



AKİŞ REIT

CORPORATE GREENHOUSE GAS

INVENTORY REPORT

IN ISO 14064- 1:2006 STANDARD

January 01 - December 31, 2017

2017 Period



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ABSTRACT AND PRESENTATION

Table 1: AKİŞ REIT GREENHOUSE GAS INVENTORY (January 01 - December 31, 2017)

ISO 14064 Category	Emissions Caused by Activity	Unit	Activity Data	tCO2e
Scope 1 Direct Emissions	Natural Gas – Heating	sm ³	1.017.694,22	1.903,57
	Generator (Diesel)	liter	18.801,00	48,96
	Diesel – Company vehicles	liter	20.589,44	54,61
	Fuel – Company vehicles	liter	22.823,56	52,11
	Fire Extinguisher (El Tipi)	kg	50,00	0,00
	Gases – Climatization	kg	2.010,60	1.239,17
	Scope 1 Total			
Scope 2 Energy Indirect Emissions	Electricity – Grid (Location-Based)	kWh	18.915.345,27	8.813,44
	Scope 2 Total			8.813,44
Scope 3 Other Indirect Emissions	Tap Water – Grid	m ³	155.900,66	65,63
	Drinking Water	liter	178.600,00	23,81
	Paper Use	Piece	410.000,00	1,89
	Waste Management	tons	1.439,09	30,65
	Cargo	Piece	622,00	0,02
	Residential and Office Electricity Consumption	kWh	4.566.825,45	2.128,60
	Residential and Office Water Consumption	m ³	40.713,68	17,14
	Leased Assets – Electricity Consumption	kWh	41.801.834,00	19.483,84
	Leased Assets – Water Consumption	m ³	101.880,32	42,89
	Scope 3 Total			
TOTAL: 33.906,34				

Total greenhouse gas emissions resulting from Akış REIT's activities enterprises in the period of January 01 – December 31, 2017 were determined as 33.906,34 tCO₂e. Emission diffraction of the enterprises by scope is presented in Table 1.

Table 2: AKİŞ REIT GREENHOUSE GAS EMISSIONS BY SCOPES 2017

Emissions Category	Total (tCO₂e)
Scope 1 Direct Emissions	3.298,42
Scope 2 Energy Indirect Emissions	8.813,44
Scope 3 Other Indirect Emissions	21.794,47
TOTAL (tCO₂e)	33.906,34

The scope-based emissions of Akış Management, Akbatı Shopping Mall and Akasya Shopping Mall locations included in the report boundaries are presented below.

Table 3: AKİŞ REIT Locations Emission Distribution 2017

Emissions Category	Akış Management (tCO₂e)	Akbatı Shopping Mall (tCO₂e)	Akasya Shopping Mall (tCO₂e)
Scope 1 Direct Emissions	91,45	341,23	2.865,74
Scope 2 Energy Indirect Emissions	-	3.091,21	5.722,23
Scope 3 Other Indirect Emissions	-	7.555,14	14.239,33
TOTAL (tCO₂e)	91,45	10.987,59	22.827,30

1. ABOUT AKİŞ REIT

Established in 2005 under Akkök Holding, Akış REIT continues to leverage the Holding's experience and expertise in the real estate sector, one of its strategic business areas, through various projects. AKIS REIT received the title of Real Estate Investment Trust on May 18, 2012 with its application to the Capital Markets Board, and started to be traded on Borsa Istanbul on January 9, 2013. AKIS REIT aims to implement projects that differentiate with their quality in the real estate sector with the principle of "Your happiness is at the core of everything we do." Following the significant success of Akbatı, which opened in 2011, AKIS REIT has undertaken another important project with the completion of Akasya in 2014. AKIS REIT, which merged with SAF REIT in 2017, has strengthened its place in the real estate sector even more with this merger.

1.1. AKIS REIT CLIMATE CHANGE AND ENVIRONMENT POLICY

Climate change and rapid consumption of natural resources pose important risks for the whole world. These significant environmental risks also have significant effects on the operations of companies. Proactive management of these risks is of great importance for both environmental and operational sustainability.

AKIS REIT, in improving its performance related to environmental practices, takes into account the approaches and policies of its main shareholder, Akkök Holding A.Ş. The company carries out its operations in line with nationally and internationally recognized quality systems, invests in environmentally friendly technologies, and continuously aims for better performance by monitoring and overseeing its environmental performance.

