



# ABOUT THE REPORT

3 min

We are sharing the economic, social, and environmental sustainability performance of H.Ö. Sabancı Holding A.Ş. (Sabancı Holding) and the value we create through our activities on an annual basis, transparently with our stakeholders since 2014. As part of our rapid and sharp transformation based on technology and sustainability, we define our Group’s purpose as “We unite Turkey and the World for a sustainable life with leading enterprises”. To fulfill this purpose, we built our Sustainability Roadmap on the following pillars: Act on Climate Emergency, Maximize Our Positive Impact on People and Society, and Foster Sustainable Business Models.

In 2021 Sustainability Report (Report), we share the performance and best practices of Group companies<sup>1</sup> on their activities in Turkey from January 1, 2021, through December 31, 2021. The report covers our progress toward our goals for 2050 as included in the Sustainability Roadmap and reveals the Group’s performance on the Holding and industry level<sup>2</sup> where relevant.

This report has been prepared in accordance with the GRI Standards: Core option. While preparing this Report, United Nations Global Compact (UNGC), Women’s Empowerment Principles (WEPIs) and the recommendations of Task Force on Climate-Related Financial Disclosures (TCFD) (Annex 6: TCFD) are considered. The report also includes the contributions we have made to the United Nations Sustainable Development Goals through our activities.

This year, the selected environmental, social and economic performance indicators serving the long-term goals in our 2021 Sustainability Roadmap have been verified in accordance with the International Standard on

Assurance Engagements - “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” (“ISAE 3000” Revised) and verified in accordance with International Assurance Audit Standard 3410 - “Assurance Engagements on Greenhouse Gas Statements (“ISAE 3410”)<sup>3</sup>. (Annex 5: Assurance Statement).

Please send any questions, comments, and suggestions you have related to the Report to [sustainability@sabanci.com](mailto:sustainability@sabanci.com)



Indicates verified data.

<sup>1</sup>Sabancı Group comprises of H.Ö. Sabancı Holding A.Ş. (Sabancı Holding), Akbank T.A.Ş. (Akbank), Aksigorta A.Ş. (Aksigorta), Agesa Emeklilik ve Hayat A.Ş. (Agesa), Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. (Carrefoursa), Teknosa İç ve Dış Ticaret A.Ş. (Teknosa), Sabancı Dijital Teknoloji Hizmetleri A.Ş. (SabancıDx), Akçansa Çimento Sanayi ve Ticaret A.Ş. (Akçansa), Çimsa Çimento Sanayi ve Ticaret A.Ş. (Çimsa), Cimsa Sabancı Cement BV (CSC BV), Enerjisa Enerji A.Ş. (Enerjisa Enerji), Enerjisa Üretim Santralleri A.Ş. (Enerjisa Üretim), Temsa Skoda Sabancı Ulaşım Araçları A.Ş. (Temsal Ulaşım Araçları), Kordsa Teknik Tekstil A.Ş. (Kordsa), and Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. (Brisa). Enerjisa Enerji A.Ş. data (Enerjisa Enerji) includes those related to Başkent Elektrik Dağıtım A.Ş., İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş., Toroslar Elektrik Dağıtım A.Ş., Enerjisa Başkent Elektrik Perakende Satış A.Ş., Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş., Enerjisa Toroslar Elektrik Perakende Satış A.Ş. and Enerjisa Müşteri Çözümleri A.Ş. The data of Enerjisa Üretim Santralleri A.Ş. (Enerjisa Üretim) includes Enerjisa Enerji Üretim A.Ş., Enerjisa Elektrik Enerjisi Toptan Satış A.Ş. and the Enerjisa Doğalgaz Toptan Satış A.Ş. Sabancı Foundation, Sabancı University and the Sabancı Museum (Sabancı Üniversitesi and Sakıp Sabancı Müzesi) are covered in the report only as best practices and are not included in the quantitative performance. <sup>2</sup>Grouping of companies: Akbank (Banking), Aksigorta and Agesa (Financial Services), CarrefourSA and Teknosa (Retail), Akçansa, Çimsa and CSC BV (Building Materials), Enerjisa Enerji and Enerjisa Üretim (Energy), Kordsa, Temsa and Brisa (Industrials) and SabancıDx (Digital). <sup>3</sup>ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information and ISAE 3410, Assurance Engagements on Greenhouse Gas Statements.

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# LETTER FROM THE CHAIR

🕒 5 min



**Dear Stakeholders,**

The extraordinary developments we have experienced in recent years have proven once again to all of us that science and reason are the north star of humanity.

Today, it is an unquestionable fact that we must not stray from the path illuminated by science and reason in order to permanently overcome all global problems, the climate emergency, inequalities and humanitarian crises.

All the independent researches, reports and academic studies around the world repeatedly state that the way to success on this path is through comprehensive sustainability practices. The increase of the groups who adopt sustainability as the core principle for the long-term solution of all the problems we face, from economy to health, from energy to geopolitical field, gives us all hope. Numerous developments such as the European Union's Green Deal, the commitment of countries covering approximately 70% of carbon emissions all over the world to net zero emissions, and the acknowledgement of sustainability as an investment criterion by the world's largest investors are important indicators that the most important economic and social actors of the world are in search of a common sense around the awareness of sustainability.

With the knowledge and passion of governments, private companies and the academic world, this 'common sense', which we need to strengthen day by day, is also the strongest driving force of the sustainability awareness that we mentioned.

As Sabancı Group, we have mobilized our nearly 100 years of know-how, international experience, technological infrastructure and manufacturing power for this common sense, with our Group Purpose, which we have redefined as "We unite Turkey and the World for a sustainable life with leading enterprises".

With our comprehensive roadmap covering all aspects of sustainability, we resolutely pursue our mission of being a pioneer and an example in our country and region.

From the first seeds planted by Hacı Ömer Sabancı, we know very well that being a member of Sabancı means carrying a responsibility towards the world, humanity, society and all stakeholders.

All the projects and practices summarized in this report are concrete indications that this sense of responsibility continues in the same way despite the turbulent period we are going through.

I would like to thank every single Sabancı employee and all other stakeholders who contributed to the realization of these projects and practices, which also contributed to Sabancı's vision for a sustainable future, and encouraged us on the path enlightened by science and reason.

**Güler Sabancı**

Chair

# LETTER FROM THE CEO

🕒 23 min



**Dear Stakeholders,**

The transformation process, the impact of which we felt much more strongly in the business world in the 2010s, reached a speed beyond all estimates with the COVID-19 pandemic.

Although, today it is under control to a certain extent, we continue to experience the irreversible consequences of the pandemic in many areas. The shadow cast on the global economy by the supply chain disruptions experienced since the first days of the pandemic, the production interruptions due to shortage of raw materials and the climate emergency, which is increasing its impact on our planet each day, has evolved into an inflationary threat that can have much longer-lasting consequence.

It is not difficult to foresee that the high energy and raw material costs triggered by the Russia-Ukraine war, as well as the fiscal policies implemented by many governments in the world to protect households and economic actors during the pandemic, will maintain this inflationary environment in the medium term.

What all of this actually means is this: Even though we thought we are approaching the end of the pandemic, the hard times are not over yet. Consequently, we will strive to create value for our shareholders and to grow our business in this challenging environment for a longer while.

Although, we know that it is a difficult journey, as Sabancı Group, we look to the future with hope, perhaps more than ever. The biggest reason for this is that we have managed to truly internalize digitalization and sustainability, which are the keys to lasting success in today's world, within the Group.

Our successful financial results, which we announced at the end of 2021, are the most concrete indicator of this approach, which is embedded in our business culture. In this period, we increased our combined revenues by 46 percent and our combined EBITDA by 61 percent, while we managed to increase our consolidated return on equity above 22 percent, excluding one-off income and expenses.

In addition to the financial results, the most pleasing accomplishment for us as the management team is that we took our strength from our sustainability principles in achieving this performance.

In 2021, we have completed very important milestones in sustainability, which means more than just a commitment or a goal to us and which forms the basis of our Group Purpose and our activities.

Within the scope of our Sustainability Roadmap, which we designed in 2020 and started implementing following the approval of our Board of Directors in 2021, we managed to complete more than half of the 80 high-level actions in just one year.

We are committed to continue on our way with our Group companies under three different headings, which we define as taking pioneering steps for acting on climate emergency, maximizing our positive impact on people and society, and fostering sustainable business models. The successes we have achieved in this path also encourage us on our way forward.

Increasing our rating by 2 notches in both MSCI ESG and CDP Climate Change assessments, reaching the A level by getting the highest score among other Holdings in the Refinitiv ESG assessment, our inclusion in Bloomberg Gender Equality Index and being the first Turkish Company to be in Forbes' "World's Top Female-Friendly Companies" list are among the

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achievements that encourage us. In addition to our continued support for the basic principles of the United Nations Global Compact, of which we are a part, we continued to advocate for this field in global sustainability platforms such as the World Business Council for Sustainable Development (WBCSD), World Economic Forum (WEF), CNBC ESG Council.

On the other hand, we subject our sustainability performance in all material topics to an independent assessment through a third party assurance process. In addition to our Sustainability Leadership Committee, which convenes at Group Presidency level, our 'Board of Directors Sustainability Committee', which consists of only independent members of our Board of Directors, reviews our performance in this area. In 2021, we collectively discussed the progress in our Group and the areas of improvement with 4 committee meetings, one at the Board level, and 11 thematic task force meetings.

Beginning from 2020, we have embraced these topics at the highest level, with ESG parameters integrated to executive team's performance targets including all of our Group Presidents and myself, at the levels of 15 percent on a minimum. Within the scope of this step, which is a first among the holdings in Turkey, the weight of the ESG parameters will further increase.

On the other hand, our Group companies continue to implement exemplary practices in their fields under our Sustainability Roadmap.

As part of the fight against the climate emergency, our companies, which accelerated the circular economy practices for the Net Zero Emissions and Zero Waste targets we set for 2050, continue to foster sustainable business models with leading practices that also serve the technological and materials revolution.

With that, I would like to share some of the recent achievements of our Group companies;

- Sabancı Group reduced its total emissions and energy intensity in its total combined net sales revenues by 27% and 25%, respectively, compared to 2020.
- The ratio of waste reintroduced to the economy was 80% and for water, the same ratio was 23%.

- Renewable electricity use increased by 116% compared to the previous year. Our total environmental investments and expenditures, together with our sustainability-related R&D expenditures, reached to almost TL 1 billion in the last two years.

- Non-bank net sales revenues from sustainability-related products and services amounted to TL 7.7 billion.

- The proportion of expenditures related to sustainability in total R&D and innovation expenditures increased from 44% to 51% compared to the previous year.

- 40% of managerial roles, 33% of STEM roles, and 43% of income-generating roles were women.

- Enerjisa Üretim, which has signed a protocol to install the first green hydrogen plant of the Turkish industry recently, has devoted all of its new investments to renewable energy generation in order to increase our current renewable energy portfolio from 44% to over 50%.

- As the world rapidly transitions to electric mobility, our Group has been among the pioneers of this field. The share of Enerjisa Customer Solutions, a subsidiary of Enerjisa Enerji, in Eşarj increased to 94%.

- While TEMSA, one of our industrial companies, pioneered smart mobility solutions with its electric vehicles launched in different geographies of the world, from Sweden to the USA, from Spain to Lithuania, it also accelerated alternative fuel studies such as hydrogen through its R&D platform TEMSATech.

- Brisa received approval from the science-based target initiative according to the 1.5 degree scenario for its interim targets. With this application, which is a first in Turkey and in the world for their sectors, they will reduce their emissions by 56% in 2030. Brisa's acquisition of Arvento was an important step in transforming our subsidiary into a mobility player and growing in an area that contributes to customers' emission reduction.

- Having Gold status on the Ecovadis platform, Kordsa was included in the Global A List in the CDP Water Program.

- As of today, our building materials companies have been using alternative fuels twice the average of Turkey, while their alternative fuel consumption has increased 2.5 times in the last 4 years. Çimsa, on the other hand, achieved the highest water score in its sector in Turkey within the scope of CDP.

- Completing the acquisition of Buñol, Europe's most technologically advanced white cement factory, Çimsa recently opened Afyon Waste Derived Fuel Feeding Facility, as part of their sustainability strategy to reduce the use of fossil fuels.
- Making use of innovative mechanisms such as the sustainability-linked repo agreement, Akbank's sustainable financing amount in 2021 reached TL 27 billion.
- While Agesa, one of our financial services Group companies, launched the Sustainability Equity Pension Fund, Aksigorta launched two new sustainable insurance products.

On the other hand, we took several steps towards structuring our portfolio in 2021. Transfer of Sabancı Holding's stake in Philsa and PMSA to Philip Morris International was completed on 5 January 2022, thereby ending our operations in tobacco sector.

"Maximizing our positive impact on people and society", which we consider as one of the three main elements of our sustainability roadmap, has been among the top priorities of the Sabancı Group for nearly 100 years. In this area, we tried to fulfill the responsibility of being a member of Sabancı Group by bringing to life two very important projects.

During the pandemic, we conducted a comprehensive needs analysis to support the families of our healthcare workers who are fighting on the front line for public health. Finally, while our healthcare professionals were taking care of us in hospitals, we started Tomorrow is Ours Project for their children and siblings who were preparing for the university entrance exam.

On the other hand, by starting a historical mobilization on the 98th anniversary of our Republic, we stood by our people on the field, as we have done for nearly 100 years. We did not just celebrate the Republic with all our Sabancı Volunteers for 13 days between October 29 and November 10; we kept it alive by working. On November 10, we remembered Atatürk by dedicating our activities to him.

We organized many environmental activities, from soil revitalization to planting trees, from environmental cleaning to supporting biodiversity and renovating schools, with the Sabancı Republic Day Campaign, which we carried out on a voluntary basis in 11 different provinces.

While our Group has reached more than 1.2 million people with its inclusion programs in the last year alone, we have determined that the social return on investments of these programs varies between 1.29 and 7, which is much higher than the ideal ratio of 1. Within the scope of the 'Future of Work' project, we have left behind important milestones in making our companies have the best and most inclusive practices not only in their own industry but also in the world. Here, the most important issue for companies is to be able to create value for people, to use technology to generate this value while preparing our employees for the world of tomorrow.

As a Group that accepts pioneering sustainability as one of its 5 strategic directions; we know very well that all these achievements in this field are not a coincidence. On the other hand, we are aware that there are many steps to be taken and that we need to accelerate every action. In the upcoming period, we will reinforce our vision of the Sabancı of the World, together with all our stakeholders, with our strong balance sheet and new economy-oriented investment strategy. As we stated in our Purpose, we will continue to 'unite Turkey and the World for a sustainable life with leading enterprises'.

I would like to take this opportunity to thank all our stakeholders, especially our employees, who contributed to the preparation of our Sustainability Report, in which we share Sabancı Group's ESG performance in 2021.

### **Cenk Alper**

Member of the Board of Directors and CEO

# ABOUT SABANCI HOLDING

4 min

Sabancı Holding, Turkey's leading conglomerate, is a holding company engaged in a wide variety of business activities through its subsidiaries and affiliates, mainly in the banking, financial services, energy, industrials, building materials and retail sectors. Sabancı Holding is domiciled in the Republic of Turkey, with its headquarters in İstanbul, Turkey.


The objective of Sabancı Holding is to coordinate and support the finance, strategy, business development, legal, human capital and sustainability functions of Group companies in order to ensure that they operate in a manner which is profitable and sustainable with favorable competitive conditions, and to set and monitor the corporate governance practices which apply across Sabancı Group.

Sabancı Holding defines its Holding value-add in 3 pillars; performance culture, dynamic capital allocation and value creation via data driven ecosystem. In regards to performance culture, a short-term and long-term management incentive system is adopted across the organization. Performance evaluation is conducted on an annual basis, involving a number of performance criteria including revenue, EBITDA, free cash flow and the relative total shareholder return (rTSR) for listed companies in terms of financial key performance indicators (KPIs), the improvement in their MSCI score and the actions to tackle the climate crisis in non-financial KPIs. The rTSR and Net Asset Value (NAV) growth are among the KPIs used in determining long term incentives.<sup>4</sup>

Having a value-focused, data driven ecosystem, Sabancı Group companies were operating in 13 countries as of 2021 year-end and were supplying their products to regions throughout Europe, Middle East, Asia, North Africa and North and South America. Sabancı Holding's multinational business partners include prominent global companies such as Ageas, Bridgestone, Carrefour, E.ON, Heidelberg Cement, Marubeni and Skoda.

In dynamic capital allocation, the Group focuses on growth and strengthening market leading positions in core businesses and investing in new platforms, while maintaining a healthy balance sheet structure and maximizing shareholder returns.

In 2021, Sabancı Group posted combined revenue of TL 152 billion and consolidated net income of TL 12 billion.



Sabancı Group unites Turkey and the World, for a sustainable life with leading enterprises through its performance culture, dynamic capital allocation and data driven ecosystem.



<sup>4</sup>KPIs are not limited to the examples included here.

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# SABANCI GROUP IN BRIEF

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## Value Creation

- Geographic/sector - specific value creation:  $IRR > WACC + (1\% \text{ to } 3\%)$
- Sector growth potential  $>$  Real GDP growth

## Ecosystem

- Projects in emerging stage of life-cycle
- Transferability of current competencies

## Sustainability

- Consistency with Sabancı Group's sustainability policies

## Grow and Protect the Core

- Strengthen our market leading positions
- Profitable growth driven by customer centricity

## Invest in New Platforms

- Increasing share of new economy: from 6% in 2021 to ~13% in midterm
- 75% of non-bank capex for transformation & adjacencies focusing on:
  - FX generation
  - Digital
  - Sustainability

## Maintain a Healthy Balance Sheet

- Combined Net Financial Debt to EBITDA\*\*  $\leq 2x$
- Healthy use of capital & debt
- Managing the balance sheet as if an investment grade company

## Short-Term Financial KPIs\*

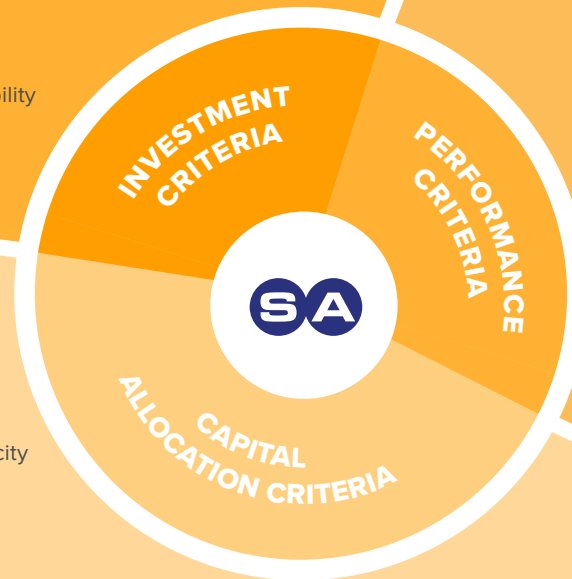
- Revenue, EBITDA, rTSR, free cash flow, net financial debt, working capital, market share

## Short-Term Non-Financial KPIs\*

- Actions taken to tackle climate crisis, reduction in plastic usage, improvement in MSCI score, executions on diversity and inclusion, future of work, operational excellence

## Long-Term KPIs\*

- rTSR, NAV growth, free cash flow, equity growth



## Maximize Shareholder Return

- Dividend Policy: 5%-20% of net income
- DPS (2017-2021): up by 1.8 times
- Share Buyback Program
  - Up to 5% of paid-in capital: 102 million shares
  - Total funds allocated: TL 1.75 billion
- Long-term incentive Plan: NAV Growth & rTSR

\* Performance criteria are not limited to the examples included here.

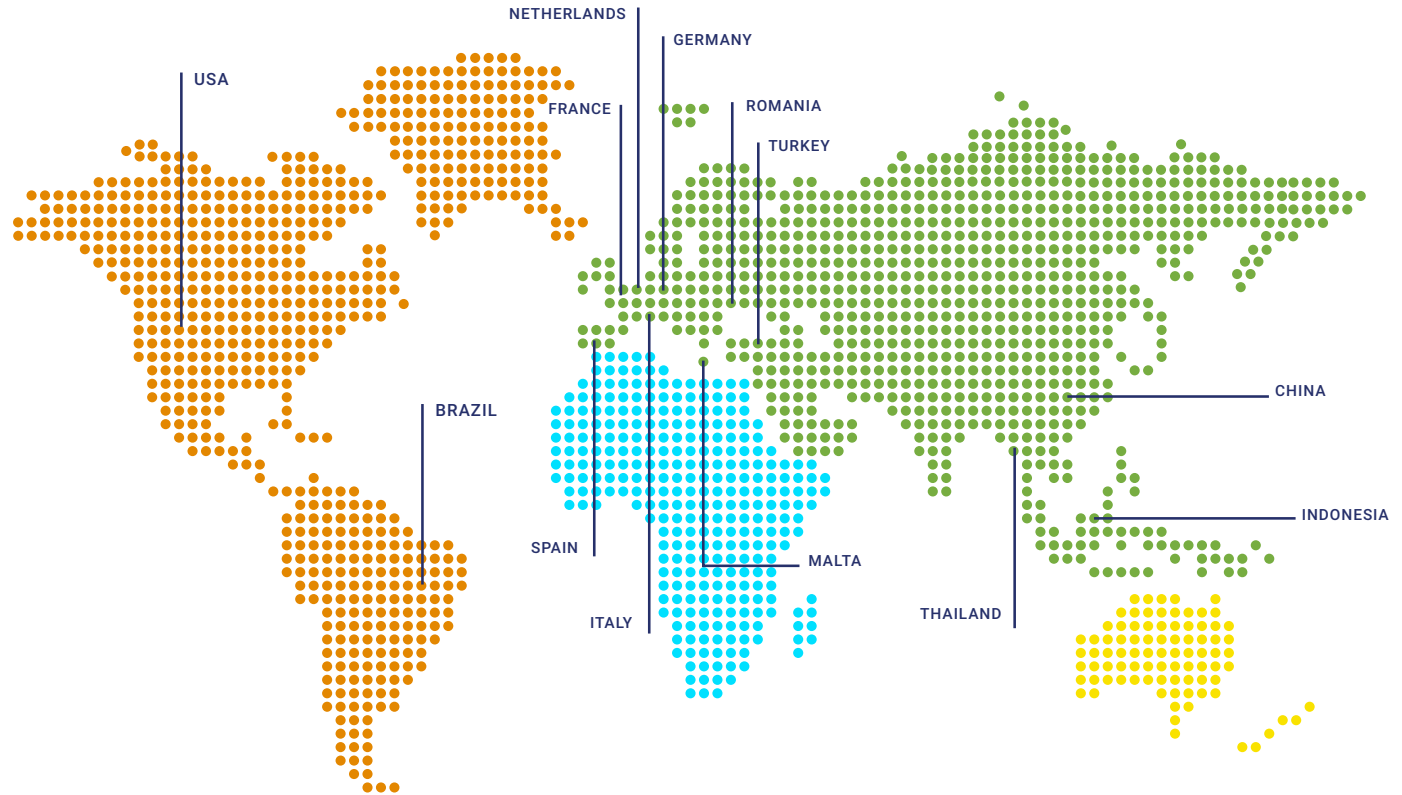
\*\* Excludes Banking, net cash position of Financial Services, IFRS 16 impact, and non operational and non-recurring one off items in EBITDA.



# SABANCI GROUP IN NUMBERS

Combining our global footprint with a strong governance model and a dynamically balanced portfolio structure, we accelerated our growth to all-time-high levels.

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**13**

Countries

**7**

Global Partnerships<sup>5</sup>

**60 thousand+**

jobs

**46%**

Growth in Combined Revenue

**61%**

Growth in Combined EBITDA<sup>6</sup>

**152%**

Growth in Consolidated Net Income

**22.6%**

Consolidated ROE<sup>7</sup>

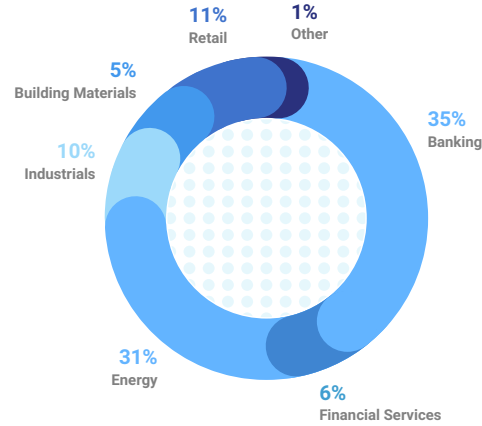
<sup>5</sup>As of 31 December 2021. <sup>6</sup>Excludes non-operational and non-recurring one-off items and IFRS16 impact in retail. <sup>7</sup>Excludes non-operational and non-recurring one-off items.

