo.com.tr/files/vgyo-ethical-principals.pdf
Activities carried out during the reporting period to ensure employee satisfaction were disclosed to the public.	x				The work done in this regard is described in the integrated report.	Page No. 75 (4.3. Human Capital)
C1.6 Occupational health and safety policies have been established and disclosed to the public.	x				Occupational health and safety policies have been established and disclosed to the public on the corporate web site.	https://www.vakifgyo.com.tr/#!occupational-health-and-safety-policy

If the compliance status with the principles is determined as “Yes” or “Partially”, the report information/link regarding the information disclosed to the public should be included. Explanations on compliance with the principles are included in the “Explanation” column. The extent to which the requested information is provided on a consolidated or solo basis should be indicated in the “Explanation” column.	Compliance Status				Explanation	Report Information Regarding Publicly Disclosed Information (Page number should also be indicated) / link
	Yes	No	Partly	Irrelevant		
C1.6 Measures taken to prevent occupational accidents and protect health, and accident statistics are publicly disclosed.	x				The work is carried out under the control of the Incorporation by the main contractors selected with the prerequisite of being ISO 45001 certified, and occupational accident statistics are monitored and disclosed to the public in the corporate governance information form and PDP.	https://www.kap.org.tr/tr/cgij/4028e4a140f2ed72014101a0d3b501f7
C1.7 Personal data protection and data security policies have been established and disclosed to the public.	x				A KVKK policy and Information Security Policy have been established and the KVKK Policy is publicly disclosed on the website.	https://www.vakifgyo.com.tr/#!privacy-and-protection-of-personal-data
C1.8 Ethics policy has been established and disclosed to the public	x				An ethics policy is established and disclosed on PDP and the corporate web site.	https://www.vakifgyo.com.tr/files/vgyo-ethical-principals.pdf
C1.9 Activities within the scope of social investment, social responsibility, financial inclusion and access to finance are explained.	x				Within the scope of sustainability management, social responsibility studies are carried out in line with our main purpose, strategies and UN development goals. In addition to financial sustainability, our performance and future targets in the fields of environment, social capital, human capital, business model and innovation, leadership and corporate governance are explained in the integrated report.	Page No. 62 (4. Sustainability Performance) Page No. 69 (4.2.1.3. Community Perception Results)
C1.10 Informative meetings and training programs were organized for employees on ESG policies and practices.	x				Organized informative meetings and training programs for employees on ESG policies and practices.	Page No. 75 (4.3. Human Capital)
C2. Stakeholders, International Standards and Initiatives						
C2.1 A customer satisfaction policy on the management and resolution of customer complaints has been prepared and disclosed to the public.	x				A customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed to the public on the corporate web site.	https://www.vakifgyo.com.tr/#!customer-satisfaction-policy
C2.2 Information on communication with stakeholders (which stakeholder, topic and frequency) is disclosed to the public.	x				For 5 main stakeholder groups, communication with stakeholders is carried out through separately defined stakeholder experience management processes and disclosed to the public in the Integrated Report.	Page No. 33 (2.2. Our Stakeholders)

<p>If the compliance status with the principles is determined as “Yes” or “Partially”, the report information/link regarding the information disclosed to the public should be included.</p> <p>Explanations on compliance with the principles are included in the “Explanation” column.</p> <p>The extent to which the requested information is provided on a consolidated or solo basis should be indicated in the “Explanation” column.</p>		Compliance Status				Explanation	Report Information Regarding Publicly Disclosed Information (Page number should also be indicated) / link
		Yes	No	Partly	Irrelevant		
C2.3	International reporting standards adopted in reporting are explained.	x				The European Union’s Common Assessment Framework (CAF) and the European Foundation for Quality Management’s (EFQM) sustainable performance management model, the EFQM Model, constitute the Integrated Annual Reporting Framework of this report. The EFQM Model criteria, which is the framework of this report, is more inclusive and in line with the GRI - Materiality Disclosure Index. In addition, this report presents the IFRS-SASB’s REIT Sector SASB standard that defines international sustainability accounting standards (SASB Real Estate Sustainability Accounting Standard, v. 2018-10), which referenced the material issues and performance metrics of the five sustainability dimensions.	Page No. 4 (About the Report)
C2.4	Principles adopted in relation to sustainability, international organizations, committees and principles of which the Company is a signatory or member are disclosed to the public.		x			The principles adopted in relation to sustainability are disclosed to the public through the Integrated Strategic Plan and Integrated Annual Report	Page No. 49 (2.6. Sustainability Management)
C2.5	Developments were made and studies were carried out to be included in the sustainability indices of Borsa Istanbul and/or international index providers.			x		Work is being carried out in this regard and the goal is to be included in the sustainability index in 2023.	
	D. Corporate Governance Principles						
D1	Stakeholders’ opinions were consulted in determining the measures and strategies in the field of sustainability.	x				Stakeholders’ opinions were consulted within the scope of the current situation analysis in determining the measures and strategies in the field of sustainability.	Page No. 56 (3.1. Current Situation Analysis)
D2	Social responsibility projects, awareness-raising events and trainings were carried out to raise awareness on sustainability and its importance.	x				Social responsibility projects, awareness-raising events and trainings were carried out to raise awareness on sustainability and its importance.	Page No. 66 (4.2. Social Capital)

Notes



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