In this context, AKIS REIT is committed to carrying out its activities in an environmentally and socially responsible manner, minimizing its environmental impacts, and continuously improving its performance in this field.

With the commitment and aim to control its direct and indirect environmental impacts, to manage these impacts with the right strategies and technologies within the scope of annual business plans, and to continuously improve them, the company;

- Follows the requirements on the environment and carries out its activities in a way to comply with them,
- Strives to structure the real estate that constitute the investment portfolio under the principle of efficient use of all natural resources, especially energy,
- Continues its efforts to measure and reduce greenhouse gas emissions arising during investment and project development works,
- Works to protect the natural resources of our country and of the world, to use them in the most efficient and effective way and to control and reduce the environmental impacts that occur as a result of its activities and encourages all stakeholders in this regard,

- Carries out efforts that will increase the environmental awareness of society and raise the level of awareness, of employees, customers, suppliers, contractors, and other operational stakeholders, and
- Undertakes to monitor its environmental impact within the framework of international management standards by continuously improving the environmental management system.

The Corporate Governance Committee is responsible for the follow-up, updating, and execution of the policy, and the Board of Directors is responsible for its approval and cancellation.

Although Climate Change and Environmental Policy is a part of the Environmental Management System, it shall be reviewed at least once a year under normal conditions and shall be updated if deemed necessary, immediately in case of legislative changes and inappropriate situations or when improvement is required. All updates will be shared with AKIS REIT employees and all other stakeholders on the website.

1.2. LOCATION OF THE INSTITUTION / FACILITY INFORMATION

The locations of Akbatı Shopping Mall, Akasya Shopping Mall, and Akiş Management, which are headquartered in Istanbul/TÜRKİYE, are included in the report. The coordinates, street address and surface area information of AKIS REIT's locations are presented below;

Akbatı Shopping and Life Center, which has corner coordinates of 41.05°N-28.66°E, located at Koza Mah. 1655. Sokak Esenkent Mevkii No:6 34538 Esenyurt Istanbul/Türkiye, with a total enclosed area of 306,965 m², will be referred to as “**Akbatı Shopping Mall**” in this report.

Akasya Shopping and Life Center with corner coordinates of 41.00°N-29.05°E, located at the address of Acıbadem Mah. Çeçen Sk. No:25, 34660 Üsküdar, Istanbul/Türkiye, with a total enclosed area of 416,504 m², will be referred to as “**Akasya Shopping Mall**” in this report.

AKIS REIT head office with corner coordinates of 41.00°N-29.05°E, located at Acıbadem Mah. Çeçen Sk. No:25, 34660 Üsküdar, Istanbul/Türkiye, with a total enclosed area of 416,504 m², and will be referred to as “**Akiş Management**” in this report.

All 3 locations belonging to the institution together will be referred to as “**AKIS REIT**” within this report.

1.3. RESPONSIBLE UNIT

In preparation of this report, the corporate carbon footprint calculations formed as a result of the operational activities of Akiş REIT and the persons responsible for coordinating the reporting activities according to the ISO 14064-1 Standard are presented in Table 4 below.

Table 4: RESPONSIBLE PERSONS

Responsible	e-mail
Sercan UZUN (Investor Relations, Strategic Planning & Business Development Manager)	sercan.uzun@akisgyo.com

Dr. Cenk TÜRKER (Senior GHG Consultant)

cenk@esgturkey.com

Buğra ÇOLAK (GHG Consultant)

bugra@esgturkey.com

2. PURPOSE OF THE REPORT

Organizations manage their GHG risks by determining their national and international climate change policies and can compete in the market. Organizations that do not calculate their GHG emissions, do not identify and manage their risks, will be subject to legal sanctions in the future with the expected changes in legislation. This will have significant effects on both corporate and financial performance.

The main purpose of this project is to calculate the GHG emissions related to the business activities within AKIS REIT's organization in the form of total carbon dioxide equivalent.