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A well-balanced portfolio and accelerated strategic initiatives including sustainability were the enablers of Sabancı Group's financial and non-financial success in 2021.

### Combined Revenue\*

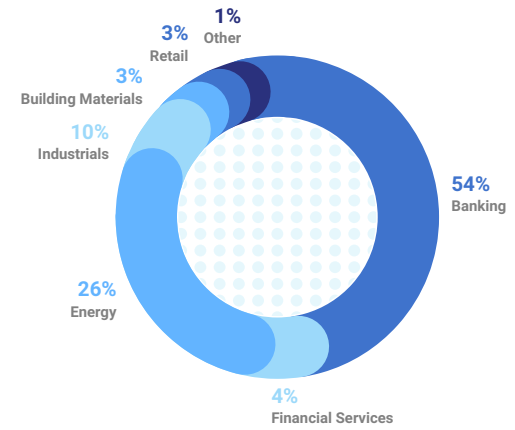
TL 150.1 Billion



\* Excludes Holding dividend income

### Combined EBITDA\*

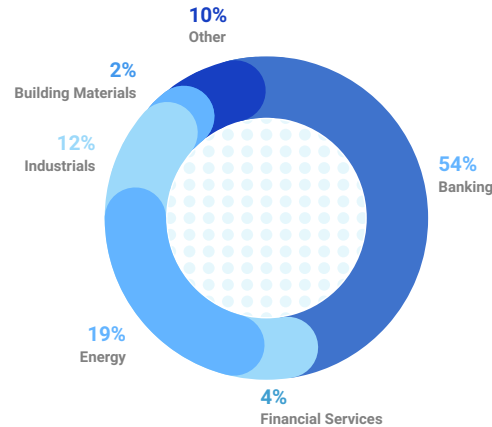
TL 32.9 Billion



\* Excludes one offs and IFRS 16 impact in retail

### Consolidated Net Income\*

TL 10.1 Billion



\* Excludes one offs and IFRS 16 impact in retail

First and Only Turkish Conglomerate in 2022 Bloomberg Gender Equality Index

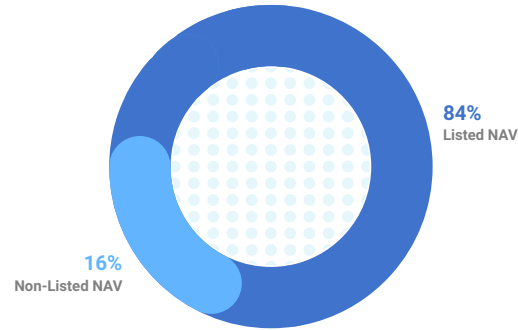
Top Ranked in Refinitiv ESG Score among investment holdings<sup>8</sup>

\* As of 30 June 2022.

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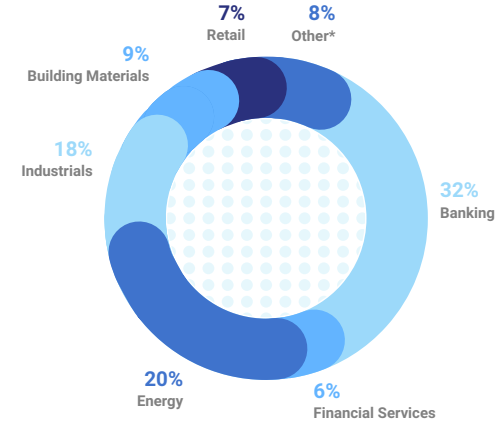
## Net Asset Value\* (NAV)

USD 3.5 Billion

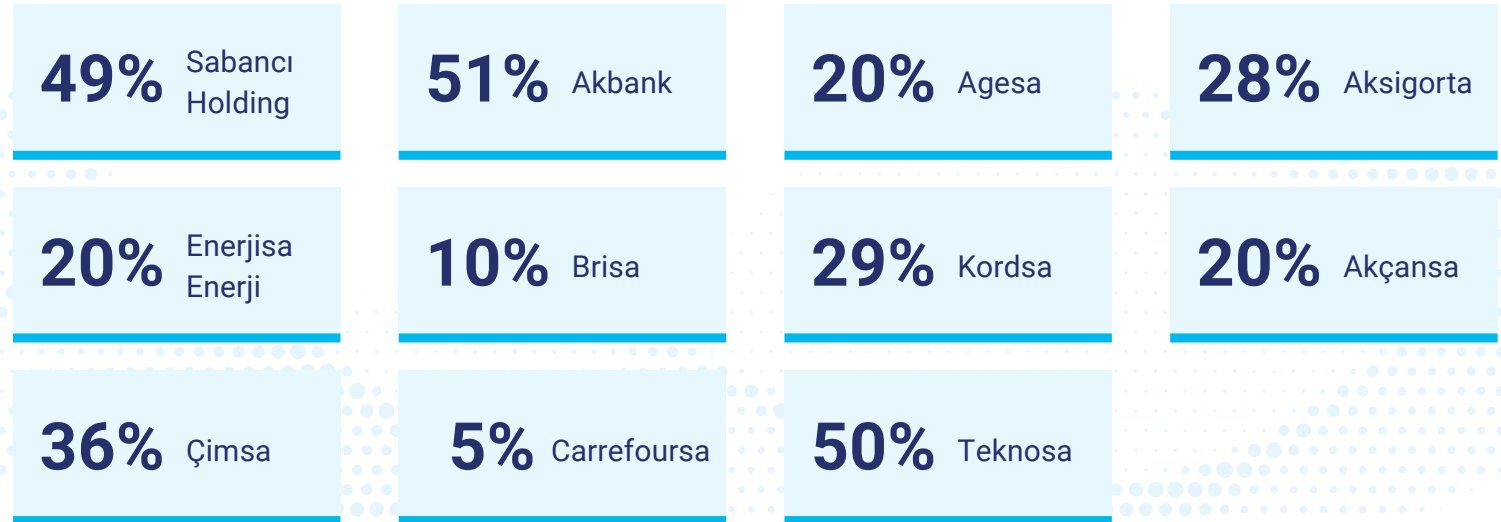


\* Excludes cash

## NAV Shares\*



## Free Float Ratios



Resource: Central Securities Depository of Turkey as of 31.12.2021

# SHAREHOLDER STRUCTURE<sup>9</sup>

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## BREAKDOWN OF SHAREHOLDERS HOLDING MORE THAN 5% OF THE CAPITAL AND VOTING RIGHTS

Shareholder	Share in Capital (TL)	Share in Capital (%)	Voting Right Ratio (%)
Sakıp Sabancı Holding Anonim Şirketi	287,100,000.56	14.07	14.07
Serra Sabancı	147,370,880.80	7.22	7.22
Suzan Sabancı Dinçer	141,566,960.87	6.94	6.94
Çiğdem Sabancı Bilen	141,566,960.87	6.94	6.94
Helikon Long Short Equality Fund Master ICAV	102,174,690.00	5.01	5.01
Other	1,220,624,437.90	59.82	59.82
<b>Total</b>	<b>2,040,403,931.00</b>	<b>100.00</b>	<b>100.00</b>

<sup>9</sup>Year-end data as of 31 December 2021.

# STRATEGY HOUSE

2 min

Sabancı Group reinforces its role as a global player with its contribution to a sustainable future and creates long term value for its stakeholders and Turkish economy.

By combining its solid financial structure, dynamic portfolio management and robust corporate governance with its innovation and technology oriented business approach, Sabancı Group is not only delivering a strong growth in its core businesses but also gaining significant opportunities in new growth platforms. Acknowledging sustainability as a fundamental principle in its investment decisions with strong growth and stakeholder return as key drivers, Sabancı Group unites Turkey and the World for a sustainable life with leading enterprises.

Rising from a foundation of global experience, high performance culture and value focused ecosystem built over the course of 94 years, the Sabancı Group advances towards its second century with a high confidence and enhanced strategic focus to accelerate its growth and transformation.

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## SABANCI CULTURE

- Putting the needs and expectations of customers & all stakeholders at focus,
- Valuing different perspectives and making decisions by considering comprehensive inclusion,
- Being the pioneer of innovation,
- Being courageous to make mistakes and seeing it as a learning & development opportunity,
- Focusing on long-term and sustainable value creation.

## OUR VALUES



### Sincerity

We place authenticity, respect and trust at the heart of our relations with all stakeholders, thus appearing as we are and being as we appear.



### Passion

We approach all tasks with enthusiasm, excitement, and perseverance. We mobilize our community with our energy.



### Courage

We express our thoughts freely and take risks. We are not afraid to make mistakes. We take the initiative and assume responsibility. We take action.



### Continuous Development

We question ourselves and our work with a positive curiosity based on excitement about innovation. To get better and better, we learn from our past experiences, develop in line with our vision for the future, and become the pioneer of change.



### Inclusion

We build environments that encourage the inclusion of all stakeholders, value different ideas, and deliver the highest benefit through multiple partnerships.

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# PIONEERING SUSTAINABILITY

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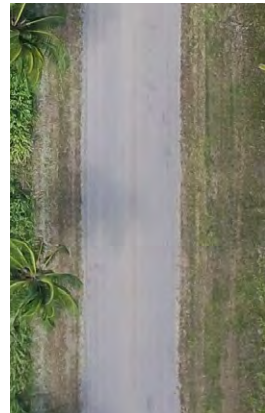
2 min

As Sabancı Holding, we pioneer and lead the sectors that we operate in via our sustainability approach which we spread to Group companies, focusing on understanding and adapting to change. With the best practices we have implemented in the ESG areas, we contribute making sustainability an integral part of the business model in all sectors.

In our main business lines such as energy, industrials, and financial services, we transform our existing investments to become more sustainable, while defining our new generation growth platforms in sustainable and high-tech business areas.

By focusing areas such as electrification, digitalization, and circular economy, we aim to ensure the highest level of efficiency within our own organization and our customers' activities.

We focus on making our current investments more sustainable, while defining our new growth platforms in sustainable and high-tech business areas.

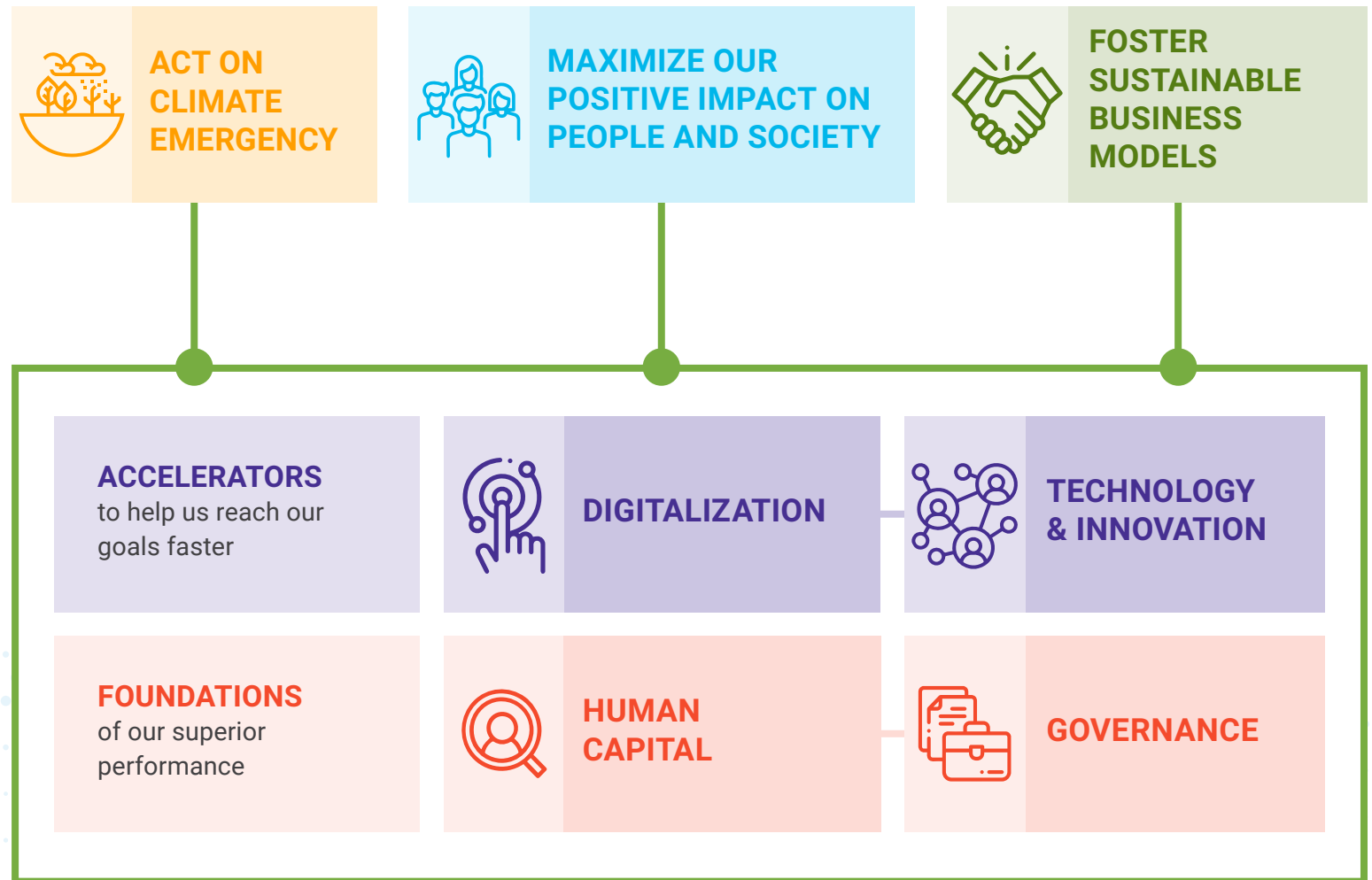




# OUR SUSTAINABILITY ROADMAP

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In 2021, Sabancı Holding launched its Sustainability Roadmap, which consisted of 80 high level actions to guide the Group’s ESG journey. By the end of 2021, the Holding commenced 41 actions out of 80, exceeding its internal targets on progress.



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## SABANCI GROUP HIGHLIGHTS IN SUSTAINABILITY <sup>10</sup>

	<b>80%</b> waste <sup>12</sup> ✓ <b>23%</b> water <sup>13</sup> Reintroduced to the economy <sup>11</sup>	<b>116% increase</b> in annual renewable energy consumption <sup>14</sup>	<b>100%</b> Share of renewable energy in the 565 MW new investment plan <sup>15</sup>	<b>2</b> Number of Group companies that are CDP Turkey Leaders <sup>16</sup>
	<b>1.2 million+</b> ✓ People reached through inclusion programs in a year <sup>17</sup>	<b>~2,000</b> Sabancı Volunteers	<b>~1 million</b> People involved in projects supported by Sabancı Foundation grant programs <sup>18</sup>	<b>TL 453 million</b> Sabancı University's budget for research projects
	<b>843</b> ✓ Number of SDG-linked products and services	<b>TL 7.7 billion</b> ✓ SDG-linked product and service revenues <sup>19</sup>	<b>TL 27 billion</b> ✓ Sustainable financing <sup>20</sup>	<b>42%</b> ✓ Proportion of environmental expenditure over regulatory compliance
	<b>TL 298 million+</b> ✓ R&D and innovation investments in one year <sup>21</sup>	<b>51%</b> ✓ Rate of SDG-linked R&D and innovation <sup>22</sup>	<b>52% increase</b> in SDG-linked R&D and innovation expenditures	
	<b>40%</b> ✓ Ratio of women manager	<b>1</b> Female-to-male pay ratio <sup>23</sup>	<b>TL 130 million +</b> Occupational health and safety investments <sup>24</sup>	<b>92%</b> Unionization rate of blue-collar employees <sup>25</sup>
	<b>44%</b> Ratio of women in the Board of Directors	Share of ESG in Senior Management Performance Goals <b>10%</b> Group Presidents <b>15%</b> General Managers	<b>BBB</b> MSCI ESG Rating <sup>26</sup>	<b>A</b> Top Ranked in Refinitiv ESG Rating <sup>27</sup>  2022 constituent of <b>Bloomberg Gender Equality Index</b>

<sup>10</sup>Amounts and rates stated are for 2021 unless otherwise stated. <sup>11</sup>It defines recycled, recycled or reused. <sup>12</sup>Recovered or reused. Wastes include hazardous and non-hazardous wastes. CSC BV is not included. <sup>13</sup>Recovered, recycled or reused. Akçansa, Brisa, Çimsa, Kordsa and Sabancı Holding are included. <sup>14</sup>For Akbank, Akisigorta, Akçansa, Brisa, Çimsa, Enerjisa Enerji, Enerjisa Üretim, Kordsa and SabancıDx. <sup>15</sup>Enerjisa Üretim portfolio. <sup>16</sup>Leadership in CDP Turkey Climate and Water Reports. <sup>17</sup>Inclusion programs refer to the community investment programs developed by the group companies. The number of vulnerable groups reached through these programs was followed by the breakdown of citizens over the age of 65, youth, children and socio-economically disadvantaged groups. Akbank, Agesa, Brisa, Carrefoursa, Çimsa, Enerjisa Üretim, Enerjisa Enerji, Kordsa, Teknosa, and Temsa are included. <sup>18</sup>The figure represents the cumulative value for over 15 years. <sup>19</sup>Akbank and CSC BV are not included. <sup>20</sup>Includes cash and non-cash SME (assessed by ESIA – Environmental and Social Impact Assessment System) and renewable Project Finance (PF) loans and ESG type Eurobond purchases, according to the unconsolidated management reporting in 2021. <sup>21</sup>Akçansa, Akisigorta, Brisa, Carrefoursa, Çimsa, Enerjisa Enerji, Teknosa and Temsa are included. <sup>22</sup>Akçansa, Akisigorta, Brisa, Carrefoursa, Çimsa, Enerjisa Enerji, Teknosa and Temsa are included. <sup>23</sup>This refers to the principle of equal pay for equal work. <sup>24</sup>Akbank, CSC BV and Sabancı Holding are not included. <sup>25</sup>This rate only covers the companies stated in the Section About the Report. Other Sabancı Group companies are not included. <sup>26</sup>It was BB in 2020 and rose to BBB in 2021. <sup>27</sup>Among Investment Holdings.

## BANK



**TL 27 billion** sustainable financing

**100%** of project finance energy generation loans to renewables since 2016, reaching 84% of total in 2021

Diversified product range tailored to needs of customers such as **Blue Finance Package, Women-owned SME Program, Green Trade Finance**

Launched Health Sector and Alternative Energy Funds,<sup>28</sup> AuM reaching **TL 2.5 billion**, with over 55K investors

Pioneered ESG-linked funding transactions, totaling over **USD 2 billion**

**TL 200 billion** sustainable loan financing commitment by 2030

Commitment to increase the sustainable investment funds to **TL 15 billion** by 2030

Target to become a **carbon neutral bank**<sup>29</sup> by 2025

Target to **reduce the impact of the loan portfolio on climate change** by 2030

## FINANCIAL SERVICES



Investment of **TL 53 million+** to the ESG funds in 2021

**130** processes and **4.9 million** transactions with the use of RPA<sup>30</sup> automation

**The IDC CIO Award** for pricing with artificial intelligence in traffic insurance

**Online Health Counseling** service during the pandemic

**Digital Security Platform** for SMEs and individuals

**2 new SDG-linked products** launched in 2021



Health and hygiene **aid to 2,300 people** over the age of 60

Psychosocial support to **600 elderly citizens** who had to stay at home due to COVID-19 restrictions

With the establishment of **Fund for "At All Ages"**, grant support for All Ages Fund to 5 projects of 4 different non-governmental organizations<sup>30</sup>

**Sustainability Equity Pension Fund** launched in 2021

## ENERGY



**Sustainable customer solutions** under the Energy of My Business<sup>31</sup>

**Contribution to the development of electrification** with network investments

Turkey's first and fastest **e-charging network**<sup>32</sup> by acquiring Eşarj's 14% minority stake, increasing its total stake at Eşarj from 80% to **94%**

Development of **Green Finance Framework**

"Inclusive and Green-Focused" loan agreement signed with the EBRD worth **USD 110 million equivalent to TL**

**4.2 MWP** solar power plant installed on the roof of the Galatasaray Stadium, **largest solar powerplant capacity among the football stadiums in the world**



**Turkey's largest private sector energy producer** in 2021 with a focus on renewable energy

**100%** of the **565 MW** in the new investment plan is renewable energy

**Biodiversity restoration & local community support programs**

**Hydrogen production & storage** program launched

**Green energy solutions**<sup>33</sup> provided all over the world

**2.5% share** in international renewable energy certificates market

## INDUSTRIALS



~ **TL 3 billion** in sustainable product revenues in 2021

**CDP Turkey Climate Leader for the 6<sup>th</sup> consecutive year, and 3<sup>rd</sup> time global leadership** in the CDP Supplier Engagement Rating

**Silver Status in the EcoVadis** Sustainability Platform

Supply tires **1 of every 5 electric vehicles** produced in Turkey

Sustainable fleet management for greener future with Arvento



Sustainability comprises **68%** of the total R&D expenditures<sup>34</sup>

**"A" rating in CDP Turkey Water Security Program**

**"A-" rating** in CDP Climate and Supplier Engagement Programs

**Gold Status in the EcoVadis** Sustainability Platform

Environmentally friendly **Cokoon technology** won the First prize in Intercompany Collaborations category at the Sustainable Business Awards

Yarn production with **20% recycled raw materials Kratos Synthetic Fiber Concrete** Reinforcement reduces the carbon footprint of concrete by approximately 40-70%



**Support for public transportation electrification with sustainable products** including battery packs and software, electric bus production

**Silver Status in the EcoVadis** Sustainability Platform

Goal of producing **one of the two buses electric** in 2025

## BUILDING MATERIALS



Higher **alternative fuel usage** than the industry average in Turkey with **19%**

**The first company in Turkey** to complete the environmental product declaration in concrete business line<sup>35</sup>

Çanakkale Plant is first factory in Turkey, 6<sup>th</sup> in the world having certified with **Gold Certificate of Responsible Use of International Resources**<sup>36</sup>



**New SRF (Solid Recovered Fuel) feeding system investment** in Afyon Plant to support high rate of alternative fuel usage

GHG intensity decrease worth **23 kg CO<sub>2</sub>** per cementitious

**3.7 times higher SDG-linked R&D and innovation expenditure** compared to 2020

**67%** increase in sustainable product revenues

**16%** increase in the number of female employees

## RETAIL & DIGITAL



**Traceability Platform for Safe Food and Transparency**

Projects on **service to reduce plastic packaging**

**Platinum Zero Waste target** in at least 10% of stores by the end of 2023

**Projects to reduce food waste**

**Reducing carbon emissions through efficiency programs**



~ **TL 213 million** revenues from sustainable products and services<sup>37</sup>

Digital literacy training for **23,000 + women**<sup>38</sup>

**Reducing carbon emissions** with a hybrid vehicle fleet

**Platinum Zero** Waste target in at least 10% of stores by the end of 2023




~ **TL 37 million** revenue from sustainable products

<sup>28</sup> Ak Asset Management <sup>29</sup>By eliminating operational emissions. <sup>30</sup>Robotic Process Automation. <sup>31</sup>E-charging, energy efficiency, certified green energy, and solar power plant installation services <sup>32</sup>494 charging plugs, 263 public charging locations, 170 fast-charging plugs. <sup>33</sup>Refers to green certificate business for end users and also providing emission reduction certificates for Scope 1 emissions. <sup>34</sup> Refers to the share of R&D and innovation expenditures on technologies, materials, products and processes that provide environmental or social benefits. <sup>35</sup> Akçansa has completed the environmental product declaration process carried out by the Global Cement and Ready Mixed Concrete Association and for the first time in the Ready Mixed Concrete Industry, it has made an Environmental Product declaration by sharing its environmental footprint with all its transparency. <sup>36</sup>Awarded by the International Concrete Sustainability Council. <sup>37</sup> Products with A+++ energy efficiency in the category of white goods and air conditioners defined as sustainable products <sup>38</sup>Between 2017 and 2021.

# OUR RESPONSE TO SUSTAINABILITY TRENDS


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Trend	Current Developments on the Trend	Sabancı Group's Response
 <p style="writing-mode: vertical-rl; transform: rotate(180deg); font-weight: bold; color: #1a3d54;">CLIMATE EMERGENCY AND THE CIRCULAR ECONOMY</p>	<p>Turkey's ratification of Paris Agreement and announcement of Net Zero Emissions Target for 2053</p> <p>The European Union (EU) Green Deal and Carbon Border Adjustment Mechanism discussions</p> <p>The return of the United States to the Paris Agreement with the new U.S. President Joe Biden</p> <p>Net-Zero Emissions commitments of the countries that account for approximately 70% of the global GDP and carbon emissions (primarily EU countries)</p> <p>Commitments for Net-Zero Emissions by 2050 from 42 institutional investors across all their portfolios, with investments worth USD 6.6 billion<sup>39</sup></p> <p>The European Commission's announcement of a new Circular Economy Action Plan</p> <p>The water strategy and management of Turkey, which is among the countries under water stress</p> <p>The European Commission Biodiversity Strategy and Action Plan for 2030</p>	<ul style="list-style-type: none"> <li>At Sabancı Group, we set a target to achieve Net-Zero Emissions and Zero Waste by 2050 at the latest.</li> <li>Energy and climate technologies, material technologies and digital technologies, which we call the 'new economy', are the most important elements of our growth journey.</li> <li>In addition to our 100% focus on renewable energy in new investments, we are also expanding our charging station network with Eşarj, Turkey's first and fastest charging station.</li> <li>We produce electric bus and battery technologies for the electrification of public transportation. In addition to electric vehicles, we operate in various areas such as autonomous vehicles; power distribution and vehicle-charging units; the use of alternative fuels, such as hydrogen; and charging stations under the roof of TEMSATech.</li> <li>We contribute to the sustainability of our customers with solutions such as distributed renewable energy, energy efficiency and green energy certification.</li> <li>With light material technologies, we reduce our customers' fuel consumption and emissions.</li> <li>We increase the resource efficiency of our facilities (including water efficiency) by utilizing data analytics, machine learning, Internet of Things (IoT) solutions, alternative fuel and raw materials.</li> <li>We are further strengthening our existing practices on biodiversity protection and restoration with the new biodiversity criteria in our Responsible Investment Policy, which is applied to all material parts of our value chain.</li> <li>We closely monitor sustainable financing practices and diversify our funding sources with practices such as green bonds, sustainable syndicated loans and sustainability-linked loan agreements.</li> <li>We carry out R&amp;D studies on reducing the use of chemicals harmful to nature or improving recycling technologies for our industrial products.</li> <li>We facilitate learning from each other among Group companies through Thematic Task Force meetings on issues such as the Climate Emergency and Sustainable Business Models.</li> </ul>

<sup>39</sup> Commitments are made under the United Nations-Convened Net-Zero Asset Owner Alliance.

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<b>RUSSIA'S INVASION OF UKRAINE</b>	<p>Greatest humanitarian crisis in Europe since the Second World War, with thousands of lives lost and millions of livelihoods disrupted</p> <p>Energy policy rotating toward securing access and source diversification including gas, nuclear and coal, with potential implications on net zero targets</p> <p>Security concerns on the continual supply of food, critical materials, equipment and other commodities to the countries most exposed to exports from Russia and Ukraine</p>	<ul style="list-style-type: none"> <li>We published our Responsible Investment Policy in the second quarter of 2022 with enhanced measures on human rights due diligence along the value chain and further measures on defense industry-related activities.</li> <li>Energy and climate technologies are one of the building blocks of our future investment plans. We remain committed to our focus on 100% low carbon energy technologies in new electricity generation investments.</li> <li>In a bid to address energy security and green energy transition simultaneously, we are intensifying our efforts in our hydrogen generation and power storage projects, with the ultimate aim to replacing some of the natural gas with green hydrogen in combined cycle gas turbines (CCGT).</li> </ul>
 <b>GLOBAL POPULATION GROWTH AND INEQUALITIES</b>	<p>The increasing global impact of the COVID-19 pandemic on human rights, inequality and discrimination</p> <p>The UN revealing that COVID-19 will push an additional 200 million into extreme poverty, with the total rising to as many as 1 billion</p> <p>EU's draft Corporate Due Diligence Directive on Human Rights and Environment</p> <p>Involuntary migration due to climate change, war and conflict, economic circumstances, food and water security. Based on a <i>research</i>, Climate change could force more than 200 million people to leave their home in the next three decades.</p>	<ul style="list-style-type: none"> <li>While Sabancı Group companies reached out to more than 1.2 million people from vulnerable groups in 2021 alone with the support of programs for building sustainable living conditions, Sabancı Foundation grant programs made sustainable impacts on the lives of 1 million people, 250 thousand of which have been reached out directly, by giving grants to 183 inclusion projects in 15 years.</li> <li>The Composite Technologies Center of Excellence, operating in cooperation with Kordsa and Sabancı University, has worked on the design, analysis and prototype production of medical devices and components used in the treatment of COVID-19, and personal protective equipment for frontline health workers. Ten tons of next-generation disinfectants, developed by Sabancı University and providing hygiene for up to three months on surfaces where it is applied, were donated to the Republic of Turkey Ministry of Health. Sabancı University Nanotechnology Research and Application Center (SUNUM) also provides active support to vaccine and serum development studies by offering its infrastructure.</li> <li>We collaborate with governments on improving access to vaccination. For instance, through the Mutual Cooperation Vaccination program, Indo Kordsa has provided 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> (Booster) dose of vaccination for its employees, their families and its retired employees.</li> <li>As part of the Future of Work project, we equip our employees with new competencies and prepare them for the future.</li> <li>We are adopting inclusive workplace models with more flexible and remote working options through which we ensure equal opportunities and employment for vulnerable groups and talents with different expectations and limitations.</li> <li>In response to the EU's focus on value chain due diligence, Sabancı Group's Responsible Investment Policy includes provisions about due diligence on human rights and environment.</li> </ul>

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Trend	Current Developments on the Trend	Sabancı Group's Response
		<ul style="list-style-type: none"> <li>We ensure living wage for all employees and a powerful representation of our manufacturing workforce through unionization. The rate of unionization among manufacturing employees (Blue Collar) is 92.1%, which is 78% above the Turkey average.</li> <li>One of the ground rule articles in collective bargaining agreements is our commitment to ensuring gender equality and creating opportunities for disabled people.</li> <li>We expect from our suppliers to adopt our approaches on labor and human rights, occupational health and safety and business ethics. While we are doing this, we do not squeeze our suppliers with unreasonable prices, poor working conditions or unfair contract terms.</li> <li>We monitor and audit whether our subcontractor employees are insured and social security premiums and salary payments are made. We also monitor whether their working and accommodation conditions are appropriate.</li> </ul>
 <p style="writing-mode: vertical-rl; transform: rotate(180deg); font-weight: bold; margin: 0;">TECHNOLOGICAL TRANSFORMATION AND DIGITALIZATION</p>	<p>Digital means of conducting business becoming more prominent following the onset of COVID-19</p> <p>Increasing need for cybersecurity in parallel with the increase in digital business processes and concerns about the increasing frequency and sophistication of state-supported cyberattacks</p>	<ul style="list-style-type: none"> <li>At Sabancı Group, we develop and invest in next-generation digital technologies, such as cyber security, digital marketing, cloud technology, advanced data analytics, internet of things and software development. With all these, our aim is to increase efficiency in our processes, to create added value for our customers by integrating new technologies to our products and to provide access to new markets.</li> <li>We transformed SabancıDx into the focus of our new growth area. On the one hand, SabancıDx accelerates the digital and analytical transformation within the Group; on the other, it leads the creation of 'Sabancı Big Data Lake' and creates value with the Sabancı ecosystem. This field, where we plan to expand abroad with creative products, will develop as the fourth pillar of our Group, with advanced data analytics and cyber security to be its main focal area.</li> <li>Significant efficiency gains in Kordsa's quality improvement program, Brisa's Industry 4.0 journey and the Arvento investment, and the transformation of Teknosa into an online marketplace are some examples of how Sabancı Group leverages on digital technologies. Moreover, we created the new generation insurance platform with the AksigortaNext app.</li> <li>Sabancı Ventures invested in Zack.ai and Bulutistan startups, increasing the number of startups in its portfolio to four. Sabancı Ventures had previously invested in Lumnion and Thread in Motion.</li> <li>With Digital Maturity and Cyber Maturity analysis which we have conducted for Group companies, we have performed rigorous situation assessments which help us plan the future. With shared objectives in our group activities, we are working to bring our security standards to international levels.</li> <li>We measure indicators such as the impact of digital transformation on EBITDA and the share of sustainability in our R&amp;D activities, and we work to increase them.</li> <li>We carry out activities in the financial services industry to ensure that our customers are prepared for the cyber security and other risks of the digital world.</li> </ul>

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# EMERGING SUSTAINABILITY RISKS IN 2021

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Sustainability risks can be categorized as physical risks, compliance risks and transition risks. We have identified some of the prominent risks in 2021. While identifying these risks, we also interpret the impact on the industries of Group companies.

Risk Category	Emerging Development	Description	Affected Industries	Group's Response
ENVIRONMENTAL	Increased severity of wildfires and extreme weather events	Risk of shutdowns, irreversible equipment damage and loss of revenue and disruption in supply chain due to wildfires and extreme weather events	Energy and Financial Services (Insurance)	<ul style="list-style-type: none"> <li>- The Group companies run disaster scenarios, develop adaptation and risk mitigation actions, invest in business continuity and disaster protection systems, and insure properties against damage and/or business interruption.</li> <li>- In insurance sector, pricing adjustments and the optimization of damage costs are among the measures taken against increased the physical impacts of climate emergency.</li> <li>- Sabancı Group companies also develop innovative solutions where required. An example: Our Energy Group company Enerjisa Enerji worked on a R&amp;D project that studies the robustness of different dimensions and materials for power line bearing poles in order to develop the optimal pole for each geographical condition, and thus better withstand heavy storms and snowfalls.</li> </ul>
	Climate Action Failure	The realization of all climate-related physical, compliance and transition risks due to insufficient climate mitigation and adaptation efforts deeply impacting the ability of businesses to survive sustainably and the livelihoods of society at large	All Industries	<ul style="list-style-type: none"> <li>- Sabancı Holding is working to enhance its climate scenario analysis, in which the impact of a variety of different market responses to climate emergency on our businesses will be studied. Based on the scenarios, Sabancı Holding will fine tune its investment and growth strategy.</li> <li>- Our Group companies also run scenarios in which the 1.5 degree limit is exceeded and physical impacts of climate emergency are increased in frequency and magnitude. We develop adaptation and risk mitigation actions to prepare for such scenarios as explained in the emerging risk named 'Increased severity of wildfires and extreme weather events'.</li> </ul>

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Risk Category	Emerging Development	Description	Affected Industries	Group's Response
SOCIETAL	Infectious diseases	Health & safety and business continuity risk	All Industries	<p>- Sabancı Holding Emergency Management Committee under the Presidency of the Sabancı Holding CEO aimed to balance employee health and business continuity. The vaccination rate among our employees is 99% on a Group level thanks to awareness raising campaigns. In addition, as part of the Future of Work project, we design models, such as flexible and remote working, and capitalize on the change in workforce management prompted by the pandemic.</p> <p>- The pandemic also showed us of the importance of physical, mental and spiritual wellbeing. At Sabancı Group, we have enhanced our long-established employee support programs, which are intended for all our employees and their families, with additional physical, spiritual and mental support packages. In 2021, employee assistance programs including stress-management tools, mindfulness and resilience training programs, wellbeing applications, online dietician support, coaching and expert sessions expanded in usage.</p>
	Talent risk	The talent risk (especially on IT-related positions) which has grown more critical with the COVID-19 pandemic	All Industries	<p>- Our Strategic Workforce Planning model includes an HR planning approach that anticipates the competencies that will be required by our Group companies in the future to implement their strategic plans and aims to substitute these competencies. With this model, we use advanced data analytics applications to highlight the needs for change in our workforce well in advance and prepare our employees and organizations for these changes.</p>



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Risk Category	Emerging Development	Description	Affected Industries	Group's Response
ECONOMIC	Severe commodity shocks	Supply shortages of critical commodities at a global scale that strains corporate budgets such as energy, foods, metals, minerals etc.	Industrials Building Materials	<p>- Our use of advanced analytics and integrated planning models which have been revamped in previous years with a transformational digital approach has helped us to manage the supply chain challenges of the year. In some companies, we started to conduct supplier continuity analysis per each purchase category and also in new investments as a response to supply chain challenges.</p> <p>- On the other hand, in tire reinforcement for instance, supply chain vulnerabilities from far East brings us market share in our strategic mix product portfolio.</p>
	Risks induced by digital transformation	Consumers leaning toward online sales channels, the emergence and rise of digital tools in logistics and all operations, and the transition to digital business processes and the management of cyber risks which are expected to increase due to Russian's invasion of Ukraine	All Industries	<p>- At Sabancı Group, we develop and invest in next-generation digital technologies, such as cyber security, digital marketing, cloud technology, advanced data analytics, internet of things and software development. With all these, our aim is to increase efficiency in our processes, to create added value for our customers by integrating new technologies to our products and to provide access to new markets.</p> <p>- The relevant infrastructure provides Group companies with the flexibility to rapidly transform their business models in the face of emergencies, such as the COVID-19 pandemic. For example, the insurance industry digitized all business processes and increased customer satisfaction, while food retail developed its software and hardware capabilities to meet the unprecedented surge in demand through internet services. In addition to the measures taken against cyber risks, we have developed solutions to ensure that our stakeholders are not adversely affected by digital risks with tools such as the Digital Security Platform.</p> <p>Please visit '<i>Our Response to Sustainability Trends: Technological Transformation and Digitalization</i>' for further information on our investments in digital technologies.</p>

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# MATERIAL ISSUES

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In 2020, we determined the sustainability priorities of Sabancı Holding with a participatory, inclusive and comprehensive approach that is based on international standards. While determining the material issues that guide the development of the Holding’s sustainability strategy, we identified the common priorities of both internal and external stakeholders and Sabancı Holding.

- With stakeholder analysis, we received opinions on potential sustainability priorities from both Group company employees and external stakeholders. In this context, we reached out to different groups from universities and suppliers to nongovernmental organizations and investors. In the stakeholder analysis, based on the international stakeholder engagement standard (AA1000SES) and reaching 1,167 people, 44% of the stakeholders contacted participated in the study.
- We evaluated the trends that are decisive in the global agenda and analyzed the material issues that affect business and sustainability by reviewing the literature with external trend analysis.



### Within the scope of literature review, we analyzed:

- United Nations Sustainable Development Goals, the European Bank for Reconstruction and Development (EBRD) and World Bank Turkey strategies;
- 11. Development Plan;
- World Economic Forum Global Risk Report;
- World Business Council for Sustainable Development (WBSCD) Macrotrends and Disruptive Events Report; and
- Materiality Map for different industries created by the Sustainability Accounting Standards Board (SASB).

Reviewed resources of critical importance for the Holding included the MSCI (Morgan Stanley Capital International) ESG performance material issues, the Vigeo EIRIS assessment methodology, the Dow Jones Sustainability Index criteria and the Task Force on Climate-Related Financial Disclosures (TCFD) principles, and the United Nations Principles for Responsible Investment & Principles for Responsible Banking.

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While determining the importance of the subjects for Sabancı:

- We considered the strategic perspective of senior management as obtained through face-to-face meetings.
- We evaluated the five-year business strategy of Sabancı Holding and observed investment areas.
- With the SASB Four-Step Impact analysis, we discussed the issues in terms of financial impact and risks, legal impacts, potential to create competitive advantage and innovation opportunities.

Finally, we reviewed the material issues that emerged following this study in light of the ESG criteria emphasized by investors. We also considered the material issues of companies leading sustainability and companies that were compared within the scope of the Sabancı Holding Sustainability Roadmap. We received the approval of senior management for the relevant material issues.

In this context, among a total of 23 issues, technology and digitalization, innovation, climate emergency, responsible investments, economic performance, risk management, talent management, collaborations and partnerships with stakeholders, corporate governance, the circular economy, equality of opportunity and diversity were identified as most material issues for Sabancı Holding and its stakeholders. Other issues are determined as employee engagement and satisfaction, data privacy and security, human and employee rights, community investment programs, work ethics, occupational health and safety, antibribery and anticorruption, biodiversity, regulation and compliance, sustainability leadership and responsible supply chain.

Importance for Stakeholders



- 1 Technology and digitalization
- 2 Innovation
- 3 Climate emergency
- 4 Responsible investments
- 5 Economic performance
- 6 Risk management
- 7 Talent management
- 8 Partnerships and collaborations with stakeholders
- 9 Corporate governance
- 10 Circular economy
- 11 Equal opportunities and diversity

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The material issues raised by our stakeholders and our response to these topics are listed below. In addition to responding our stakeholders' expectations, Sabancı Holding carried out an EFQM (European Foundation for Quality Management) self-assessment in 2021. A report focused on direction-implementation-results was prepared by considering all stakeholders. Following the report, action plans were created, and were adopted by Executive Committee. Thanks to the business excellence model of the EFQM European Quality Foundation and this self-assessment, Sabancı Holding has seen where it stands in terms of sustainable business excellence, stakeholder mapping, and sustainable value creation for all stakeholders.

### IMPORTANT FEEDBACK FROM OUR STAKEHOLDERS

Stakeholder Group	Means of Engagement	Issue Raised	Our Response
Investors	Bilateral meetings, investor days	Policy on Biodiversity	Although our Group companies have their own internal guidelines and procedures on biodiversity, we developed an overarching Responsible Investment and Due Diligence Policy which addresses biodiversity issues through exclusion list and due diligence procedures as well as other ESG related minimum standards across our value chains.
Investors, Business Platforms	Emails, bilateral meetings	Policy on Coal	Akbank updated its E&S Loan Policies to include provisions on excluding greenfield coal-based electricity production plants and excluding coal mining, coal transportation and power plants operating with coal for SMEs. Investing in greenfield coal-based electricity production plants and coal mining are also prohibited in our Responsible Investment and Due Diligence Policy. Furthermore, Enerjisa Üretim has launched a program to transform its generation portfolio in line with Net Zero target.
Investors, Executive Committee, ESG Rating Agencies	Emails, bilateral meetings	Interim targets on Climate	Sabancı Group companies started to launch their interim climate targets some of which are aligned with Science-based Targets methodology. We will continue working on setting interim targets for those which have not set their targets yet in line with science in 2022.
Human Capital Group Presidency, Group Companies	Thematic Working Group meetings, bilateral meetings	Overarching Policy on Tackling Inequalities	Our Responsible Investment and Due Diligence Policy has provisions on human rights due diligence. Furthermore, we developed our Diversity, Inclusion and anti-Harassment Policy in 2021 and will launch it publicly in 2022. Our Human Capital and Sustainability Group President has assumed the role of DE&I Officer to strengthen the ownership at executive level and within human capital functions in all Group companies.
Investors, ESG Rating Agencies	Bilateral meetings, emails, questionnaires	Transformation of the business	We are investing in renewable energy generation including green hydrogen and new technologies to increase efficiency. We are expanding our charging station network with Eşarj while producing electric bus and battery technologies for the electrification of public transportation. With light material technologies, we reduce our customers' fuel consumption. We carry out R&D studies on reducing the use of harmful to nature or improving recycling technologies for our industrial products. We increase the resource efficiency of our facilities (including water efficiency) through the use of alternative fuel and raw materials as well as tools such as data analytics, machine learning, and internet of things (IoT) to the maximum extent possible.

# SUSTAINABILITY ROADMAP AND GOALS

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Sabancı Holding focuses on sustainability by following global trends and sustainability agenda in the most effective way possible. In this context, a Sustainability Roadmap was created in 2020, and the value areas that would have a positive impact were determined. The Sustainability Roadmap, which was approved by the Executive Board and the Board of Directors in 2021, is linked to the sustainability priorities and the United Nations Sustainable Development Goals.




Sabancı Group started to take approximately 80 detailed actions developed to implement the Sustainability Roadmap in 2021. By the end of December, more than 50% of the actions were undertaken. The Holding also began measuring the key performance indicators for each title in the table below in 2021 and received independent auditing services for these data within the Group.

Roadmap Area <sup>40</sup>	Material Issue	Link to Our Business	2020 Performance	2021 Performance	Mid and Long-Term Goals
<p>Focus Area 1. Act on Climate Emergency</p>	<b>CLIMATE EMERGENCY</b>	All risks and opportunities associated with the climate emergency are of particular interest to our businesses. To contribute to the fight against the climate emergency and increase our resilience, we make environmental investments and expenditures, focus on energy efficiency, and strive to reduce greenhouse gas emissions. From an opportunity perspective, we integrate climate issues into our product development processes. Furthermore, energy and climate technologies are one of the building blocks of our future investment plans, helping us to gain market share in new economy. We remain committed to our focus on 100% low carbon energy technologies in new investments.	206 tCO <sub>2</sub> e/ million TL	150 tCO <sub>2</sub> e/ million TL	<i>Achieving Net-Zero Emissions and Zero Waste by 2050</i>
	<b>CIRCULAR ECONOMY</b>	Circular economy practices contribute to the fight against the climate emergency, the reduction of resource consumption and the waste generation. It increases our resilience to supply chain challenges. We invest in innovative technologies that facilitate circular economy models both in our own operations and our customers' operations. We believe our focus on circular economy practices bring competitive advantage not only in terms of resilience to supply chain challenges, but also in terms of our commitment to net zero and meeting customer expectations.	0.30 tonnes waste/million TL  97 tonnes water/million TL	0.28 tonnes waste/ million TL  70 tonnes water/ million TL	<i>Reviewing our processes from a circular economy perspective</i>

<sup>40</sup> All icons refer to the focus areas, accelerators, and foundations in our Sustainability Roadmap. Please refer to the page 17 for details.

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Roadmap Area <sup>52</sup>	Material Issue	Link to Our Business	2020 Performance	2021 Performance	Mid and Long-Term Goals
 Focus Area 2. Maximize Our Positive Impact on People and Society	<b>COOPERATION AND PARTNERSHIPS WITH STAKEHOLDERS</b>	<p>We have a large stakeholder ecosystem. By collaborating with different stakeholders, we leverage on their expertise and develop high impact programs that contribute to both our stakeholders and the Group itself. In addition, thanks to the engagement platforms on which we communicate regularly with stakeholders, we can receive timely feedback on many risks and opportunities before they arise and use them to improve our performance.</p>	-	SROI ≥ 1.29	<i>Implementing measurable, high-impact social programs with continuous improvement efforts (min. SROI<sup>41</sup> ≥ 1)</i>
 Focus Area 3. Foster Sustainable Business Models	<b>RESPONSIBLE INVESTMENTS</b>	<p>We believe adopting a responsible investment approach helps us to mitigate sustainability-related risks, capture business opportunities and ultimately create value for all stakeholders. Our understanding of responsible investment approach is about transforming our way of doing business in every function from R&amp;D to procurement, from HR to finance and product development. As a result of this approach, we invest in areas of growth, companies, business models, products, services, and projects that are in line with the United Nations Sustainable Development Goals.</p>	TL 5.9 billion SDG-linked revenues	TL 7.7 billion SDG-linked revenues	<p><i>Developing sustainable products, services and business models</i></p> <p><i>TL 200 billion in sustainable financing by 2030<sup>42</sup> and a sustainable mutual fund balance of TL 15 billion by 2030</i></p>
	<b>ECONOMIC PERFORMANCE</b>	<p>The economic value we create is the most significant tool for us to increase our impact in the determined value areas. We support employment and social development with stable, inclusive and sustainable economic growth. At Sabancı Group, we continuously improve our financial performance and profitability.</p>	Sustainable finance amounting to TL 16 billion	Sustainable finance amounting to TL 27 billion	
 Accelerator 1. Digitalization	<b>DIGITALIZATION</b>	<p>At Sabancı Group, we develop and invest in next-generation digital technologies, such as cyber security, digital marketing, cloud technology, advanced data analytics, internet of things and software development. With all these, our aim is to increase efficiency in our processes, to create added value for our customers by integrating new technologies to our products and to provide access to new markets.</p>	-	EBITDA impact TL 248 million	<i>Reaching our Sustainability Goals more quickly by utilizing digitalization for greater flexibility, quality and efficiency</i>

<sup>41</sup> Social Return on Investment. This indicator will start to be calculated from 2022 onwards. <sup>42</sup> Sustainable investment funds and loan financing target provided by Akbank.