Additionally, it is conducted with the aim of:

- Determining, evaluating, and recording the GHG emissions that may arise as a result of its activities and services,
- Identifying risky and problematic points in carbon management, eliminating adversities,
- Calculating the impact of their activities on climate change,
- Preparing for future and current legal regulations,
- Calculation and reporting of GHG Emissions and reductions at the organization level and reporting in accordance with the ISO 14064-1:2018 standard,
- Contributing to the formation of a Carbon Management Plan,
- Raising awareness of employees on climate change, energy efficiency, and sustainability,
- Implementing the emission reduction program,
- Implementing the organization's performance and progress monitoring system for the emissions reduction program,

Providing information to investors.

The project is expected to have the following benefits to AKIS REIT:

Internal benefits:

- Transparency regarding the organization's resource consumption, emissions, and energy consumption,
- Identification of emission reduction potentials,
- Increasing the awareness within the institution,
- Establishing the basis for the Greenhouse Gas Management Plan,
- Strengthening AKİŞ REIT sustainability vision.

External benefits:

- Strengthening the organization's sustainability vision and highlighting its environmentally friendly identity,
- Being a pioneer and an example in the sector through these types of efforts.

2.1. SCOPE OF THE REPORT

This report covers the Direct and Indirect Greenhouse Gas Emissions arising from the operations of all facilities of AKİŞ REIT specified in Article 1.2 during the period from 1 January 2017 to 31 December 2017. This report, which includes AKİŞ GYO's activities for the period 1 January 2017 to 31 December 2017, will be verified in accordance with the ISO 14064-3 standard for the verification and validation of greenhouse gas declarations.

In this context:

This report has been prepared in accordance with the principles set forth by the International Organisation for Standardisation (ISO) for the calculation and reporting of greenhouse gas emissions (Standard 14064-1:2006).

2.2. REPORTING ACCORDING TO ISO 14064-1

ISO 14064-1 provides detailed information on the principles and requirements for the design, development, management and reporting of greenhouse gas inventories at the establishment or company level. This standard includes requirements for setting greenhouse gas emission limits to improve greenhouse gas management, calculating an organization's greenhouse gas emissions, identifying mitigation measures and identifying recommendations for the company's specific activities. This standard also includes requirements and guidance on inventory analysis, quality management, reporting, internal audit and the organization's responsibilities for verification activities.

The ISO 14064 Standard has introduced a systematic approach to the management of greenhouse gases. ISO 14064 Series of Standards (2006) consists of 3 sections and each section contains a separate scope.

ISO 14064-1: It contains the guiding information and properties for calculation and reporting of greenhouse gas emissions and disposals at the organization level.

ISO 14064-2: It contains guidance information and specifications for the calculation, monitoring and reporting activities of greenhouse gas emission reductions or disposal improvements/projects.

ISO 14064-3: It contains guiding information and properties for approval and verification of greenhouse gas declarations.

3. REFERENCE YEAR

Akiş GYO has determined 2017, the first year in which the greenhouse gas inventory calculation was performed, as the reference year.

4. ORGANIZATIONAL BOUNDARIES

The **control approach** has been adopted while calculating the GHG emissions of AKIS REIT. The control approach adopts the principle of "...operations under the control of the company will be included in the inventory boundaries, and the company will report 100% of the emissions arising from these operations.

If the company has a stake or share in an operation but does not have control over it, the operation will not be considered within the corporate boundaries, and the company will not be required to report the emissions of that operation.”

The control approach can be applied using one of the following two criteria:

Financial control: If the company can manage its financial and operating policies in order to gain economic benefit, the company in question has financial control in this operation.

Administrative control: If the company creates and implements the operating policies of an operation, it has administrative control.

AKIS REIT has both administrative and financial control over its operations. Emissions arising from activities within the boundaries of all facilities owned by AKIS REIT, as defined in Article 1.2, fall within the organizational boundaries.

5. ACTIVITY DATA

AKİŞ REIT's activity data related to its activities that are subject to greenhouse gas emissions are explained in this section.