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Roadmap Area <sup>52</sup>	Material Issue	Link to Our Business	2020 Performance	2021 Performance	Mid and Long-Term Goals
 Accelerator 2. Technology and Innovation	<b>TECHNOLOGY AND INNOVATION</b>	We closely follow technological developments to adapt our businesses to today's landscape. Making use of technology and innovation, we develop sustainable products and services that will solve today's environmental crises and increase social welfare.	44% SDG-linked R&D and innovation ratio	51% SDG-linked R&D and innovation ratio	<i>Increasing our sustainable product and service potential by combining our strength in R&amp;D and innovation with technology.</i>
 Fundamentals 1. Human Capital	<b>TALENT MANAGEMENT</b>	Talent management plays a major role for companies seeking to adapt to changing global trends and maintain their competitiveness. We manage our human capital through the Sabancı Competency Model, which specifies behaviors that will ensure Group values, leadership and performance improvement. At Sabancı Group, we aim to retain existing talents and attract new ones in order to work with competent human resources in all the relevant industries.	Turkey's first in-depth Future of Work project		<i>Providing development opportunities and experiences that will shape the Future of Work</i>
	<b>EQUAL OPPORTUNITY AND DIVERSITY</b>	The fundamental factors to ensure a meaningful and successful working environment are closing the gender gap, ensuring diversity and inclusion in the workplace and providing equal rights and opportunities to all employees. We offer equal opportunities to all of our employees in all Sabancı Group companies from the moment they are recruited and actively benefit from diversity.	44% ratio of women at BoD  38% ratio of women managers  -	44% ratio of women at BoD  40% ratio of women managers  2022 constituent of Bloomberg Gender Equality Index	<i>Being a leader in Diversity and Inclusion</i>
 Fundamentals 2. Governance	<b>RISK MANAGEMENT</b>	As we operate in various industries, we have a comprehensive risk management approach. We have an integrated risk management perspective that attends to our financial and non-financial risks. Our integrated risk management ensures that we can identify potential risks in our portfolio and operations in advance, and that we can manage these risks effectively by taking preventive measures.	ESG integration to ERM and investment strategy		<i>Continuously developing our corporate governance approach</i>
	<b>CORPORATE GOVERNANCE</b>	We consider corporate governance as an approach to protect the interests of our stakeholders, from employees to the communities in which we operate. Corporate governance is essential for ensuring sustainability at Sabancı Group, and we therefore adopt an all-inclusive corporate governance model with transparent, accountable, fair and responsible manner in all our businesses.	-	4 ESG committee meetings  11 ESG task force meetings	<i>Adopting an effective sustainability governance model</i>

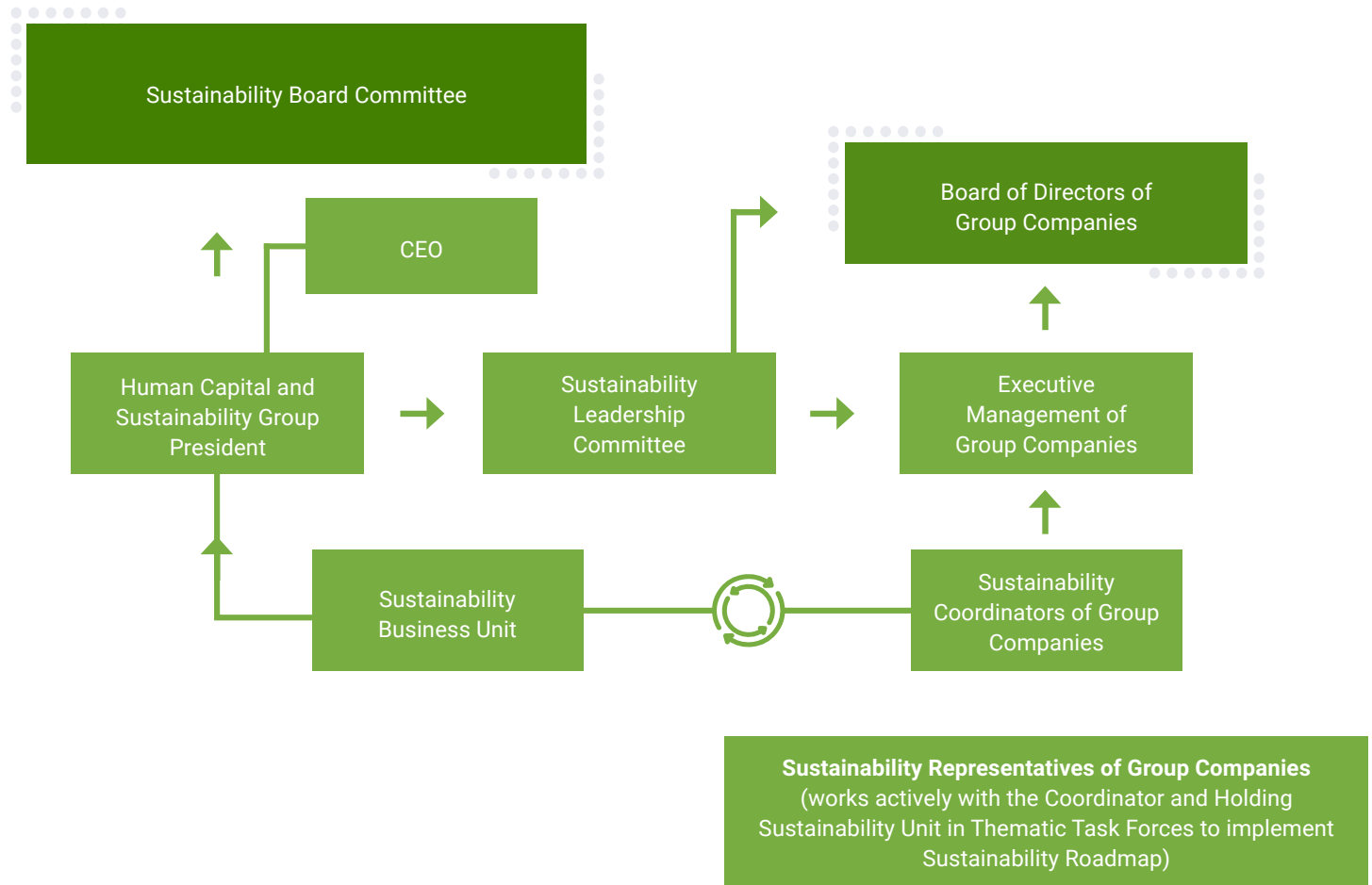
# SUSTAINABILITY GOVERNANCE

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We established Sabancı Group Sustainability Leadership Committee to effectively manage efforts within the scope of the Sustainability Roadmap. We established Thematic Task Forces under Sustainability Leadership Committee. Both the Sustainability Leadership Committee and the Thematic Task Forces (the latter through Sustainability Business Unit) report to the CEO. We also have a Board Sustainability Committee consisting of independent Board members.

## SUSTAINABILITY GOVERNANCE MODEL



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## SUSTAINABILITY LEADERSHIP COMMITTEE

The Sustainability Leadership Committee, chaired by the Human Capital and Sustainability Group President on the Executive Board, ensures that the Holding and Group companies are on the same page in terms of sustainability goals and actions. The Committee is also responsible for monitoring the progress made toward the goals and actions included in the Group's Sustainability Roadmap, and for monitoring the efforts to manage risks that may adversely affect Sabancı's reputation and operations in ESG areas. It monitors international developments, public regulations and trends in sustainability, and advises the Thematic Task Forces accordingly. The Committee encourages the deployment of expertise and best practices among Group companies. The Chair of the Committee informs the Holding Board Sustainability Committee every six months and receives their guidance and approval. With Full Members consisting of all relevant Group Presidents, the Corporate Brand Management and Communications Department President, and the Director of Investor Relations, the Committee is also open to the participation of the relevant stakeholders upon invitation. The Sustainability Director acts as the coordination unit.

In addition, a pool of experts from the focus areas of the Sustainability Roadmap was created. Its purpose is to provide the technical basis for the Committee's decisions on critical issues and guide the Committee on global trends.

In 2021, the Committee has met 3 times.

The Sustainability Directorate is responsible for the coordination of works.

The Sustainability Leadership Committee is responsible for monitoring the Sustainability Roadmap.

The Committee reports directly to the CEO. The Committee Chair informs the Sustainability Board Committee every six months and solicits their guidance and approval.

The Committee convenes four times a year.

In accordance with the agenda, relevant stakeholders are invited in addition to Permanent Members.



### The Sustainability Leadership Committee

**Committee Chair:** Human Capital and Sustainability Group President

**Permanent Members:** Relevant Group Presidents, Corporate Brand Management and Communications Department President, Investor Relations Director

**Members Participating by Invitation:** General Managers of Group companies, other Senior Executives, Sustainability Representative or Coordinators

**Coordination Unit:** Sustainability Business Unit

**Thematic Task Forces (Agile Structures):** Comprised of experts at Group companies, meeting frequency determined according to the annual work plan.



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## BOARD SUSTAINABILITY COMMITTEE

In 2021, a Board Level Sustainability Committee was established, which is formed and governed by independent Board Members of Sabancı Holding. In 2021, Sustainability Board Committee held its first meeting following its establishment.

## THEMATIC TASK FORCES

We established Thematic Task Forces within the Leadership Committee as supporting structures for the focus areas in the Sustainability Roadmap. Consisting of experts from Group companies, the Task Forces operate with agile working logic. It is responsible for making program and project designs for the implementation of items detailed in the action plan. It reports its work to the Sustainability Leadership Committee through the Sustainability Business Unit.

In 2021, the Climate Emergency Task Force has met 2 times, while the Sustainable Business Models and Human & Society Task Forces have met 5 and 4 times respectively.

## SUSTAINABILITY BOARD COMMITTEE STRUCTURE

Sustainability Board Committee comprises of a Rapporteur and maximum three members including Chair who is appointed by Sabancı Holding Board of Directors.

The Chair of the Committee is selected among the independent Board Members and appointed by Sabancı Holding Board of Directors.

The Committee meets in ordinary session at least twice a year.

The meeting minutes are noted regularly by the Rapporteur. Following the approval of meeting minutes by all Committee members, it shall be submitted to Sabancı Holding Board of Directors.

### Committee Structure

**Committee Chair:** Ahmet Erdem

**Permanent Members:** Ahmet Erdem, Hayri Çulhacı, Mehmet Kahya (Board of Directors Independent Members)

**Participants:** Sabancı Holding CEO, Human Capital and Sustainability Group President (Sustainability Leadership Committee President)

**Members Participating by Invitation:** General Managers of Group companies, Sustainability Leadership Committee Permanent Members, Coordinators etc.

**Rapporteur:** The Sustainability Director of Sabancı Holding is the Rapporteur of the Sustainability Board Committee. The Rapporteur ensures the administrative organization of the meetings and coordinates the attendance of the people whom the Chair asks to attend the meeting.

**Committee Responsibilities:** Sustainability Board Committee comprises of the independent board members in order to help the Board of Directors fulfill its duties and responsibilities regarding environmental and social issues in a healthy manner.

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## ESG TOPICS COVERED IN INTERNAL MEETINGS

Name of Task Force / Committees	Level of Participation	Number of Meetings in 2021	Examples of Issues Discussed
<b>Board Sustainability Committee</b>	Independent Board Members, CEO, Sustainability Leadership Committee Chair, Sustainability Director	1	<ul style="list-style-type: none"> <li>● Sustainability Governance Structure</li> <li>● Local and global developments (IPCC Reports, CBAM,<sup>43</sup> EU directives on environment, etc.)</li> <li>● Climate Change Risks</li> </ul>
<b>Sustainability Leadership Committee</b>	Group Presidents, Corporate Brand Management and Communications Department President, Investor Relations Director, Sustainability Director	3	<ul style="list-style-type: none"> <li>● Responsible Investment Policy</li> <li>● Group-level ESG Interim Goals</li> <li>● ESG Rating Score Trends</li> </ul>
<b>Climate Emergency Thematic Task Force</b>	Sustainability Director, Sustainability Coordinators, Representatives and manager level representatives from other functions at Group Companies (e.g. human capital, R&D, risk management, etc.)	2	<ul style="list-style-type: none"> <li>● Local and global developments (CBAM, EU directives on environment, etc.)</li> <li>● Climate Change Risks (Physical, transition, compliance, etc.)</li> <li>● Environmental Performance and Goals (e.g. ESG rating performance, SBTI<sup>44</sup>, other international initiatives such as CDP, etc.)</li> </ul>
<b>Sustainable Business Models Thematic Task Force</b>	Sustainability Director, Sustainability Coordinators, Representatives and manager level representatives from other functions at Group Companies (e.g. human capital, R&D, risk management, etc.)	5	<ul style="list-style-type: none"> <li>● Sabancı SDG-related Products and Services Taxonomy, EU Green Taxonomy</li> <li>● EU draft directive on Corporate Due Diligence on Human Rights and Environment</li> <li>● Responsible Investment Policy</li> <li>● Group-level ESG Interim Goals</li> <li>● COP 26 key take-aways</li> <li>● Best practices on ESG governance, accountability, innovation, disclosures, etc.</li> </ul>
<b>Human &amp; Society Thematic Task Force</b>	Sustainability Director, Sustainability Coordinators, Representatives and manager level representatives from other functions at Group Companies (e.g. human capital, R&D, risk management, etc.)	4	<ul style="list-style-type: none"> <li>● Implementation and Impact Measurement Strategies on Social Investments</li> <li>● Diversity, Inclusion and anti-Harassment Policy</li> <li>● Board level Policies on Remuneration, Diversity, etc.</li> <li>● Gender Breakdown of STEM and Income Generating Roles</li> <li>● Equal Pay Disclosure</li> <li>● International standards and ratings on human rights and diversity such as Bloomberg GEI</li> </ul>

<sup>43</sup>Carbon Border Adjustment Mechanism. <sup>44</sup> Science Based Targets Initiative.

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## SABANCI GROUP RESPONSIBLE INVESTMENT AND DUE DILIGENCE POLICY

In 2021, Sabancı Holding developed a Group wide Responsible Investment and Due Diligence Policy to guide the capital allocation decisions of Sabancı Holding and to ensure the sustainability of the Group’s value chain.

The Policy regulates the minimum standards on the following subjects that will form the basis of the business areas in which the Holding operates and the value chains of the Group companies:

- Environmental
- Social
- Ethics
- Governance
- Human rights

The Policy aims to determine the basic principles for the above-listed issues in the investment portfolio of the Holding, based on national and international standards and good practices, and to support the management of risks associated to these issues.

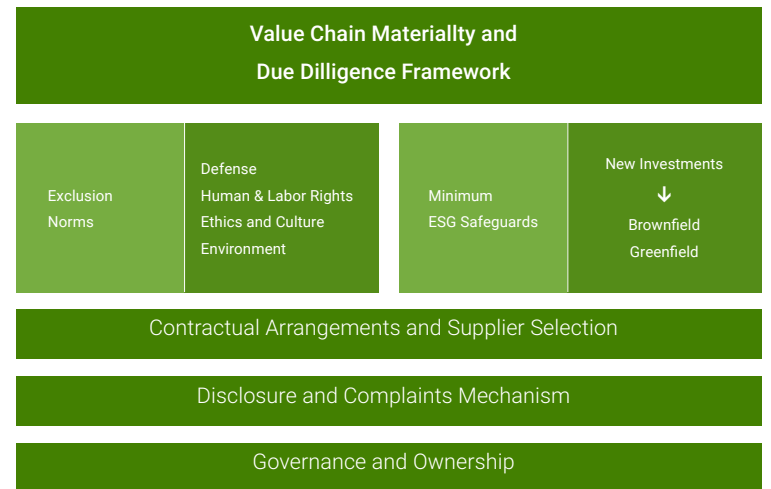
At the same time the Policy demonstrates the Holding’s strong commitment to achieving positive contribution to the SDG and improvement in ESG performance across the entire value chain.

The implementation of our Sustainability Roadmap and Responsible Investment and Due Diligence Policy is included in the scope of our internal audit scheme as a third line of defense. The second line of defense is our Sustainability Directorate and Legal, Risk and Compliance Group.

The Policy, which is a first of its kind among Turkish conglomerates, is publicly launched in the second quarter of 2022. It will be implemented as a pilot until the 2<sup>nd</sup> quarter of 2023 and will enter into full force from this date.

The Group wide Responsible Investment and Due Diligence Policy informs our investment and divestment decisions, as well as our due diligence and value chain management strategies.

## BUILDING BLOCKS OF SABANCI HOLDING RESPONSIBLE INVESTMENT AND DUE DILIGENCE POLICY



*Scan or click here for the full version of Responsible Investment and Due Diligence Policy*



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Every industry in which we operate comes with inherent risks and opportunities in terms of the climate emergency. At Sabancı Group, we are moving forward with the goal of achieving Net-Zero Emissions in all operations by 2050.



# ACT ON CLIMATE EMERGENCY

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Every industry in which we operate comes with inherent risks and opportunities in terms of the climate emergency. We adopt the integrated management of portfolio risks for the operations of Sabancı Holding and Group companies and make projections regarding the impacts of the relevant risks. In the fight against the climate emergency, we focus on directly reducing GHG emissions, developing technologies that will support a sustainable future, and investing in products and services that will promote these technologies. We also provide financing for innovative approaches to extend the fight against the climate emergency across the entire value chain. We adopt a circular economic model that will bring a new perspective on waste to ensure that our natural resources, which are decreasing due to the climate emergency, are used effectively and efficiently.

## INCREASING OUR CLIMATE PERFORMANCE

Sabancı Holding enhanced its CDP Climate Change Score to B (management level) as well as taking its place in the management level category by maintaining B score in CDP Water Security Program.

Kordsa was awarded as Leader in the CDP Turkey Climate Change and Global Water Security Program. In the CDP Water Program Kordsa earned a place among the 118 companies in the Global A list worldwide. Kordsa also achieved "A" score in 2021 within the scope of the CDP 'Supplier Engagement Rating', which evaluates the extent to which companies include their suppliers in the fight against climate change.

Brisa was awarded as Leader of the CDP Turkey Climate program for the 6<sup>th</sup> consecutive year and leader of the CDP Water Security Program for the 3<sup>rd</sup> time.

## CLIMATE EMERGENCY

Three of the first five risks announced in 2022 with the *Global Risk Report* published by the World Economic Forum are related to the environment and climate, which illustrates the extent of the climate emergency and the severity of the relevant risks.

In line with the Paris Agreement, the global temperature increase must be limited to 1.5°C to prevent environmental, social and economic damage. In this context, the net-zero targets of countries and companies are critical, particularly those of the European Union (EU) countries per the Green Deal and the United States upon rejoining the Paris Agreement.

At Sabancı Group, we are moving forward with the goal of achieving Net-Zero Emissions in all operations by 2050.

In line with this goal, we are investing in renewable energy generation, renewable energy purchase and new technologies to increase efficiency. In addition, we support the transformation of the value chain with green electricity tariffs and green financing, as well as by producing energy-efficient products and the transportation technologies of the future.

In parallel with the enhancements on ESG governance mechanisms across all our businesses and a significant increase in our non-financial disclosure, our Group companies continued to announce their decarbonization roadmaps in 2021. Moving forward, Sabancı Holding will commence the first phase of a Group-wide project to identify key improvement areas on our Net Zero Emissions target and address the remaining gaps across all companies.

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**THE LARGEST SOLAR POWERPLANT CAPACITY AMONG THE FOOTBALL STADIUMS IN THE WORLD: GALATASARAY STADIUM GETS GUINNESS LISTED FOR 4.2 MW SOLAR OUTPUT**

When it comes to investing in sustainable growth platforms, the total installed capacity has tripled with a total of 10 MWP commissioned projects in the second half of 2021, including the Galatasaray Stadium reference project, a first of its kind in Europe. The stadium generates its own electricity with the solar power plant established using the Energy Performance Model.

The entire investment of the facility, which was established on a total area of 40,000 m<sup>2</sup>, is undertaken by our distribution and retail company, Enerjisa Enerji, and the Galatasaray Sports Club will pay over the amount of electricity generated during the contract period. The whole project is expected to reduce CO<sub>2</sub> emissions approximately 3,250 tons per year.

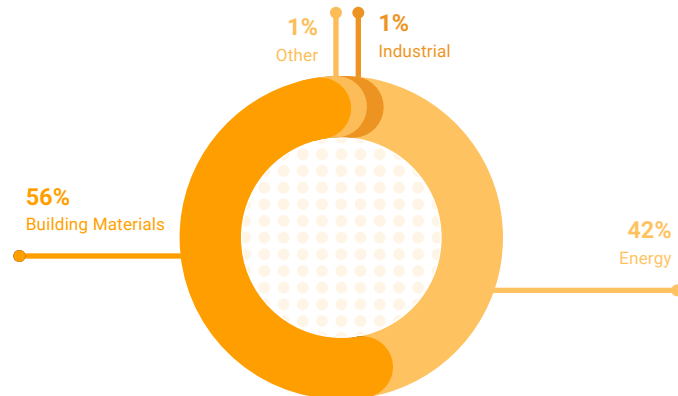
**Emission Intensity<sup>45</sup> by Year<sup>47</sup>** ✓



Emissions by Scope	2021	2020
Scope 1	87.5%	87.2%
Scope 2	12.4%	12.7%
Scope 3 <sup>46</sup>	0.1%	0.1%
Total	22.8 million tCO <sub>2</sub> e	21.3 million tCO <sub>2</sub> e

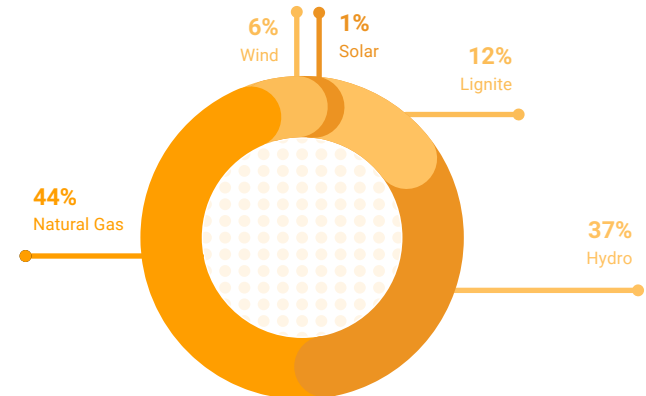
**Total Scope 1 and Scope 2 Emissions by Sector (2021)**

Total  
**22.8 million tCO<sub>2</sub>e** ✓



**Enerjisa Üretim Portfolio (2021)**

Total Installed Power  
**3,607 MWh**



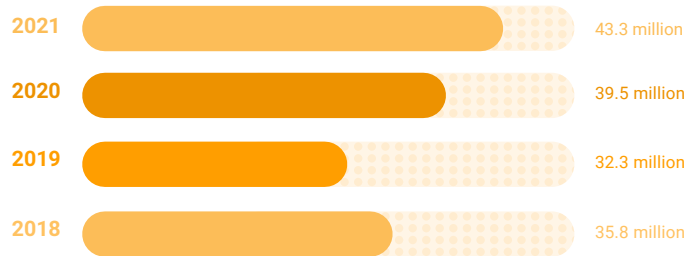
<sup>45</sup> tCO<sub>2</sub>e/million TL combined net revenue <sup>46</sup> Only includes business travel and employee commuting. <sup>47</sup> Restated due to change in unit calculation.

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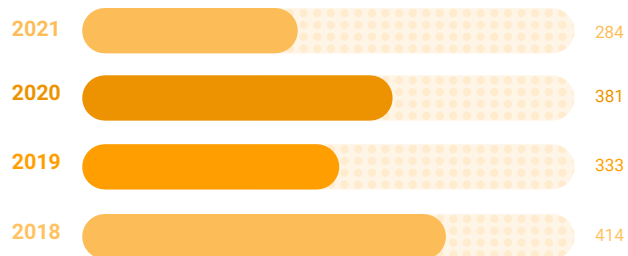
## ENERGY AND GHG MANAGEMENT

At Sabanci Group, our energy intensity decreased by 25% in 2021, while the ratio of our Scope 1 and 2 emissions to our combined net sales revenue decreased by 27%. We achieved a total of 43.2 thousand MWh of energy savings with efficiency projects<sup>48</sup> implemented. As a result of carbon emission reduction projects, we prevented approximately 118 thousand tons of CO<sub>2</sub> equivalent greenhouse gas emissions.<sup>49</sup> In addition to these, we procured nearly 356 thousand MWh of our electricity from renewable sources. Apart from the step we take to reduce impact of our operations, in order to keep global warming below 1.5°C target, we focus on sustainable products, services and investments to decarbonize the energy and transportation sectors. Our absolute emissions in Scope 1 and total energy consumption increased mainly due to the higher production output in energy business.

### Energy Consumption by Year (MWh) ✓

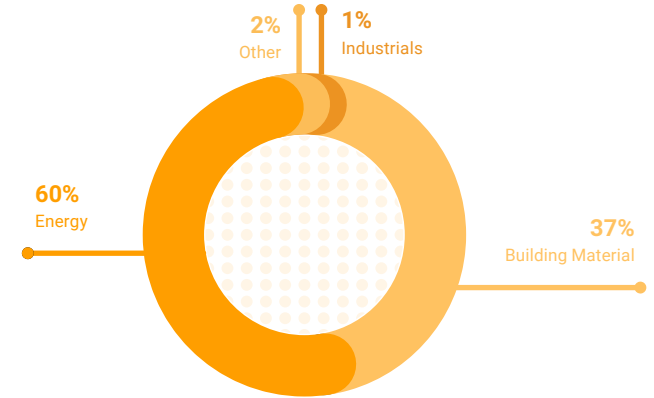


### Energy Intensity<sup>50</sup> by Year ✓



## Energy Consumption by Sector (2021)

Total  
43.3 million MWh



**43.2 thousand** ✓  
MWh Energy savings<sup>51</sup>

### TURKEY'S FIRST GREEN HYDROGEN PLANT

On February 2022, Turkey's first green hydrogen plant was established with the collaboration of Enerjisa Üretim, the South Marmara Development Agency (GMKA), Eti Maden, Turkey's Scientific and Technological Research Council's Marmara Research Center (TÜBİTAK MAM) and Aspilsan Energy.

The production and use of green hydrogen, which has the greatest potential to replace fossil fuels, began at Enerjisa Üretim's Bandırma facility.

<sup>48</sup> Includes Brisa, Carrefoursa, Kordsa, Teknosa and SabancıDx. <sup>49</sup> Includes Akçansa, Brisa, Carrefoursa, Çimsa, Kordsa and Teknosa. <sup>50</sup> MWh/million TL combined net revenue. Restated due to change in unit calculation.



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## ENERGY

Our generation company, Enerjisa Üretim is targeting to transform its generation portfolio in line with the net zero emissions goal of Sabancı Group. The Company will achieve this transformation through the following 4-pillar approach.

### Enerjisa Üretim's Net Zero Emissions Approach

Commitment to 100% zero carbon technologies in new power plant investments	Transforming the existing fleet into hybrid solar energy hubs with the ultimate aim of 100% zero carbon generation	Use of Nature-based solutions & offset technologies	Hydrogen strategy
<p>Enerjisa Üretim is committed to grow in zero carbon technologies, mainly in wind and solar.</p> <ul style="list-style-type: none"> <li>• In early 2021, Enerjisa Üretim commissioned hybrid solar projects.</li> <li>• The construction of a 65 MW Wind Power Project in Kayseri is also started.</li> <li>• Enerjisa Üretim started to receive pre-licenses for the 500 MW YEKA<sup>51</sup> wind projects in 2021 and continues the project development processes.</li> </ul>	<p>Enerjisa Üretim has launched a gradual and large-scale integration of hybrid solar power capacity into its current fleet:</p> <ul style="list-style-type: none"> <li>• Enerjisa Üretim put into operation Turkey's first hybrid solar power plant in 2020.</li> <li>• Construction of an additional 150 MW of new hybrid solar power plants will be completed by 2025.</li> <li>• Enerjisa Üretim will also transform the open-pit lignite mine in Tufanbeyli coal power plant into a solar field.</li> </ul>	<p>The company operates an innovation hub where nature-based solutions and sustainable energy innovation programs are conducted. We will continue to seek for credible offset solutions and technologies, which can be used to offset residual emissions.</p>	<p>Lastly, the company is intensifying its efforts on hydrogen generation and power storage projects, with the ultimate aim to replace some of the natural gas with green hydrogen in Combined Cycle Power Plants moving forward. The first planned Hydrogen generation took place in early 2022 following the launch of a pilot hydrogen generation plant which became a first in Turkey.</p> <p>Additionally, Carbon Capture and Utilization technologies are being researched for a potential use case in thermal power plants.</p>



<sup>51</sup> These are areas where electricity generation plants based on wind and / or solar energy resources can be established in large installed powers with economic potential, which do not prevent establishment in terms of administrative permits, are technically suitable to be established and operated.

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Our energy distribution and retail company, Enerjisa Enerji is the largest player in the sector, providing electricity distribution and sales services to a population of approximately 22 million – that is one out of every 4 people in Turkey - in three regions and 14 cities, six of which are metropolitan. This means we serve a population larger than many European countries.

With the aim of strengthening our innovative and pioneering position in the field of e mobility and offering solutions that will contribute to the decarbonization of transportation, our distribution and retail company increased its stake in Eşarj from 80% in 2020 to 94% in 2021, via its subsidiary Enerjisa Müşteri Çözümleri A.Ş. Eşarj is Turkey's first and fastest electric vehicle station network.

By the end of 2021, Eşarj increased its number of charging sockets by ~ 60% compared to the previous year to 494, with charging sockets available at 263 public locations. Also, in 2021, Eşarj became the first e mobility company to reach 150,000 recharges.

In addition to contributing to the development of electrification with grid investments and e-charging network investments, Enerjisa Enerji is also supporting its customers' in reducing their greenhouse gas emissions with sustainable energy solutions such as installing renewable energy power plants for self-consumption, implementing energy efficiency measures and providing green energy certifications.

## INCREASING GREEN ELECTRICITY PROCUREMENT

Many of our Group companies such as Akbank, Aksigorta, Akçansa, Brisa, Çimsa, Enerjisa Enerji, Enerjisa Üretim, Kordsa and SabancıDx have started to provide their electricity from renewable sources.

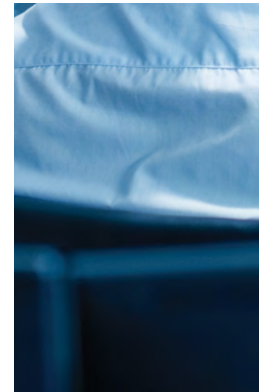
In 2022, the rate of renewable energy usage will increase across all our businesses. As an early manifestation of this target, Enerjisa Enerji has signed a green energy supply agreement with Sabancı Holding, Sabancı University and Teknosa in January 2022.

## SYNERGY OF THE GROUP COMPANIES

"My Fuel is Sun" is a solar-powered e-charging project conducted by TEMSA and Enerjisa Enerji.

The goal of the project is to create a new market where bus batteries are reused and off-grid (portable) solar-powered DC charging systems are available at scale.

This year, at the 12<sup>th</sup> annual Golden Collar Awards which is organized by Sabancı Holding, the "My Fuel Is Sun" project won the first prize in the "Sustainability" category.



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## BUILDING MATERIALS

In 2021, our Building Materials Group companies exceeded their targets in raising their usage of alternative fuels, alternative raw materials and in decreasing their clinker usage ratio to drive decarbonization.

In alternative fuel usage in particular, our group increased its usage of alternative fuels to an average of 16% of the total, consuming less fossil fuel in production. Moreover, the ongoing investments in our plants will pave the way for the ratio of alternative fuels in total fuel usage to exceed 25% in our companies in the coming years.

On the other hand, reducing our clinker ratio is a key part of our group's decarbonization strategy. The "Clinker Saving" project was initiated in our Group and saved over 200,000 tons of clinker in 2021.

As a result of such efforts made at Akçansa, greenhouse gas intensity (tCO<sub>2</sub>/TL revenues) has decreased by 35% between 2019 and 2021. The use of alternative fuels and biomass has a large share in this improvement. The company is targeting to reduce its carbon intensity in kg CO<sub>2</sub>e per tonne of cementitious from 753 in 2021 to 649 in 2030.

Çimsa decreased 3.1% CO<sub>2</sub> intensity of grey cementitious products in 2021 in comparison to 2020. Çimsa has a target to reduce its grey cement carbon intensity in kg CO<sub>2</sub>e per tonne of cementitious from 736 in 2021 to 600 in 2030. In white cement, the company aims to reduce its carbon intensity in kg CO<sub>2</sub>e per tonne of cementitious from 908 in 2021 to 710 in 2030. In 2030, Çimsa aims to increase its rate of alternative fuel usage from 12.4% in 2021 to 40% in 2030.

### SDG-LINKED PRODUCTS THAT AVOID OUR CLIENTS' EMISSIONS

Our Building Materials Group is striving to decarbonize their value chain, while offering products that reduce GHG emissions of our clients.

Scope 4 emissions (or avoided emissions) describe emissions that can be avoided through the use of a particular product or service. It cannot be used to neutralize Scope 3 emissions but is a useful tool to drive greater contribution to SDGs through products and services that help clients to decarbonize.

For instance, Çimsa's Calcium Aluminate Cement product enables clients to increase the lifetime of product and ultimately leading to a reduction in material use.

Çimsa's white cement product NONA which is Turkey's first patented white cement, contributes to the improvement of indoor and exterior air quality with its air and self-cleaning feature.

Çimsa has a target to increase the revenue of SDG-linked products and services including those that avoid emissions during the use phase and those that are produced with low carbon technologies, to 50% by 2030 from 7.8% in 2021.

By transforming our business and increasing efficiency throughout the life cycle of our products, we will continue to enhance environmentally friendly products. Some examples of low environmental impact products that also contribute reducing our clients' GHG emissions are as follows:

- Akçansa's A+Beton is a durable and high performing concrete product with a significantly reduced GHG values due to the use of granulated blast furnace slug for up to 70% in its composition and is developed for environmentally friendly green buildings.
- Akçansa's Yeşilşap, an environmentally friendly and light ready screed product, reduces GHG emissions by up to 35% through special additive blend cements used in its production process. Due to the special chemical additives used, Yeşilşap weighs 25% less compared with conventional screed products and also contributes

to thermal insulation on buildings. In this way, it avoids the emissions of Akçansa's clients.

- Akçansa's DUOCEM is both structure and environmentally friendly cement that supports greenhouse gas reduction because it has a carbon footprint of 10% less than Portland cement, due to its mineral additive content of up to 20%.
- Akçansa's SOLIDCEM contains 21-35% mineral additives. Thus, it is climate and environment friendly as it causes 15% less greenhouse gas emissions in its production. It is easy processable, durable and highly resistant to harmful environmental effects.

## 2022 AND BEYOND: GROWING INTO A GLOBAL SUSTAINABLE BUILDING MATERIALS PORTFOLIO

The Building Materials Group will be focusing on growing and transforming into a global sustainable building materials portfolio.

In alignment Sabancı Holding's 2050 sustainability targets, our cement business has set out a CO<sub>2</sub> roadmap which includes a variety of projects ranging from decreasing the clinker ratio by raising the use of low carbon alternative raw materials and realizing a substantial increase in the use of alternative fuels.

Our Building Materials Group companies will continue to prioritize high-value-added digital transformation projects to ramp up their use of alternative fuels in 2022.

In this context, studies involving smart factory systems and cloud solutions have been progressing at speed to increase efficiency in energy usage.

## PRODUCTS WITH LESS GHG FOOTPRINT, IMPROVED LIFETIME AND HIGHER RESILIENCE TO HARSH CLIMATE CONDITIONS

Akçansa supplied ready-mixed concrete to 1915 Çanakkale Bridge, which became the "suspension bridge with the longest central span in the world".

The special concrete, namely "1803 Çimento" product have a service life of minimum 100 years.

Unlike standard concrete, "1803 Beton" is resistant against harsh climate conditions, is impermeable, and reduces early age cracks risk by applying heat control procedure.

Another example to such products is the "SOLIDCEM" which contains 21-35% mineral additive thus leading to lower GHG footprint. It has high resistance against harsh environmental conditions, including the atmosphere containing sulfate.

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## INDUSTRIALS

In 2021, two of our Industrial Group companies, Brisa and Kordsa, have taken their sustainability performance to leadership levels in CDP Climate and Water, while our four R&D centers have delivered new sustainable alternative products in their markets. More than 60% of the current R&D project portfolios are related to addressing the SDGs.

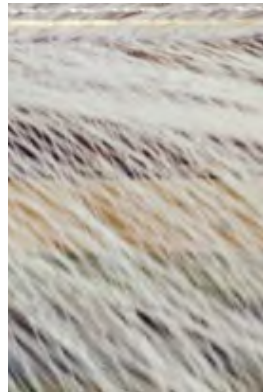
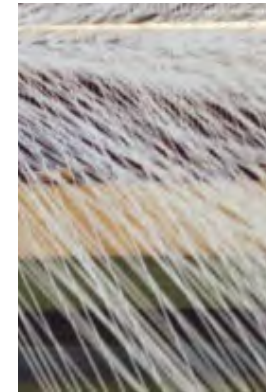
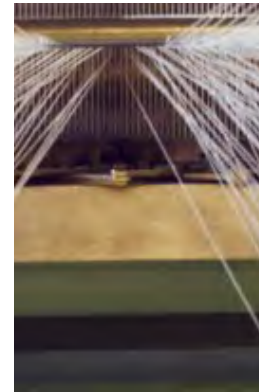
On top of climate and water leadership, Brisa and Kordsa are among the “Global Leaders” in the Supplier Engagement Rating. Moreover, Brisa’s GHG reduction target is approved by Science Based Target Initiative. Kordsa also launched its GHG reduction target based on Science Based Target Initiative.

In tire business, Otopratik and Propratik service points of Brisa increased to 97 in 43 cities, where an extensive customer experience is provided with fast fit maintenance and electric car charging services.

In Composites, Kordsa’s light-weight composite products, which provide weight reduction compared to metal materials and save energy, are used in a wide range of areas from aerospace to batteries.

### REDUCING WEIGHT TO SAVE ENERGY

As part of the vehicle development approach in line with foreign market regulations, Temsa carry out modulation works for body, chassis, seat carcass group and composite outer cladding group parts. In addition to the developed parts, the Company aim to contribute to weight reduction studies with the use of thinned glass and low-density mastic. As an important output for the project, in which Temsa developed with Çukurova University, they produced composite exterior cladding parts by using carbon fiber for the first time in Turkey and tested it on the vehicle. For the first time, Temsa established understanding of numerical analysis basis by testing different composite materials and lamination parameters in the bus industry.



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In automotive sector, our KCF650 carbon fabrics enhance lightness, hardness and chemical sealing in case of explosion to electric vehicle battery boxes. Besides, we contribute to green energy sector through our Ceramic Matrix Composite (CMC) solutions resistant to 1,000°C temperature created for fuel cell technologies used in zero carbon electricity generation.

With the aim of transforming mobility into a whole experience, as well as making it greener and more sustainable, we extend our investments and offerings in mobility in the fields of electrification and connectivity. This vision is manifested in Brisa's latest acquisition of Arvento Mobile Tracking System Inc. Together with our Otopratik network, Arvento which is an important player in the vehicle tracking and fleet management systems market in Turkey will play a key role in our new offerings for fleets and fuel saving.

In Commercial Vehicles, we have committed our resources to become a hub of electric mobility, including the connected services around it. Our Group company Temsa produces electric buses and battery technologies that play a key role in electrification of public transportation.

In addition to electric vehicles, TEMSATech works on topics such as autonomous vehicles, power distribution and vehicle charging units, alternative fuel technologies such as hydrogen and charging stations.

## SUSTAINABLE CHEMICALS AS A CORNERSTONE OF OUR TRANSFORMATION

Complementary to our existing businesses that enable green transformation, we set out "Sustainable Chemicals" field as a potential mid-long term investment area in our journey of transforming our reinforcement unit to an advanced materials business. This strategy has been detailed through studies carried out by our internal agile teams.

## TEMSA E-BUSES ARE IN 6 COUNTRIES

In 2021, our first electric bus deliveries were made both in Europe and Turkey. Under the umbrella of Sabancı and Skoda Transportation, we restructured our international network and strengthened our eBus journey by providing eBuses to Sweden, one of the premium showcase markets.

In the coming years, electric vehicles are going to be the major segment of our product. Based on this target, half of our R&D investments at this front will be allocated to electrification.



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## WATER MANAGEMENT

Changing precipitation regimes and increasing droughts due to climate change are threatening freshwater resources. In addition, *water consumption has doubled in the last 50 years* primarily due to increasing domestic, agricultural and industrial use, further accelerating global water stress.

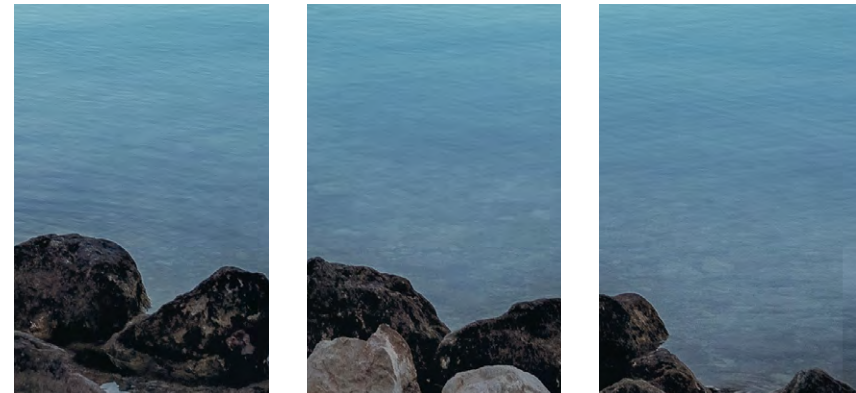
At Sabancı Group, we see water as a fundamental natural capital for all sectors in which we operate. We are aware that disruption in water supply will adversely affect all business processes. Accordingly, we define our impact on water resources on an industry basis, and carry out studies focused on efficiency, recovery and savings to manage water in a sustainable manner.

Our total water consumption in 2021 slightly increased to 10.6 million m<sup>3</sup>, while total water discharged reached 5.4 million m<sup>3</sup>. Across the Group, the percentage of water recycled and reused in 2021 was at 23%. In the future, we will continue to give priority to increasing water efficiency through projects, especially in water and emission-intensive sectors.

## WATER RECYCLING

Brisa started to use MBR membrane filter technology to recycle the waste of the well water filtration system in line with our sustainability goals. With this project, the waste of the filtering system are recovered with 95% efficiency and rejoin the water cycle.

In addition, in İzmit facility our water consumption decreased by 63% in 2021 compared to 2008. In Aksaray Plant, we achieved 49.5% m<sup>3</sup> water consumption reduction for per tons manufacturing compared to 2019.



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### BLUE FINANCING PRODUCT PACKAGE FROM AKBANK

Akbank has implemented Turkey's first and only Blue Financing Product Package in order to develop sustainable tourism, reduce the environmental footprint in marine tourism, port and maritime activities, and protect the seas.

The Blue tourism loan financing includes works such as new hotel construction, refinancing of existing hotels, renovation of existing buildings, investments related to sustainability, green building integration, waste management, biodiversity studies, water and wastewater management and energy efficiency.

The Blue Port Loan is being implemented to be used in financing the construction of the new port, port refinancing, all activities related to sustainability in ports, waste management, circular economy studies, biodiversity studies, and water and wastewater management.

The Bank offers The Blue Transportation Loan opportunity to those who want to purchase new sea transportation vehicles (for touristic or commercial purposes), invest in alternative fuels, accelerate their low-carbon transition investments, and use financing for energy-efficient, environment-friendly machinery and equipment renewal and replacement.

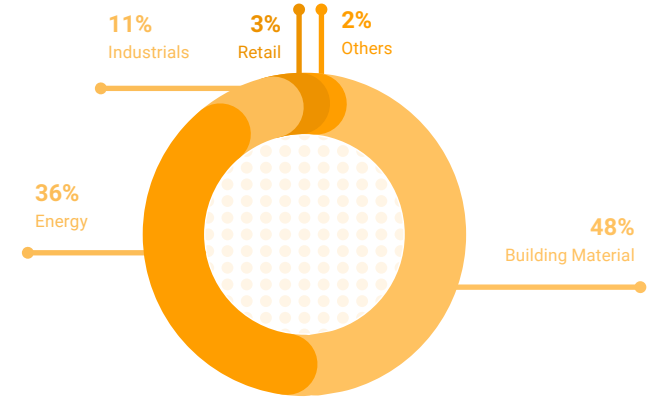
# 23%

Water recycled and reintroduced to the economy

<sup>52</sup> m<sup>3</sup>/million TL combined net revenue

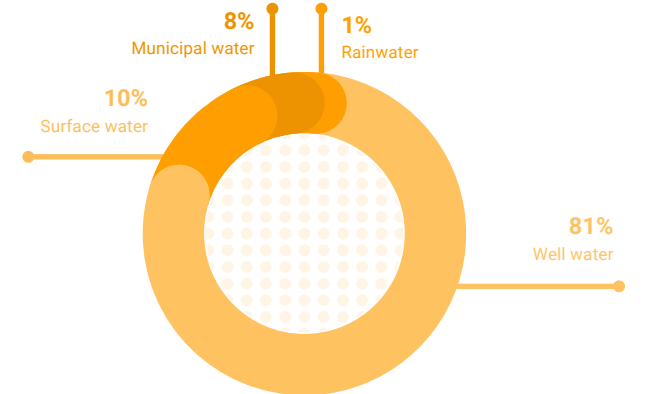
### Water Consumption by Sector (2021)

Total  
10.6 million m<sup>3</sup> ✓



### Water Consumption by Source (2021)

Total  
10.6 million m<sup>3</sup> ✓



### Water Intensity by Year<sup>52</sup>





18 min

The increase in population, changing consumer habits and linear business models based on the existing “make-use-dispose” models lead to the inefficient use of resources, as these resources turn into waste and lose all value added. Therefore, adopting circular economic models, which are based on the principle of recycling waste and reintroducing it back to the economy, play a critical role in reducing environmental pollution and carbon emissions.

## WASTE MANAGEMENT

At Sabancı Group, we act with the vision of achieving Zero Waste by 2050 at the latest. We are transitioning to a circular business model in which waste is recycled to ensure the more effective and efficient use of scarce resources.

Our waste intensity, which is the ratio of our combined net revenue to total waste generated, decreased by 7% compared to 2020. The percentage of waste recycled and reused was 80% of the total waste generated. In addition to the measures, we take to reduce our own operational waste, we aim to reduce waste generation of our customers through effective maintenance and repair services and sustainable products that are resource efficient and durable.

- In waste management, Akçansa and Çimsa are focusing on developing smart factory processes, data analytics and energy efficiency with their digitalization strategies and they use waste as an alternative energy source.
- Akçansa’s Çanakkale Plant, was awarded “Responsible Use of Resources the International Sustainability Certificate” by The Concrete Sustainability Council, becoming the first in Turkey and sixth factory globally to ever receive this certificate.
- Also, Akçansa’s Büyükçekmece and Betonsa’s Gebze Ready Mixed Concrete Plant raised their Responsible Use of Resources the International Sustainability Certificates to Gold level. Additionally, Betonsa’s Kemerburgaz Ready Mixed Concrete Plant was awarded

“Responsible Use of Resources the International Sustainability Certificate” by The Concrete Sustainability Council, becoming the first ready mixed concrete plant receiving Gold and Version 2 certificate in Turkey.

- Çimsa’s Afyon Plant and Afyon Ready Mix Concrete Station were awarded ‘Responsible Use of Resources the International Sustainability Certificate’ by The Concrete Sustainability Council.

## Waste by Type (2021)<sup>53</sup>

Total  
42.8 thousand tonnes



## Waste Intensity by Year<sup>54</sup>



<sup>53</sup> CSC BV is not included. The amount of total waste increased due to change in scope. <sup>54</sup> ton/million TL combined net revenue

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## INCREASED LIFETIME AND DURABILITY OF PRODUCTS LEADS TO REDUCED WASTE

Brisa's tire coating service Bandag increases longevity of tires up to three times. In 2021, approximately 95,000 tires were coated, saving 5,7 million liters of fuel, 1.300 tons of steel and 3.000 tons of rubber. By the way, Brisa is running recycling programs that processed 193 thousand tons of end of life tires, which adds approximately TL 384 million value to the Turkish economy.

Brisa also ensures that their tire waste generated during production and tires that have completed their life cycle is transformed into fuel and energy.

Brisa support the process of collecting tires that have completed their useful life, of the Association of Tire Manufacturers (LASDER) which Brisa is a founding member, in accordance with the legislation and recycling them to the environment and the economy.

At Kordsa, we offer innovative solutions by focusing on market needs in concrete reinforcement. For instance, KraTos™ Synthetic Fiber Reinforcement is widely used in all kinds of infrastructure and superstructure projects as a shrinkage reinforcement material to prevent early-age cracking.

According to the product life cycle evaluation made within the framework of ISO 14040/44 standards, compared to its equivalent steel reinforcement products, the use of Kratos Synthetic Fiber Concrete Reinforcement reduces the carbon footprint of concrete by approximately 40-70%.

**80%** ✓

Waste recycled and reintroduced to the economy

## INVESTING IN ALTERNATIVE FUELS

In 2022, Çimsa's new investment 'Tyre Derived Fuel (TDF) and Solid Recovered Fuel (SRF) Feeding System' has commenced operations at the company's Afyon Plant. The facility was established to reduce the use of fossil fuels in cement production and a make the production process more sustainable by using alternative fuels. It is expected to apply circular economy principles by using wastes from different sectors.

Thanks to the plant, which was completed in nine months with an investment of TL 52 million (USD 3.65 million), the fossil fuels used in Çimsa's Afyon plant will decrease by 35% in the first phase. Thus, wastes will be converted into heat energy and their environmental impact will be minimized through energy recovery.