Table 5: Activity Data Causing Emissions

ISO 14064 Category	Emissions Caused by Activity	Unit	Activity Data
Scope 1	Natural Gas – Heating	sm ³	1.017.694,22
	Generator (Diesel)	liter	18.801,00
	Diesel – Company Vehicles	liter	20.589,44
	Fuel – Company Vehicles	liter	22.823,56
	Fire Extinguisher	kg	50,00
	Gases – Climatization	kg	2.010,60
Scope 2	Electricity – Grid (Location-Based)	kWh	18.915.345,27
Scope 3	Tap Water – Grid	m ³	155.900,66
	Drinking Water	liter	178.600,00
	Paper Use	Piece	410.000,00
	Waste Management	tons	1.439,09
	Cargo	Piece	622,00
	Residential and Office Electricity Consumption	kWh	4.566.825,45
	Residential and Office Water Consumption	m ³	40.713,68
	Leased Assets – Electricity Consumption	kWh	41.801.834,00
	Leased Assets – Water Consumption	m ³	101.880,32

Table 6: Data on Activities Causing Emissions by Location

		Akiş Management	Akbatı Shopping Mall	Akasya Shopping Mall
Natural Gas – Heating	sm ³	-	136.724,00	880.970,22
Generator (Diesel)	liter	-	12.500,00	6.301,00
Diesel – Company Vehicles	liter	14.454,56	6.134,88	
Fuel – Company Vehicles	liter	22.823,56		
Fire Extinguisher	kg	-	10,00	40,00
Gases – Climatization	kg	24,00	918,80	1.067,80
Electricity – Grid (Location-Based)	kWh	-	6.638.508,00	12.276.837,27
Tap Water – Grid	m ³	-	75.349,82	80.550,84
Drinking Water	liter	-	148.200,00	30.400,00
Paper Use	Piece	-	130.000,00	280.000,00
Waste Management	tons	-	425,34	1.013,75
Cargo	Piece	-		622,00
Residential and Office Electricity Consumption	kWh			4.566.825,45

Residential and Office Water Consumption	m3			40.713,68
Leased Assets – Electricity Consumption	kWh		16.048.485,00	25.753.349,00
Leased Assets – Water Consumption	m ³		32.779,00	69.101,32

TERMINOLOGY

Carbon dioxide equivalent CO ₂ - equivalent	The international unit for the global warming potentials (GWP) of six GHG expressed by the GHG potential of one unit of carbon dioxide. It is used to establish a common denominator in the assessment of emissions (or reduction of emissions) of different GHG. The carbon dioxide equivalent is obtained by multiplying the mass of the given GHG and its global warming potential.
Direct emissions	Direct GHG emissions and removals occur from GHG sources or sinks within the organizational boundaries and from those owned or controlled by the organization.
Indirect emissions	Emissions generated as a result of a company's activities but whose source or control belongs to another organization.
Greenhouse gas	Greenhouse gases are atmospheric components, both natural and anthropogenic, that are absorbed and emitted at specific wavelengths in the infrared radiation spectrum range by the Earth's surface, atmosphere, and clouds. For the purpose of this study, greenhouse gases refer to the six gases listed in the Kyoto Protocol: carbon dioxide (CO ₂), methane, nitrous oxide (N ₂ O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF ₆).
Greenhouse gas activity data	A quantitative measure of an activity that results in a greenhouse gas emission or removal. Note: Examples of greenhouse gas activity data include the amount of energy, fuel, or electricity consumed, the amount of material produced, the services provided, or the area of land affected.
GHG emission	The total mass of one of the greenhouse gases emitted into the atmosphere over a specific period of time.
Greenhouse gas report	A stand-alone document to communicate GHG information of an organization or project to its intended users. Note: A GHG report may include a GHG statement.
Global warming potential (GWP)	Factor showing the radiative forcing effect of one unit of a greenhouse gas relative to one unit of carbon dioxide (degree of atmospheric harm). A factor used to define the radiative forcing effect based on mass, in terms of equivalent carbon dioxide, for a specific greenhouse gas over a given time period. Note: The GWP values from the IPCC 6th Assessment Report are used in this report.
Hydrofluorocarbon	Hydrofluorocarbons (HFCs) are formed by the substitution of hydrogen atoms in hydrocarbons with fluorine atoms. Hydrofluorocarbons are greenhouse gases.
Base year (Reference year)	A period in the past set for comparing future greenhouse gas emissions or removals, or other greenhouse gas-related information.
Organization	A person or group of people with responsibilities, authorities, and relationships within their own functions to achieve their objectives. Note: The concept of an organization includes, but is not limited to, sole proprietorships, companies, institutions, firms, ventures, authorities, partnerships, associations, charities, or institutes, or parts or combinations of these, whether public or private, and whether incorporated or not.

Reference: TS ISO 14064-1: Guidelines and specifications for calculating and reporting greenhouse gas emissions and removals at the enterprise level.

Information Note:

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