The investment aims to prevent the release of 46,200 tonnes of CO<sub>2</sub> per annum. This amount is equivalent to the annual carbon capture capacity of 23,000 ha of forest area.

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We are a member of the Business Plastic Initiative, which was launched by the Business Council for Sustainable Development Turkey (BCSD Turkey) to reduce plastic waste in private sector. We aim to reduce the consumption of disposable plastics by 100% until 2024. In this context, we first aim to prevent the unnecessary use of plastic and switch to the reuse model where possible.

In the next phases of our target, we plan to focus on the use of recycled plastics and reduce plastic consumption across the entire value chain. By the end of 2023:

- We will implement a store model that is in line with the Zero Waste Platinum concept in at least 10% of Carrefoursa and Teknosa stores.
- We will offer our customers reusable packaging in the fresh produce section (bakery, butcher, fish, charcuterie) in all Carrefoursa stores, and the option to sell products through containers provided by our customers in at least 10 Carrefoursa stores.
- To reduce the use of packaging, particularly plastic packaging, we will commission refill stations for select products in at least 10 stores and commence planning to make this practice more common.
- At Carrefoursa stores, we will have sustainable products that will serve as alternatives to disposable straws, plastic cutlery, plastic plates, plastic cotton swabs, plastic tea and coffee stirrers, and plastic cups.

## 100%

Our target to reduce in-office single-use plastic consumption by 2024

### REDUCING PLASTICS BEYOND OUR OWN OFFICES

In 2021, Sabancı Group Companies estimated their reduction in single use office plastics as 370 tonnes. Moreover, Sabancı Group is expanding its plastic reduction target beyond its own operations.

For instance, at Carrefoursa, to reduce the use of plastic and other packaging by our customers, we commissioned refill stations for selected products (bakery, butcher, fish, charcuterie) in 10 stores in 2021.

By the end of 2022, we aim to complete the R&D studies of the EU's Hoziron 2020 project, i.e. PolynSPIRE (Demonstration of Innovative Technologies towards a more Efficient and Sustainable Plastic Recycling) at Kordsa, in collaboration with our project partners. Once completed successfully, the project has the potential to enhance recycling technologies, thus increasing the eligibility of certain types of plastic waste for recycling.

Such efforts also avoid emissions on top of reducing plastic pollution, since they lead to a reduction in waste and use of raw material compared to the baseline scenario.

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## FOOD WASTE

A total of 931 million tons of food is wasted every year. This amount accounts for approximately 8% of annual global greenhouse gas emissions. Thanks to its strategy to prevent and manage food waste, Carrefoursa delivered 550 tons of products from the markets to 22,000 people for eight years in cooperation with the Basic Needs Association (TİDER). With the Friendly Movement project, initiated in cooperation with HayKonFed, the surplus food products were donated to stray animals.

Carrefoursa began to support the “Save Your Food” project, which works to raise awareness in order to minimize Food Loss and Waste, as part of the Ministry of Food and Agriculture Partnership Project conducted jointly with the Food and Agriculture Organization of The United Nations.

Carrefoursa also set out its commitment to halving food losses and waste by 2030 by taking part in the World Resources Initiative-sponsored 10x20x30 Project together with our suppliers. In a pioneering step in its industry, our food retailer applied the Zero Waste management system in our stores in line with our zero-waste vision.



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## BIODIVERSITY

The change in land use due to human activities is seen as the leading cause of the decline in biodiversity and the negative impact on wildlife. *According to a report*, approximately 1 million species face extinction. Ecosystem services, defined as ecological processes that support human wellbeing, are directly affected by the loss of biodiversity. This poses a risk to all societies, and especially to the continuity of agricultural production. Considering that *the annual financial benefit of ecosystem services is in the range of USD 125-140 trillion*, we must take action to conserve biodiversity. Monitoring studies should be carried out to identify the species, and preventive actions should be taken to protect the identified species.

At Sabancı Group, biodiversity is a key component of our environmental management approach and we strongly value the conservation of biodiversity. Our Responsible Investment and Due Diligence Policy sets the exclusion list which includes a wide range of biodiversity standards. These standards are applied to all investments without a threshold. We also commit to take into consideration the IFC Performance Criteria or EBRD Performance Requirements when assessing the environmental and social risk of large-scale investments with an investment amount of more than 10 million US Dollars and which include production activities that may pose a significant environmental/ social risk if not managed properly. The Policy also defines how ESG due diligence including biodiversity criteria will be conducted along the value chain of Sabancı Group.

We also undertake biodiversity conservation programs and cooperate with local public bodies as well as non-governmental organizations. In addition to monitoring and conservation activities, we initiate communication campaigns to increase social awareness on biodiversity.

### WE DO NOT TOLERATE ACTIVITIES RESULTING IN LOSS OF BIODIVERSITY

Sabancı Group strives to eliminate negative impacts on biodiversity from its entire value chain. The activities that are excluded in our Responsible Investment and Due Diligence include the following:

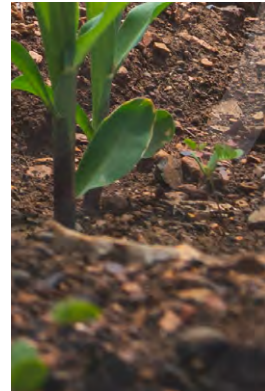
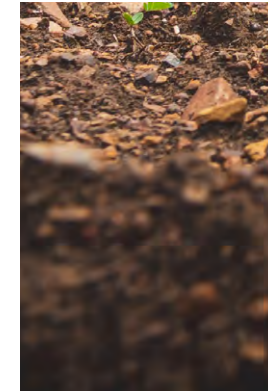
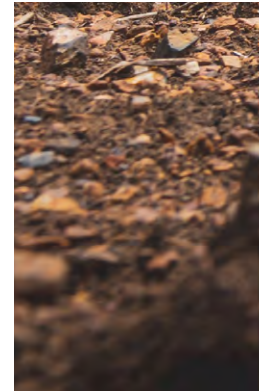
- Fishing activities that are considered illegal and overfishing and using drag nets longer than 2.5 km,
- Production or trade of wood and other forestry products from non-sustainably managed forestry activities,
- All commercial activities that adversely affect tropical rainforest areas,
- Activities within or threatening RAMSAR (Convention on Protection of Wetlands) areas,
- Activities contrary to the provisions of the Convention on International Trade in Endangered Species of Wild Fauna and Flora,
- Activities in areas defined by the Alliance for Zero Extinction,
- Activities in the regions defined in Categories 1-4 within the scope of the International Union for the Conservation of Nature (IUCN).

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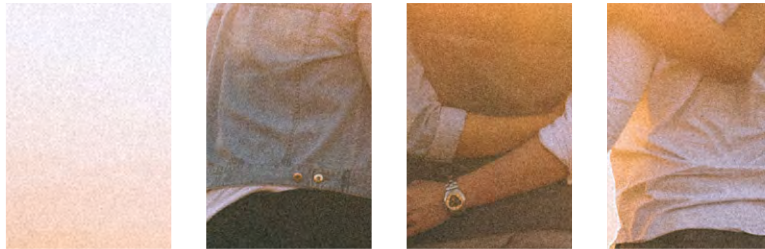
**Brisa** carries out the “Let the Cranes Fly Forever” project in cooperation with WWF-Turkey (World Wildlife Fund). In the project carried out in the Çukurova Delta, approximately 10,000 wintering cranes were identified. In order to protect of future generations, Brisa identified threats to cranes, such as illegal hunting, and completed communication campaigns to raise awareness. Furthermore, booklets containing information about cranes were prepared and informative signs were placed around the delta. Brisa’s efforts for conserving biodiversity were recognized in the Gold Category in the Bridgestone EMIA region.

**Enerjisa Enerji** also emphasizes conserving biodiversity in line with its goal of reducing the potential negative effects of its activities on the ecosystem. The company conduct all its biodiversity efforts in line with national and international legislation as well as its Biodiversity Conservation Action Plan developed in 2020. Enerjisa Enerji Biodiversity Conservation Action Plan focuses on three distribution regions as part of the loan activities carried out with the European Bank for Reconstruction and Development (EBRD). In line with the Action Plan, the company prepared Ecosystem Risk Assessment Reports with the guidance flora-fauna experts to assess the current situation. They conducted the assessment in accordance with the Biodiversity Conservation and Sustainable Management of Living Natural Resources Guide of EBRD as well as the Bird Protection Plan prepared as a result of the ornithological surveys. The Enerjisa Enerji Biodiversity Conservation Action Plan aims to comply with the legal requirements arising from national legislation as well as international obligations including the Convention for the Conservation of European Wildlife and Natural Habitats (BERN), the Rio Convention on Biological Diversity, the RAMSAR Convention ratified by Turkey in 1994 and the EU Habitat and Bird Directives.

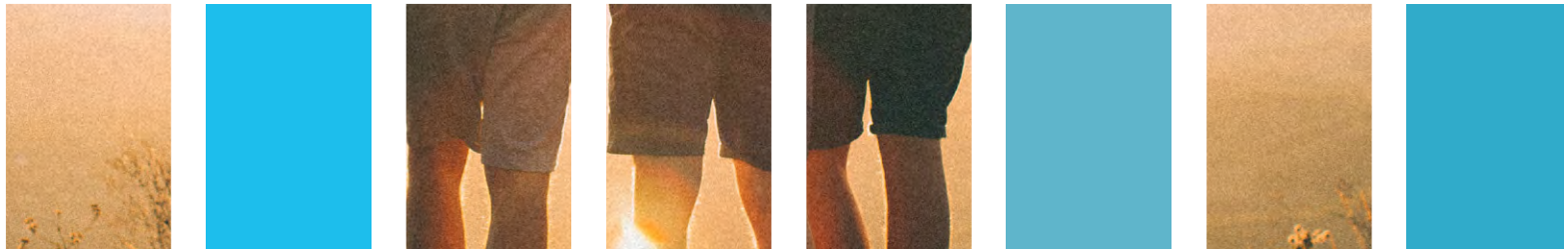
**Enerjisa Üretim** also implements biodiversity programs with official authorities to reduce the potential negative impacts of its activities on the ecosystem. In order to determine the current situation and the future state, endangered species are monitored with GPS-GSM satellite transmitters, ecosystem and biodiversity observations are made and awareness-raising activities (in-company online magazine, promotional films, photo contests) are carried out. With these studies, it is aimed to create a basis for policy development on the conservation status of species, to reveal and evaluate the potential impacts of commercial activities, and to raise awareness about biodiversity.



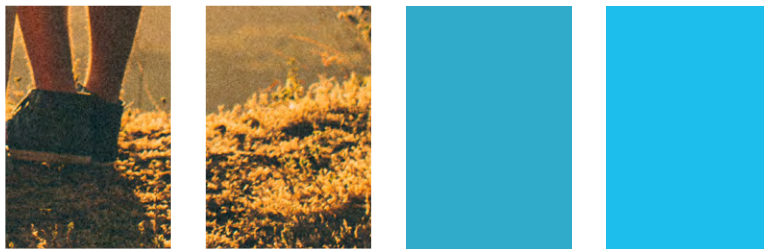
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# MAXIMIZE OUR POSITIVE IMPACT ON PEOPLE AND SOCIETY



We adopt the principle of leaving no one behind, as specified in the United Nations Sustainable Development Goals for 2030, and strive to strengthen the most vulnerable and disadvantaged groups with our community investments.



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At Sabancı Group, we have acted with the mission of sharing what we have gained from this country with the people of this country, while growing and developing together since our foundation. We aim to maximize our positive impact on people and society. In line with our vision of being a pioneer and setting an example, we create long-term and sustainable value for all our stakeholders with high-impact social projects and partnerships. We believe that finding permanent solutions to social problems is only possible by reducing inequalities.

*Research* has revealed that the negative effects of the COVID-19 pandemic disproportionately affect vulnerable groups. As such, the importance of community investments for these groups in achieving an inclusive recovery has gradually increased. In this context, we carry out activities aimed at improving society thanks to both our influence in the business world and our organizations serving in the fields of education, social change, culture and arts. We support the strengthening of vulnerable groups through projects by Sabancı Foundation, Sabancı University, Sabancı University Sakıp Sabancı Museum and Sabancı Volunteers. With the inclusion programs that Sabancı Group companies carried out in 2021, we reached approximately 1,2 million people, the majority of which were socio-economically disadvantaged citizens, citizens over the age of 65, youth, children and women.

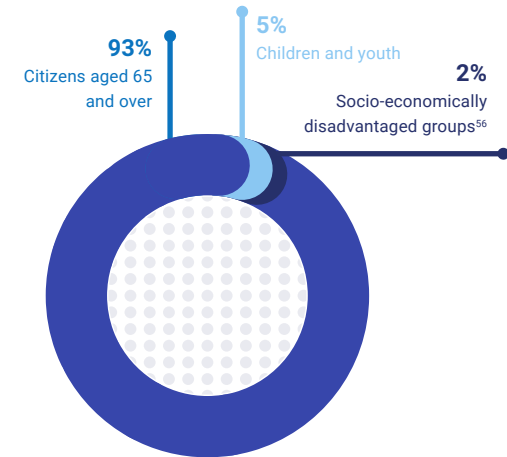
## COMMUNITY INVESTMENT PROGRAMS

It is among the primary goals of Sabancı Holding to realize measurable, high-impact social projects in line with our sustainability strategy and to continuously expand the scope of these projects. The focus areas in our social programs are financial inclusion in the banking industry, seniors in the financial services industry, gender equality and children in the energy industry, accessibility, children and young people in the industrial sector, children and youth in rural areas with no access to education in the building materials industry, and gender equality, children and young people in the retail industry.

Our goal is to maximize the impact of our community investment programs. In line with this goal, we aim to calculate the social return on investment (SROI) methodology and achieve a rate of one and above. In this context, we have commenced work to carry out social impact analyses of the programs.

## People Reached through Inclusion Programs Carried out by Sabancı Group Companies (2021, excluding Sabancı Foundation)<sup>55</sup>

Total  
~1.2 million people



<sup>55</sup> Akbank, Agesa, Brisa, Carrefoursa, Çimsa, Enerjisa Üretim, Enerjisa Enerji, Kordsa, Teknosa and Temsa are included.

<sup>56</sup> This group represents people with various social and/or economic disadvantages, and its detailed definition may vary according to each program.



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## HIGHLIGHTS FROM GROUP COMPANIES

- **Akbank** aims to support the economy and society in the field of financial inclusion by increasing the number of financially empowered individuals by 2030 with its digital and innovative products and services. Akbank provided close to 30 million unique customized financial insights per month for its customers and became one of the founding members of UNEP FI Financial Health & Inclusion. Also, Akbank founded Akbank Youth Academy and reached 40k young people from many parts of Turkey and raised awareness on today's trending topics such as career, artificial intelligence, cyber security and blockchain.
- **With My Neighborhood project, which has been active for five years, Akçansa** is establishing mobile education centers that are used by more than 35,000 students and parents. The project, which was moved to a digital environment during the COVID-19 pandemic, continues to contribute to the education of children with expert trainers from the Tuvana Foundation for the Education of Motivated Children (TOÇEV).
- **Aksigorta** carries out activities aimed at raising societal awareness against digital risks with the Digital Security Platform established in cooperation with Boğaziçi University.
- **As the first private company to address a social problem within the context of ageism, Agesa** aims to raise awareness about aging and old age in Turkey and change the negative societal perception with its At All Ages project.
- **In cooperation with the ROBOTEL Association, Brisa** is working on developing prostheses with 3D Printers for children who cannot use their hands and arms with the cooperation of a team of company volunteers. Within the scope of the BRİKİM project, Brisa success stories are turned into academic case studies and made available to academicians and students to contribute to their work. Over the course of one year, 11 case studies were implemented with the support of 2 academicians and 34 Brisa employees.
- **With the Yaz Çocukları project, which has been active for ten years, Çimsa** aims to support the emotional, social and physical development of children in rural areas, while contributing to the development of teamwork and cooperation skills.

- **Enerjisa Enerji** has been raising awareness about energy efficiency in children for 12 years with the **“I am Protecting the Energy of the World” project**. With the voluntary engagement of 420 employees, the project reached over 300.000 students from 650 schools in 14 provinces through an education program on saving the energy.
- **With the Technology for Women project, Teknosa** not only contributes to cultural and social life with technology, but also carries out activities to facilitate women's access to technology. With the project implemented in cooperation with the Habitat Association, more than 23,000 women across Turkey have become digitally literate.



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### CALCULATING THE IMPACT OF OUR COMMUNITY INVESTMENT PROGRAMS

Social return on investment (SROI) is a method for measuring values that are not traditionally reflected in financial statements, including social, economic, and environmental factors. They can identify how effectively a company uses its capital and other resources to create value for the community. If the SROI is over 1, that means the community program is effective.

Our Group companies started to measure the SROI of their community investment programs. At Brisa, the SROI values of Vocational School Project, SenKare Project, Heroes of the Service, Heroes of the Customer and Hackathon are 7.09, 6.55, 6.39, 6.36 and 3.16 respectively. Our Retail Group company Teknosa measured the SROI of its Technology for Women program as 3.96 and also our Building Materials company Çimsa measured the SROI of its Yaz Çocukları project as 1.29.

The SROI values of these projects are well beyond the threshold of 1, proving the effectiveness of their successful work.

### SABANCI VOLUNTEERS

The Sabancı Volunteers program, which spreads Sabancı Group’s mission of creating social benefit for society through its employees, has been active since 2015. Employees who touch the lives of disadvantaged people in the cities and regions where they operate, design high-impact projects with teams of volunteers; public institutions, NGOs and academics also take part in the projects as stakeholders. Employees who contribute to their personal and professional development while working on the projects increase their bond with the Group companies and their social sensitivity.

Focusing on gender equality in the first three years to contribute to women’s access to equal opportunities and empowerment in social life, Sabancı Volunteers has reached more than 2,000 women in the fields of employment, education, personal development, psychosocial support and health. In addition, more than 40,000 Sabancı Group employees have received online training on gender equality. In the second phase of the program, in line with its nine-year goals, the volunteers began carrying out projects that address young people’s problems in the fields of personal development, education and employment. Following a move to a digital environment during the pandemic, the volunteers continue to support various nongovernmental organizations with their online volunteering activities.

**2,000+**

Number of women reached in the fields of employment, education, personal development, psychosocial support and health.

**40,000+**

Number of Sabancı Group employees who have received online training on gender equality

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Employing approximately 2,000 volunteers and a winner of many awards, the Sabancı Volunteers program was presented as best practice from Turkey at the virtual Global Technical Meeting “Reimagining Volunteering for the 2030 Agenda” organized by the United Nations Volunteers (UNV) programme, and the International Federation of Red Cross and Red Crescent Societies (IFRC) in 2020.

Sabancı Volunteers launched a significant social responsibility project under the banner of ‘Tomorrow Is Ours’, to ensure a better future for the children and siblings of healthcare workers, who have been the key heroes of the pandemic. The ‘Tomorrow Is Ours’ project aims to prepare these young people for every aspect of their adult lives, with the program also providing them with the tools to achieve their career goals. Unfortunately, during the pandemic, the stressful nature of their parents’ work and the difficulties of online education exacerbated the pressure on these young people while they prepared for their university entrance exams. Therefore, Sabancı Holding decided to support these young people, who represent the ‘future’ of healthcare, by bringing this ambitious project to life. The ‘Tomorrow Is Ours’ project was founded on two programs which represent parallel pillars which when combined provide vital support; a ‘mentoring program’ and a ‘career development program’. The project’s first step was to match the students with the most suitable ‘mentors’ from a pool of Sabancı Group employees. A total of 626 Sabancı Volunteers mentored 698 young people from 65 Turkish provinces in the project’s first phase.



The second phase of the project, which commenced in September 2021 with 500 young people and 500 mentors, aims to increase self-awareness and social awareness by teaching ‘Youth responsibility’.

In 2021, The Sabancı Volunteers carried out a one-of-a-kind campaign effort to mark the 98<sup>th</sup> anniversary of the Republic of Turkey. As a pioneer in sustainability, Sabancı Group launched Sabancı Republic Day Volunteering Campaign to ensure a better future for the new generation as well as the environment, and of course, to defend the legacy of Atatürk.

For 13 days between 29 October and 10 November, all participating Sabancı Volunteers not only celebrated the proclamation of the Republic, but they also kept the spirit of the Republic alive with their own significant volunteering efforts. On 10 November, we presented all our volunteer work to Great Leader Atatürk and commemorated him by working. With this massive campaign involving more than 60,000 employees and stakeholders, which started in Adana and subsequently traveled to 11 other Turkish cities including Aydın, Aksaray, Ankara, Antalya, Balıkesir, Bursa, Çanakkale, İstanbul, Kocaeli and Mersin, the Sabancı Group was able to truly embody the great spirit of the Republic.

## 60 thousand

Number of volunteers who joined Sabancı Republic Day Volunteering Campaign in 11 cities to help tackling inequalities and restoring nature in the 98<sup>th</sup> anniversary of the Republic of Turkey



Watch the video here.



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This campaign, which involved extensive soil revitalization, large scale tree-planting schemes, the renovation of schools and a wide array of environmental activities from cleaning to supporting biodiversity, was carried out on an entirely voluntary basis.

More than 5,000 trees were planted over the course of 13 days with a further 200,000 planted by the end of the year. In Adana, where the first forest fires broke out, 4,200 income-generating trees were fertilized and the soil was successfully revitalized over an area of 8.5 hectares with 8.5 tonnes of fertilizer, while 750 kg of waste was collected in Büyükkada alone, consisting of 500 kg of packaging and 250 kg of non-recyclable wastes.

Dozens of houses, schools and barns were renovated, and 18 new barns were built from scratch. Hundreds of tables, chairs and books were donated to schools.

Sabanci Group was awarded the International Corporate Social Responsibility (CSR) Excellence Award in 2020 and 2021 with its Sabanci Volunteers program at the award ceremonies held in London.

The Sabanci Group was also handed an important prize in the 'Best Social Responsibility Practice' category at the Green World Awards in the UK from The Green Organization, one of the most prestigious international award organizations which was established to promote, reward, and develop the most successful environmental practices around the world.

Sabanci Republic Day Volunteering Campaign received the Best Social Responsibility Practice' category award at the Green World Awards in the UK from The Green Organization.

Sabanci Holding received the Communitas Excellence in Community Service Award (USA) in 2021 with its Sabanci Republic Day Volunteering Campaign.



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## SABANCI FOUNDATION

As one of Turkey's leading family foundations, Sabanci Foundation has been working since 1974 to share Sabanci Group's industrial and economic strength in social and cultural spheres. With its vision of building a society where all individuals enjoy their rights equally, the Foundation determines its main fields of activity as education, social change and culture & arts, and focuses on women, young people and people with disabilities in its relevant activities.

Sabanci Foundation implements a new sense of understanding and management in the field of philanthropy by supporting nongovernmental organizations with grant programs and making long-term collaborations with various stakeholders to find solutions to today's complex social issues and create lasting impact. To develop the regions in which it operates, Sabanci Foundation has established institutions throughout Turkey such as schools, dormitories, teachers' houses, health institutions, sports facilities, cultural centers as well as social facilities, and most importantly Sabanci University. In addition to long-term support for facilitating access to culture and arts, it provides scholarships to students to support equal opportunity in education. Sabanci Foundation also organizes award programs to encourage individuals and organizations that have achieved national and international success.

In order to help civil society cope with the COVID-19 crisis, Sabanci Foundation prioritized not to interrupt any of its supports and developed cooperation with other institutions in taking actions to meet the needs of women, who are among the vulnerable groups due to the challenges they have faced during the pandemic period. The Foundation also played a pioneering role in signing international pledges regarding the pandemic.

Since 2007, the Foundation has supported 183 projects carried out by non-governmental organizations. Having provided 51,000 scholarships over the last 47 years, the Sabanci Foundation encourages success with awards in the fields of education, the arts and sport.

In 2021, the Sabanci Foundation also embarked on a new substantial impact project to support young women who are not in education,

As the only foundation providing grant support to civil society in Turkey for 15 years without interruption, the Sabanci Foundation has extended support to a total of 183 projects.



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employment, or training (NEET). The multi-stakeholder project, which will be long-term and has the potential to be rolled out throughout Turkey, will be implemented by Sabancı Foundation and UNDP in cooperation with the Ministry of Family and Social Services and the Ministry of Labor and Social Security with the financial support of the Sabancı Foundation.

In 2021, the Turkey’s Changemakers Program, highlighting the stories and efforts of individuals who make significant contributions to social development and inspire society in Turkey completed its 12<sup>th</sup> season. Of the 10,000 applications, 200 Changemakers have been selected and videotaped since the launch of the Turkey’s Changemakers Program in 2009.

The World’s biggest women’s festival Women of the World (WOW) Festival was organized for the first time in Turkey on between 5-7 March 2021 with the support of Sabancı Foundation and British Council. Held in Istanbul with the theme “Being a Woman in the City”, the online festival reached more than 100,000 views in three days.

In 2021, Sabancı Foundation became a member of Foundations 20 Platform focusing on climate issues as the first and only member from Turkey. The General Manager of the Sabancı Foundation took on the role of Zero Project Ambassador in 2021 for a term of 4 years, as part of the Zero Project Conference bringing together innovative implementations in the area of disability from different countries.

Additionally, the Sabancı Foundation Awards Program has recognized individuals with awards for their exceptional performance in education, sports, arts, and culture both in Turkey and abroad. A total of 1,220 awards have been given to date.

**Having provided 51,000 scholarships over the last 47 years, the Sabancı Foundation encourages success with awards in the fields of education, the arts and sport.**

**78**  
Residential areas

**120+**  
institutions

**51,000**  
scholarships

**~1 million**  
people reached with grant programs

Grant programs in  
**76 provinces**

Support for  
**183 projects**

**1,220**  
awards

**12 seasons**  
with the Changemakers Program

Member of the Council on Foundations (COF)

Member of the European Foundation Centre (EFC)

Zero Project impact transfer partner

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## SABANCI UNIVERSITY

With its vision of being a leading research university in the world and its innovation-based studies, Sabancı University has been contributing to the development of self-confident individuals who are sensitive to the needs of society, focused on creating solutions and open to continuous improvement for 21 years. With its research activities, it supports the strategy of “solving particular global and regional problems and training people to solve them”. It contributes to many areas of sustainability, such as sourcing, operational efficiency, gender equality and climate, thanks to the collaborations it established. Sabancı University maintains its leadership among Turkish universities in the Times Higher Education (THE) and QS rankings, which list the best universities in the world, and is among the universities to receive students with the highest scores.

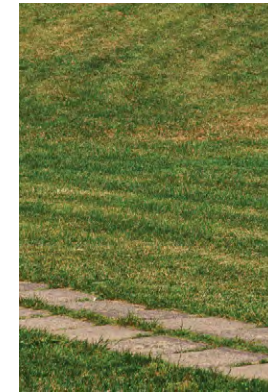
During the pandemic, Sabancı University continued its contributions to society and science by focusing all its research power, infrastructure and opportunities on combating COVID-19. Thanks to its strong technological infrastructure, Sabancı University has adapted very quickly to the distance education system and is cited as a prime example of online education practices among the universities in Turkey. In addition, as shared in the Council of Higher Education (YÖK) Foundation Higher Education Institutions 2020 Report, it has the highest total research project budget among all of the foundation universities in Turkey.

Sabancı University has 10 different centers and forums contributing to scientific development and supporting social research and development. As of the end of November 2021, the number of active research projects with external funding is 295, and the total budget of these projects is TL 453 million.<sup>57</sup>

Sabancı University, Enerjisa Enerji and the United Nations Development Program (UNDP) joined forces and established SENTRUM Coordination Office in the Sabancı University Creative Technologies Workshop in order to start the studies towards the development of a “Green Destination Model” and expansion of energy efficiency, renewable energy and other sustainable tourism practices in tourism businesses. The office aims to disseminate knowledge in the field of energy efficiency and renewable energy.

<sup>57</sup> Some of the data provided here are updated between 30.11.2021 and 17.12.2021.

Among the top universities in the world for graduate employability Sabancı University was included the top 250 universities in the world in the “Global Employability University Ranking and Survey-2021” published by Times Higher Education, the London-based global higher education ranking institution.



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For energy savings, lighting system motion sensors are used in all the building corridors (including dormitories) and WCs, dormitory study rooms and break rooms, and the classrooms in the School of Languages building. Air conditioning system motion sensors are used in all the meeting rooms and classrooms. Heating, cooling and ventilation systems equipment was renewed and more efficient equipment was introduced. With the renovation and improvement works in automation systems, savings in heating, cooling and ventilation, energy conservation is achieved. Studies are underway to make the campus carbon-neutral at the earliest date possible.

Practices to reduce water consumption are carried out throughout Sabanci University. Water-saving armatures are used and revisions are ongoing in existing armatures. The lake in the campus fills with rain in winter, and this water is used for garden irrigation in the summer. Water from the regular municipality network line is not used for any garden irrigation purposes.

Sabanci University has brought international environmental standards to its campus by obtaining the ISO14001 Environmental Management System certificate.

**As part of its corporate and social responsibilities, Sabanci University has set up centers, programs and projects to interact with the civil society and offer scientific insight to key issues. You can access Sabanci University Centers and Forums [here](#).**

**7,166**  
publications\*

**260**  
patents\*

**295**  
active research projects\*

**660+**  
scientific publications in 2021

**9**  
patent registrations in 2021

**TL 453 million**  
total budget of the active research projects\*

\* Total figures as of 31 December 2021.



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## SAKIP SABANCI MUSEUM

Sabancı University Sakip Sabancı Museum (SSM) has been focusing on sustainability, the preservation of cultural heritage and its transfer to future generations since 2002. Emphasizing the protection, research, development and interpretation of Turkey's holistic artistic heritage with its collections, SSM focuses on digital archiving, digital preservation and transferring technological artworks to the future. With the digital SSM project implemented in 2013, the museum transfers its cultural accumulation to the digital platform and creates a significant digital art archive that will contribute to the preservation of Turkey's cultural heritage. Along with the past masters, SSM introduces contemporary artists from Turkey while hosting very significant international artists and conveys its comprehensive cultural knowledge by presenting the turning points in local and global art history.

With the temporary exhibitions it has held since its establishment, SSM hosts the solo exhibitions of some of the world's most important figures such as Picasso, Dalí, Miro, Monet, Anish Kapoor, Ai Weiwei and Marina Abramović, while presenting art enthusiasts with cultural works from the pioneering names of Turkish art history such as Abidin Dino, Kuzgun Acar, Feyhaman Duran, Selim Turan, and SSM painting collection – From the Reformation to the Republic: Master Artists, Master Students – by artists such as Hoca Ali Rıza, Abdülmecid Efendi, Hüzeyin Zekâi Paşa, Ivan Konstantinoviç Ayvazoski, Şevket Dağ, Hikmet Onat, İbrahim Çallı, Nazmi Ziya Güran and also the pioneering woman artist Mihri Müşfik. The museum has continued its activities during the pandemic by making past exhibitions available online. The museum has continued its activities during the pandemic by making past exhibitions available online.

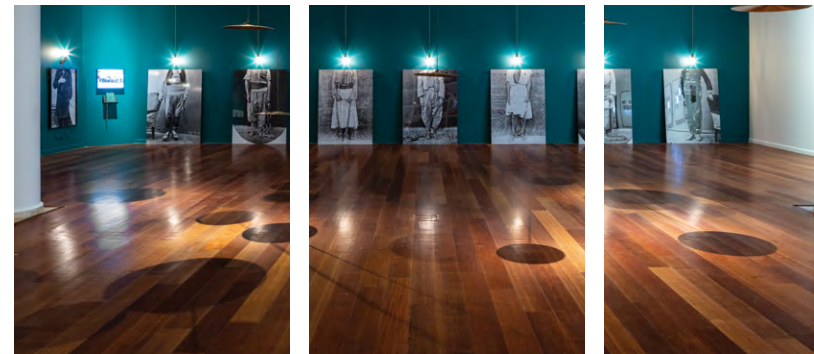
Offering transformative cultural experiences in physical and digital spaces, SSM implements programs for children and adults with its Learning Programs, while providing areas of interaction with a wide variety of activities such as open-air cinema, concerts, festivals, conferences, and seminars. Meanwhile, SSM Store makes its products and services accessible to everyone with its awareness of sustainability and social responsibility for its collections and temporary exhibitions.

The processes and outputs of the scientific research that involved the conservation studies of six paintings by Osman Hamdi Bey housed in the

SSM painting collection and also the exhibition titled Şeyh Hamdullah on the 500<sup>th</sup> Anniversary of His Death were transferred to the international culture and art platform Google Arts & Culture with the digitalSSM archive resources. The project "Protection of Technological Artwork," which was initiated in collaboration with Sabancı University has maintained its activities online in 2021.

SSM Online Learning Programs activities for children in different age groups continued both in the museum and online during the mid-winter and mid-summer terms. In addition to the workshops parallel to the exhibitions, various independent workshops and guided tours were organized for students and disadvantaged groups, covering subjects such as art movements, abstract art, paintings, science and nature.

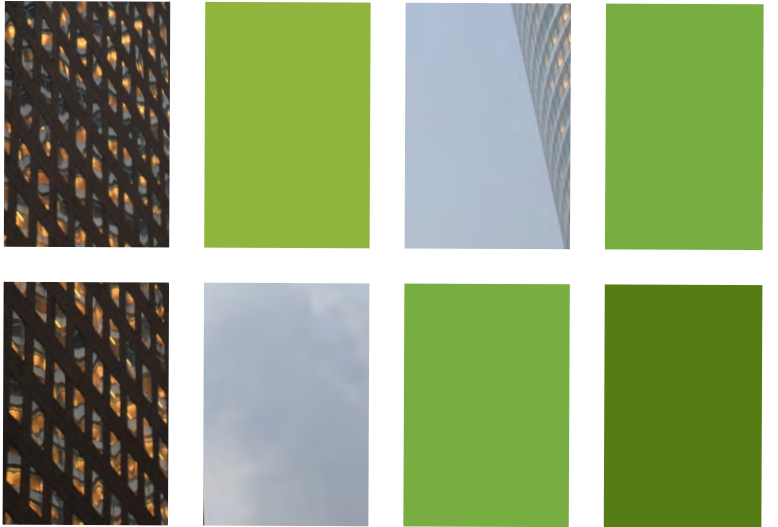
Sakip Sabancı Museum has licensed its archive and research resources in 2020 in accordance with the modern museology standards.



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Innovative and sustainable products, services and business models must be developed to facilitate the transition to a low-carbon, circular and inclusive economic model. Sustainable solutions developed in the banking, financial services, retail, energy, industrial sector and building materials industries help stakeholders and the Group reduce their environmental impacts and benefit the society. By minimizing the negative effects in this area, we design new products, services and processes with a low environmental and a high social impact. We see digitalization, technology and innovation as critical tools for the development of new products and services that contribute to sustainable development.



# RESPONSIBLE INVESTMENTS AND EXPENDITURE

5 min

The pandemic has made social inequalities and environmental issues more visible than ever. Accordingly, business models must be reviewed and transformed into sustainable models that create value for all stakeholders.

While investor and other stakeholder expectations are changing, there has been a significant increase in the demand for responsible investments. At Sabanci Holding, we strive to make our current activities more sustainable while investing in new areas that provide environmental and social benefits as a part of our responsible investment approach. We are also expanding our portfolio with responsible business models such as e-mobility, renewable energy and sustainable loans. We measure the financial savings, environmental and social benefits we create with these investments.

With our responsible investment approach and sustainability-oriented solutions we aim to create value not only for our Group but also for all our stakeholders who are with us on this journey.

- While Akbank commits to provide sustainable loan financing of TL 200 billion and to increase the sustainable investment funds to TL 15 billion by 2030, the sustainable financing amount including granted SME loans (assessed through Environment Social Management System) & renewable loans, and ESG-type Eurobond & syndicated loans amounted to TL 27 billion in 2021 according to unconsolidated management reporting.
- Akbank commits to becoming a carbon-neutral bank through eliminating operational emissions by 2025. In 2022 and beyond, the bank will continue to work towards achieving these long-term goals. In doing so, the bank aims to further mitigate its social, environmental and climate-related risks, while seizing the opportunities presented by the green transformation.
- Kordsa's Cokoon is an eco-friendly dipping technology project is developed by combining Kordsa's R&D power with Continental,

**TL 27 billion** ✓

The amount of Akbank's sustainable financing

## SUSTAINABLE INVESTING

AgeSA offers its private pension customers the opportunity to invest in companies with high performance in ESG issues and provides financial support and resources to companies investing in this field, with a new pension investment fund it launched in 2022.

At least 80% of the fund portfolio of AgeSA Sustainability Equity Pension Investment Fund\* (GFR) consists of the BIST Sustainability Index and the shares of domestic and foreign companies included in the well-recognized global sustainability indices, American depository receipts and global depository receipts. It will be invested in the shares of the exchange traded funds established to follow the sustainability indices.

Aksigorta invested in green funds nearly amounting to TL 53 million.

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with an open innovation approach. This partnership is awarded in the Inter-Corporate Collaboration Category at the Turkey Sustainable Business Awards in 2021.

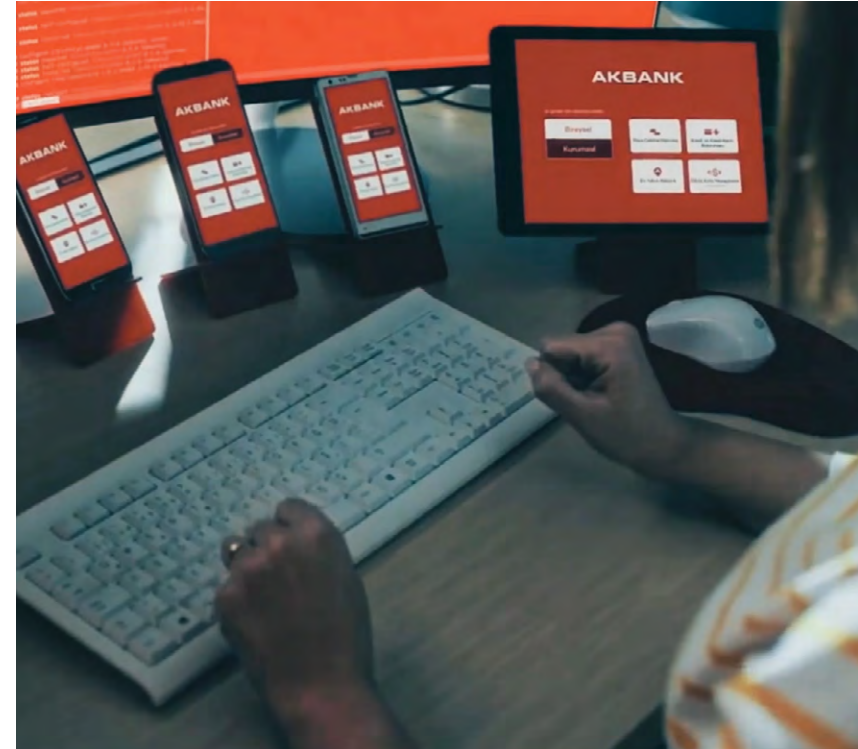
- Enerjisa Enerji, the distribution and retail company, continued to increase its ESG performance in ratings and CDP climate change and CDP water. The company also completed the Green Finance Framework and signed a new “Inclusive and Green-focused” loan agreement with the EBRD in November in Turkish lira, equivalent to USD 110 million.

### AKBANK AND DEUTSCHE BANK COMPLETE FIRST SUSTAINABILITY-LINKED REPO TRANSACTION

Akbank executed a USD 300 million ESG-linked repo transaction with Deutsche Bank that includes sustainability criteria. The transaction is the first ESG-KPI linked repo agreement in the Central and Eastern Europe, Middle East and Africa region (CEEMEA).

The transaction, which links the interest rate to Akbank’s gender balance, electricity sourcing of Akbank from renewable resources, no greenfield coal power plant loan origination, is an indication of Akbank’s determination around its commitments and targets.

For other relevant examples in areas such as the climate emergency and circular business models, visit the sections under Climate Emergency.



We monitor environmental investments and revenues from products and services in Group companies by breaking them down based on global and local approaches, such as EU Taxonomy, and report all steps taken toward resolving the climate emergency. All our investments are based on the principle of not harming the environment and society.

We also categorize environmental expenditures under those for legal compliance purposes (mandatory by law) and those that are not. In 2021, the environmental expenditures of Group companies exceeded TL 34 million. Of these environmental expenditures, 42% consists of those that are not required by law (i.e., those that extend beyond legal compliance). Environmental investments related to our growth areas approached TL 476 million in 2021 alone. We follow these investments in 3 different categories in terms of their contribution to sustainable development. Accordingly, the largest environmental investment in 2021 was realized in the enabler investments category with 54%.

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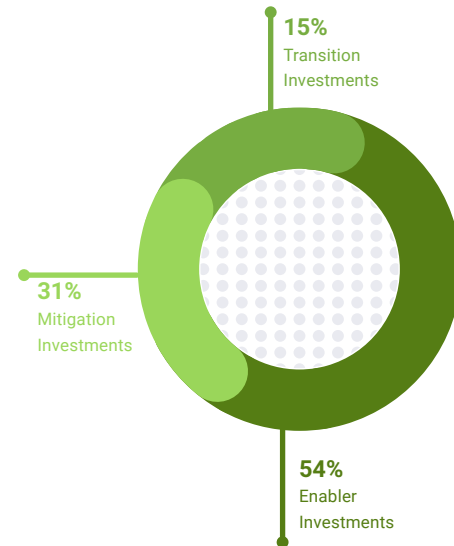
### Breakdown of Environmental Expenditures (2021)<sup>58</sup>

Total  
TL 34.4 million



### Environmental Investments in Our Areas of Growth (2021)<sup>59</sup>

Total  
TL 476 million



<sup>58</sup>Usually refers to operational expenses (OPEX) or capital expenditures (CAPEX), such as the purchase of energy efficiency equipment or modernization. It is aimed at making existing activities more sustainable. Routine maintenance-repair, environmental measurement, etc. expenses are not included. It expresses expenditures that results reduction in raw materials, waste or carbon emissions. <sup>59</sup>Usually refers to capital expenditures (CAPEX). Growth investments in the company's core business areas are included in this category. This includes the purchase of brownfield sites that fit these categories.

- 1. Mitigation Investments:** Mitigation investments include activities that greatly mitigate resource use or greenhouse gas emissions and directly contribute to sustainable development.
- 2. Transition Investments:** This refers to investments in products and services that are resource-intensive and/or carbon-intensive in nature but can be considered a transition to more sustainable technologies, such as cement products produced using alternative raw materials and/or fuels.
- 3. Enabler Investments:** Environmental investments made for enabling purposes refer to investments in products that are not considered direct resource use or carbon emission reduction activities but provide inputs to related industries or enable deployment.

### SUPPLY CHAIN MANAGEMENT

We expect from our suppliers to adopt our approaches on environment, labor and human rights, occupational health and safety and business ethics as set out in our Responsible Investment and Due Diligence Policy, as well as other internal guidelines. While we are doing this, we do not squeeze our suppliers with unreasonable prices, poor working conditions or unfair contract terms.

We monitor whether our subcontractor employees are insured and social security premiums and salary payments are made.

In case we detect any non-compliance, we grant a grace period and engage with our suppliers, but if no actions are taken, we terminate our agreements.

Our Group companies partner with EcoVadis to ensure sustainability of the global supply chain. Two of our Industrials Group companies, Brisa and Kordsa, are among the "Global Leaders" in the Supplier Engagement Rating.

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# SUSTAINABLE PRODUCTS AND SERVICES

**2 min**

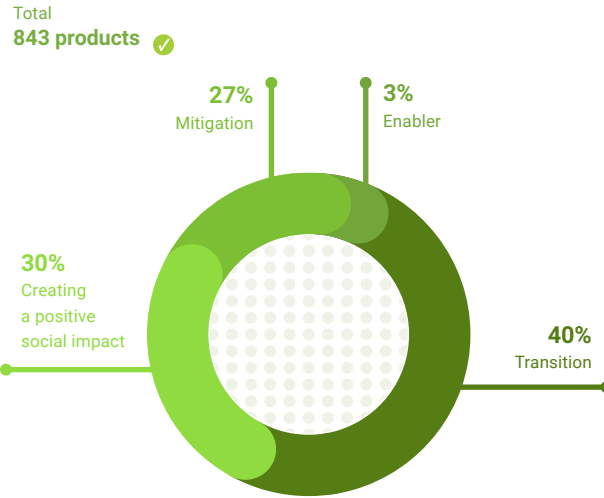
We invest in new products and services to promote sustainable business models. We categorize our products and the services we develop into four areas. We monitor products and services that reduce resource use and carbon emissions, enable the transition to more sustainable technologies, enable the deployment of these technologies, and create positive social impact.

With the agile structures we have established under the Sustainability Leadership Committee, we create the most meaningful definitions for the Group with all companies involved. We identified the products and services developed in these four areas in 2020 and enhanced our approach considering the latest development in international literature in 2021. We will continue to monitor the revenue we generate from these products and services in the upcoming period.

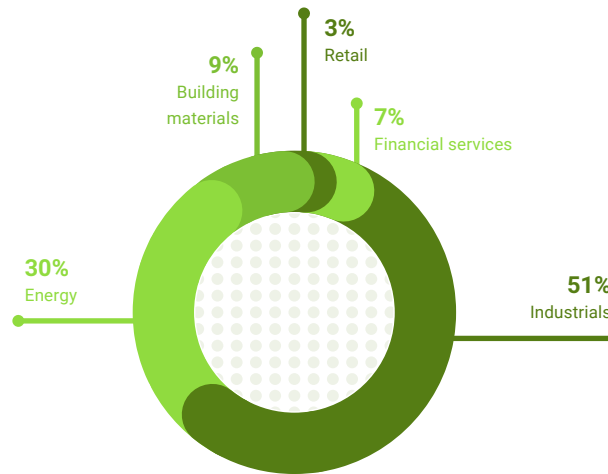
We established a classification system for our products and services to guide our investment decisions on sustainable economic activities.



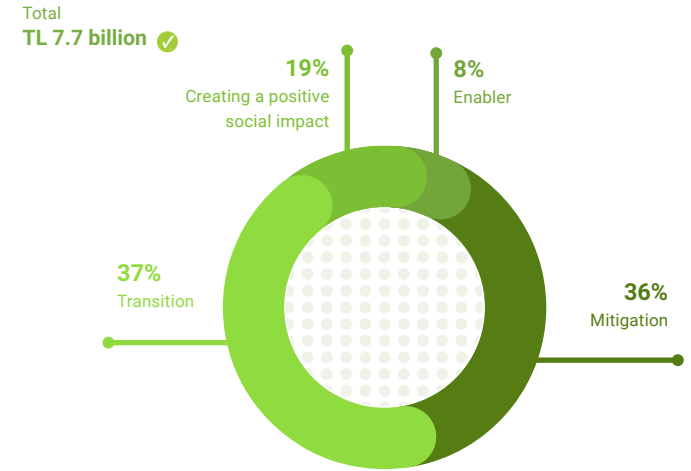
### Number of Sustainable Products and Services (2021)



### Sustainable Product and Service Revenues Sectoral Distribution (2021)<sup>60</sup>



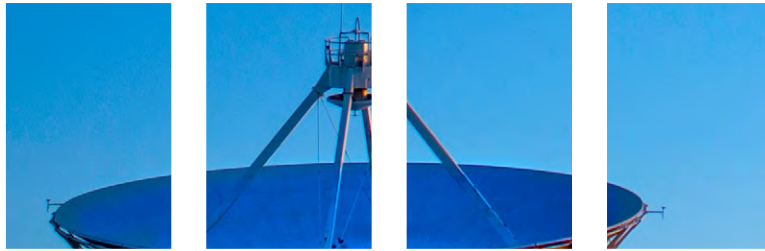
### Distribution of Revenues (2021)



Sustainable Products and Services	Selected Examples from Industries
<p><b>1. Mitigation:</b> Covers products and services that provide benefits for the direct mitigation of environmental resource use and carbon emissions.</p>	<p><b>Energy:</b> green tariffs, renewable energy sales  <b>Financial services and banking:</b> sustainable funds investing in environmentally friendly industries  <b>Industrials:</b> Electric vehicles</p>
<p><b>2. Transition:</b> Refers to products and services that are resource-intensive and/or carbon-intensive in nature but are related to the transition to more sustainable technologies.</p>	<p><b>Building materials:</b> Cement products with increased service life</p>
<p><b>3. Enabler:</b> Covers products and services that create a positive environmental impact on customer operations or serve as inputs to sustainable industries.</p>	<p><b>Energy:</b> e-charge stations  <b>Retail:</b> E-charging facility in the parking lot, in-store repair for electronics in cases where it is difficult to access maintenance and repair services  <b>Industrials:</b> Batteries, light materials that reduce carbon for the end user</p>
<p><b>4. Creating a positive social impact</b></p>	<p><b>Energy:</b> Customer solutions that provide energy security in businesses such as hospitals or in regions that do not have access to energy and experience frequent interruptions</p>

<sup>60</sup> Akbank is not included. Akbank's performance regarding its sustainable business model is monitored under the Sustainable Finance heading.

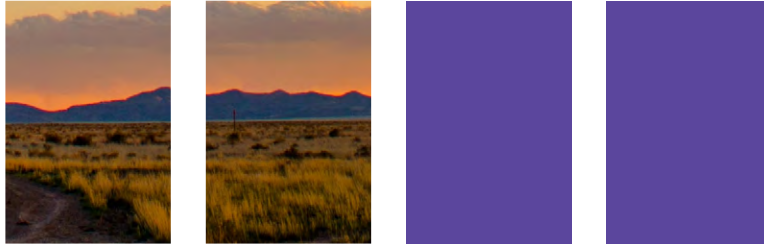
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# TECHNOLOGY, INNOVATION AND DIGITALIZATION



Digitalization, technology and innovation bring the Group's Sustainability Roadmap to life and enable to reach long-term goals faster. In our transformation journey we started as a part of Sabanci of New Generation and fostering sustainable business models, technology and innovation are among our most important accelerators.





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2 min

COVID-19 has caused significant changes in stakeholder expectations and business processes. Innovation is now in a much more critical issue to respond to these expectations and provide a competitive edge during the post-pandemic recovery.

Technology and innovation have been positioned as our most essential enablers in the transformation journey, we began within the scope of “Sabanci of New Generation” and in fostering sustainable business models. They play a key role in the transition to a low-carbon economy and circular economy models, bringing significant opportunities. The ratio of sustainability linked R&D and innovation activities in Sabanci Group was 51 in 2021.

For detailed information on Digitalization, Technology and Investments, visit the 2021 Annual Report.

We aim that 70% of our R&D and innovation expenses serve SDGs by 2025.

## R&D AND INNOVATION EXPENDITURES

51%

Sustainability focused R&D and Innovation Investments (TL 151.2 million)<sup>61</sup>

49%

Other R&D and Innovation Investments (TL 146.4 million)



<sup>61</sup> Akçansa, Aksigorta, Brisa, Carrefoursa, Çimsa, Enerjisa Enerji, Teknosa and Temsa are included.

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## SABANCI VENTURES

We emphasize supporting the entrepreneurship ecosystem in Turkey. For this purpose, we established the Corporate Venture Capital Fund Sabancı Ventures to gain early access to technological innovations and developments, as well as to create agile and technology-based growth platforms.

Thanks to Sabancı Ventures, we do not only aim to contribute to the Sabancı Group but also contribute to the scaling of startups that results both to create shared value and support Turkey's entrepreneurial ecosystem. We focus on investments in areas such as the Internet of Things, artificial intelligence, new material technologies, sustainability, energy, mobility, and cyber security. The fund made its first investment in Thread in Motion, which develops wearable technologies and offers solutions that increase operational efficiency specific to industries such as automotive, retail, logistics, and e-commerce. With this investment, we have supported the establishment of an ergonomic, fast and traceable system in industrial environments with smart gloves. Second investment of the fund was Lumnion, which offers advanced data analytics and artificial intelligence solutions. The company, which offers risk pricing products for the insurance sector, offers much more sensitive and easy risk pricing to insurance companies with its easy-to-use interface and advanced algorithms. In 2022, Sabancı Ventures invested in two more startups, i.e. Zack.ai and Bulutistan, increasing the number of startups in its portfolio to 4. Sabancı Ventures' new investments offer solutions such as virtual server, firewall, database and technical support.

## USD 30 million

fund size



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# DIGITALIZATION

2 min

SabancıDx, which is one of our most important investments to support digital transformation in the Group, increases the environmental efficiency of its customers with sustainable solutions such as Edoksis as well as digital solutions for the sustainability of their businesses.

In addition to making organizations more flexible, agile and competitive, digitized business processes also increase operational efficiency and customer satisfaction with savings in costs, time and resources. The COVID-19 outbreak has accelerated the digitalization processes of companies. It is *predicted* that the pandemic will accelerate the digitalization of customer and supply chain management and internal operations by three to four years. By turning this acceleration into an opportunity, we plan to use digitalization for higher flexibility, quality and efficiency, and reach our sustainability goals more quickly.

The DnA Platform of SabancıDx, which includes the employees of the companies under Sabancı Holding who work in the field of advanced data analytics, has brought together 155 analytics projects. With the contribution of the DnA Platform to the productivity, profitability and the product quality of the companies, Sabancı Group has registered a positive EBITDA impact amounting of TL 545 million since 2018, TL 248 million of which was in 2021.

We have successfully realized the robot adaptation in our works by explaining how robots add value to our workforce. In 2021, we were able to achieve added efficiency by using robots for over 10,000 hours within the group.

With SabancıDx, we developed two key initiatives in 2021 increasing number of individuals who are qualified in next generation technologies and directing them to employment to ensure the sustainability of the industry. We will continue to offer free support to qualified training projects, starting with TÜSİAD's Digital Academy project, "My Job, My Power, My Future". In addition, in cooperation with the Women in Technology Association, we started a project at the end of 2021 where we offered 100 women online training in cyber security and analytics under the banner of "The Faces of the Future" and will complete the training activities this year.

For detailed information on Digitalization, Technology and Investments, visit the 2021 Annual Report.



## SABANCI Dx

With SabancıDx, which is one of our most important investments to support digital transformation in the Group, we offer next-generation digital solutions such as big data, advanced data analytics, cybersecurity, IoT, robotic workforce and artificial intelligence and support the expansion of the sustainable product and service portfolio. SabancıDx meets all IT needs in line with the future goals of medium-sized and large companies, ranging from business consultancy to corporate-specific applications, from operation to technical services, and from hardware to software.

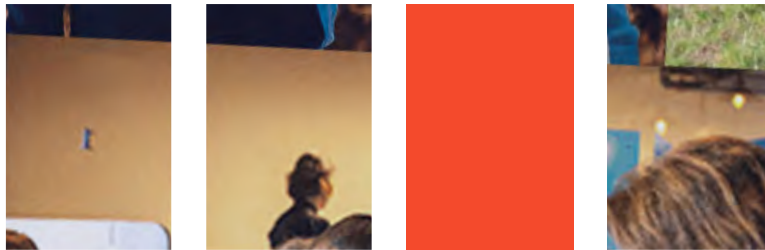
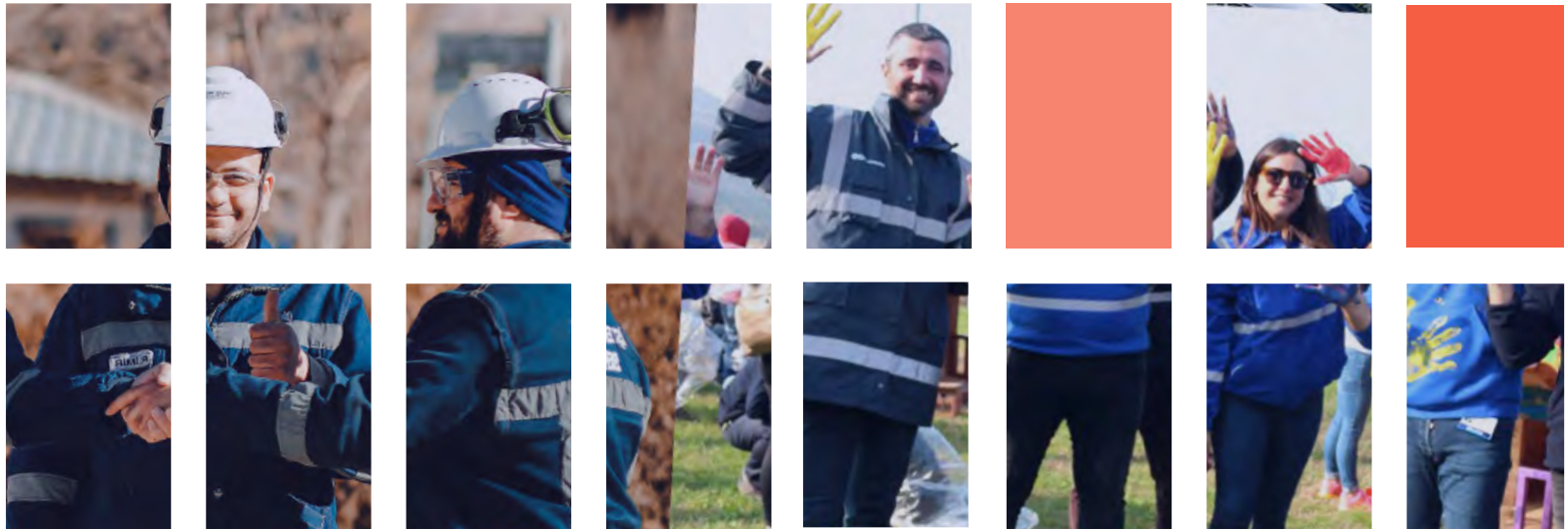
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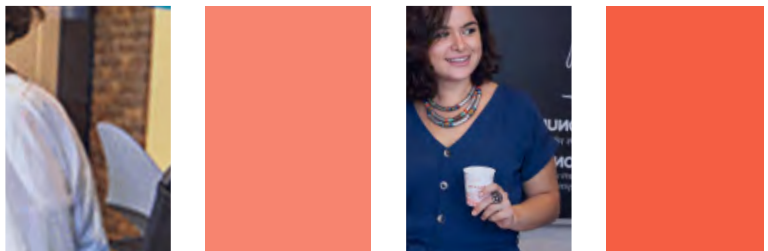
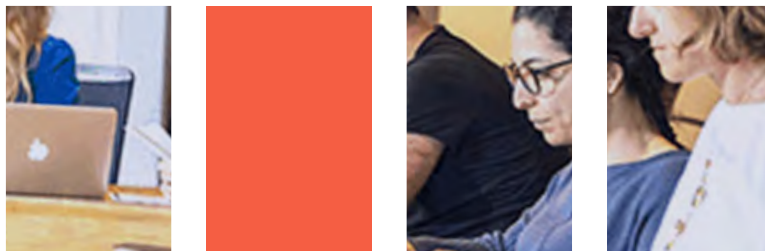
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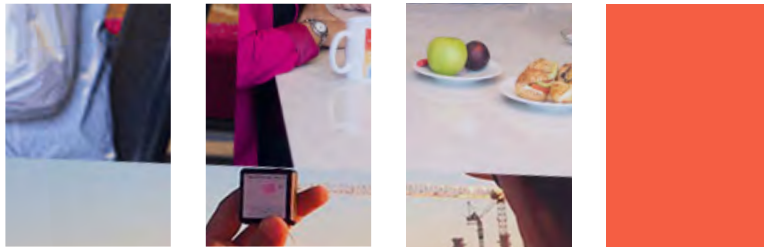
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# OUR HUMAN CAPITAL



Our human capital is our most fundamental asset. We put our employees at the center of both the sustainability roadmap and the 2021-2025 strategy. To adapt to the future of work, we focus on talent and culture management in all operations across the Group, and focus on equality, diversity, and inclusion. We provide equal, fair and safe work environments that allow our employees to realize their potential in the best way possible.

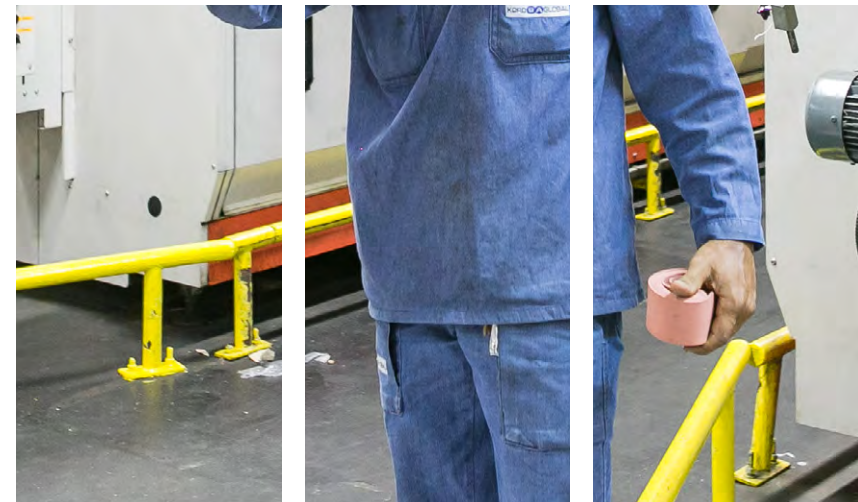


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5 min

One of the five main areas we focus on within the scope of our “2021-2025, strategic plan” is “Adapting to the Future of Work”. Sabancı Group embarked on Turkey’s most comprehensive project of adaptation to the future of work in 2020, in the midst of the pandemic. The results and action plans were shared with the public in March 2021. The study was carried out under seven main dimensions, covering all Group companies.

Under these 7 dimensions, Sabancı Group companies defined their aspirations, charters and roadmaps and set out a 3-year dynamic action plan to reach and lead the ever-moving global best practices. The FoW action plan sets out more than 1,500 medium-term and long-term actions crafted to meet sector needs, global best practices and global trends. 42% of these 3-year action plans were completed in 2021. Once all actions are completed, Sabancı Group companies are expected to distinguish themselves with among the global best practices in their industries in the world in terms of “the Future of Work”.



## FUTURE OF WORK FRAMEWORK



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### Strategic HR Initiatives are focused on below areas;



**1,500+**  
Number of medium- and long-term actions under FoW among the Group companies

**#1**  
Turkey's first in-depth FoW project

**Sabancı of the New Generation make a difference**

---

...in Turkey and around the world, by investing in business, beyond borders,

---

...in industry through leading enterprises and innovations,

---

...for our lives, by pioneering sustainability,

---

...for the future, through the bold steps it takes,

---

...for the future of work, by putting people at the hearth of what it does

---

And you are the Sabancı of the New Generation!

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Curious about the future,

---

With sensivity towards building a sustainable world,

---

Aware of the power of the self.

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**Sabancı people make a difference.**

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## SMART WORK

There is an increasing desire and expectation for more flexible and alternative working models among the workforces. For this reason, in 2021, the Group level “Remote Working Policy” was published, which set out the working terms and conditions, health and occupational safety guidelines and implementations such as hybrid working schedules, the “no meeting Wednesday” and remote working packages. The Group boosted efficiency with an “Alternative Working Ways” model that made use of all opportunities and incentives, including flexible and alternative working models set in working directives with principles guidelines and agreements templates. In order to support the new working models, to maintain remote and onsite collaboration as well as employee motivation and productivity, online tools such as the performance management system (Perf-X) and Sabancı Social enjoyed an increase and expansion in usage while organizational network-relational analytics started to expand among Group companies.

## PHYSICAL & MENTAL HEALTH

The pandemic showed us of the importance of physical, mental and spiritual wellbeing. At Sabancı Group, we have enhanced and will continue to enhance our long-established employee support programs, which are intended for all our employees and their families, with additional physical, spiritual and mental support packages.

In 2021, employee assistance programs including stress-management tools, mindfulness and resilience training programs, wellbeing applications, online dietician support, coaching and expert sessions expanded in usage. We used data analytics and analysis to track the number of employees accessing the programs and address the concerns and issues raised.

## EMPLOYER BRAND MANAGEMENT AND TALENT ACQUISITION

Sabancı Group aims to maintain its position as the “Employer of Choice” continuously and sustainably. We promise always to hire the best talent commensurate with the “Sabancı of New Generation” culture and values. We are committed to make all our employees feel and experience “Sabancı people make a difference” which represents employer value proposition and launched in 2021.

In 2021, agile, cross company and diverse HR teams started work on ten different innovative projects using Design Thinking methodology and finalized prototypes of the new projects to strengthen the employee experience and the Sabancı employer brand.

With its strong employer brand perception among both professionals and university students, Sabancı Group, as in previous years, maintained its commanding position as a preferred employer among students in all categories according to the “The World’s Most Attractive Employers 2021” according to a study conducted by Universum, one of the world’s best known research institutions in this area. Also, Sabancı Group was recognized as Word’s Best Employers and became one of the best 500 companies listed on Forbes in 2021. The following new Group wise talent acquisition initiatives were put in place; the New Generation Career Experience Program and the Seed Young Talent Program.

## NEW GENERATION CAREER EXPERIENCE

The New Generation Career Experience Program offers third and fourth-year university students the opportunity to work on real projects remotely and experience the Sabancı Group ecosystem. In 2021, 60 university students graduated from the 6-month version of the Program and 60 more graduated from the short version of the Program. The participants experienced a range of extensive online development opportunities and were specifically trained on innovation tools; also they completed an Ideathon to solve sustainability related problems. Together with 2020 graduates, the New Generation Career Experience Program has approximately 150 alumni members, 48% of whom are women, and in 2021 the first Alumni-Day event was executed.

## SEED: THE YOUNG TALENT PROGRAM

The program designed and initiated in the last quarter of 2021, targeting fresh graduates with up to two years of professional experience. This program aims to hire and develop new talent, particularly in the growth areas set out in Sabancı Group’s 2021-2025 strategic plan. A total of 10,000 applications, 58% of which were from women, were evaluated based on their learning agility and motivation levels, with the aim of selecting 40 new talented individuals for the program. In addition to its hands-on working experience, the program incorporates upskilling training, rotations within and across functions in an accelerated learning environment.

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# LEARNING AND DEVELOPMENT

6 min

Since we know that the success of business operations is intertwined with the success of our employees, we prioritize supporting the development and lifelong learning of Group employees. We are working to improve the knowledge, skills, and competencies of our employees by organizing various training and development programs and updating existing programs according to the requirements.

Encouraging the career development of employees, developing existing talents, and increasing employee loyalty by rewarding high performance are essential part of our talent and career management approach. In this context, we support employees in their career journeys through career management processes and facilitate their involvement in different areas or higher positions within the Group. We focus on the development of all employees in the Group, regardless of company, unit, and blue-

collar, white-collar or subcontractor status. We implement development programs designed by experts and organize training and development programs for all employees to gain the knowledge and skills needed in our continuously changing business. In 2021, we provided a total of 1.5 million person x hours of training to Group employees.

## RESKILLING & UPSKILLING

Reskilling and Upskilling are one of the key strategic priorities in our “Adaptation to the Future of Work” model. We continue to prepare all our employees for the future by investing over TL 200 million in the first three years of our 2021-2025 strategic plan. We aim to fill the gap between talent management and skill inventory. The Program participants’ position rotations, performance scores and motivational status are followed proactively in order to foresee their flight risks.





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Sabancı Group also provide graduate level educational support such as sponsoring the education of employees, providing discounts and offering additional leave. In 2021 total of 96\* number of employees were supported in their post graduate level educations.

Group Level Programs	Upskilling & Reskilling Objective	Duration & 2021 Participants
In-Lead	The Industry Leaders (In-Lead) Program was developed to provide professional and leadership development of high-potential technical managers and engineers in Sabancı Group's Industrials, Building Materials and Energy Group companies.	1 Year 20 Graduates
X-TEND	An interactive online academy for gaining new skills needed for the future of work such as resilience, innovative thinking, climate change, diversity & inclusion and open for all employees and their families.	8 Months ~ 1000 participants
Advanced Data Analytics Academy (ADAA)	The program mainly supports the "Leadership in Digitalization" principle of our 2021-2025 strategic plan. The 4th cohort was executed focusing on Data Science and Data Translator technical expertise.	8 Months 48 graduates
X-LAB	This online and blended cutting-edge development program supports the "innovation" dimension of our 2021-2025 strategic plan and the competencies, which will change the ways of business with courage. The 1st cohort, which includes the Ideathon phase, has been finalized.	4-6 Months 250 graduates

**Leadership:** Leadership Development Programs continued to be conducted across the Group in order to strengthen the diverse leadership pipeline and to extend Sabancı Leadership Models at all levels.

Group Level Programs	Leadership Objective	Duration & 2021 Participants
TP-X	Develop to improve the leadership skills of individuals with high potential talent who are new in their business careers as well as being new to the Group	1 <sup>1/2</sup> Year 20 Graduates
X-POSURE	Developed to improve the leadership potential of Sabancı Group mid-level managers	1 <sup>1/2</sup> Year 20 Graduates
X-CELERATE NEXT	Designed for enriching their transformative/connected/inspiring/inclusive leadership styles of CXO and GM Level Leaders	1 <sup>1/2</sup> year 19 participants

\* Sabancı Holding companies were included in these figures.

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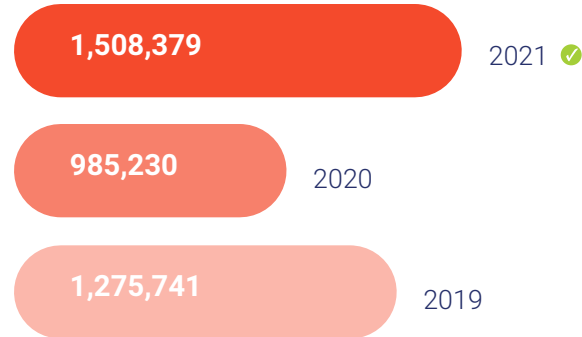
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In 2021, Sabanci Group spent TL 68 million on employee training corresponds to an average TL 1,425 per employee.

We endeavor to keep our employees up to date on business ethics as well as to develop their skills and performance. We train every new employee in the Group (including part-time and contracted employees) on Sabanci Group Code of Business Ethics (SA-ETHICS), which serves as a guide for employees. We provide annual refresher training for the current employees to keep their knowledge of SA-ETHICS up-to-date and to raise awareness. Since 2019, we have provided training on Personal Data Protection to educate employees on the importance of personal data protection.

**All Training (employee x hour)<sup>62</sup>**



*Details on Graduate traineeship/apprenticeship programs... (to be included)*



<sup>62</sup> OHS training hours are not included.

**Total Training Cost**  
TL 68 million ✓

**Average per employee**  
~TL 1,425 ✓



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## Diversity and inclusion training

**8,890** ✓

person x hour

## Ethics training

**21,118** ✓

person x hour

## Sustainability and environment training

**18,476** ✓

person x hour

## Anti-bribery and corruption training

**9,444** ✓

person x hour

## Training provided for sub-contractors<sup>63</sup>

**77,790**

person x hour

<sup>63</sup> Carrefoursa, Teknosa, Sabancı Holding and SabancıDx are not included.

### SABANCI TRANSFORMATION TEAM

General Managers of Group companies and Holding Executive Committee Members who are named as Sabancı Transformation Team (SATT) and are leading the 2021-2025 strategic plan also experienced Top Team Effectiveness initiatives to reinforce the higher purpose of the Group together and strengthen their purpose-driven leadership styles. Leadership potential assessment, succession principles, pipeline fullness and organizational healthiness criteria have been followed across the Group through the process of the Organizational People Review and Sabancı People Review for Top Management as previous years. Intercompany succession plans and development plans for successors were created, and these plans are monitored regularly. In 2021, starting with SATT members, critical experience requirements of each leadership position were also worked on and the development needs, the career plans of leaders were considered in line with these requirements. Leadership Program participants' and critical position holders' career motivations, performance scores, rotational needs are being followed proactively to foresee their flight risks.

### PURPOSE DRIVEN ORGANIZATION & CULTURE

In 2021, impacts of the Sabancı higher purpose on the 2021-2025 strategic plan and on all business decisions were shared in the annual management meeting and in the quarterly CEO meetings with all white and blue collar employees. The Sabancı Group higher purpose was also integrated into all Group Leadership Programs and Reskilling/Upskilling Programs.

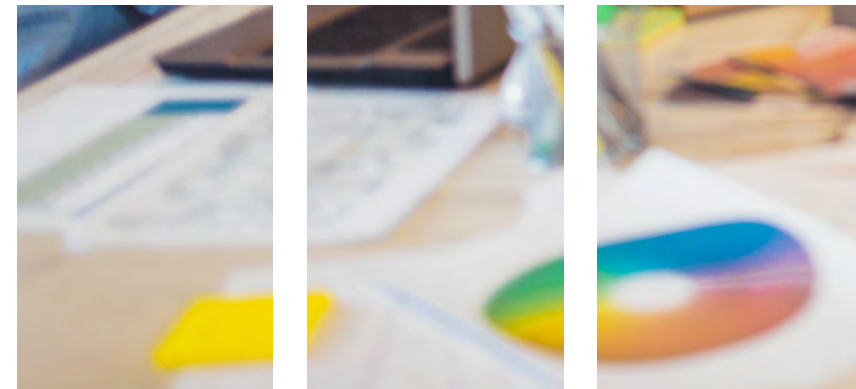
*Please visit Performance, Remuneration and Succession chapter to read on the details of group succession plan and strategic workforce planning.*



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## DIGITAL & AGILE DEVELOPMENT & TRANSFORMATION

Two critical group-wide initiatives supporting the agile way of doing business and transformation have been in place since 2020: X-Teams and X-challengers. X-Teams is an agile collaboration system where cross-functional teams consisting of employees of Group companies work for potential strategic business development projects which will achieve a transformation of the Sabancı Group in line with the 2021-2025 strategic plan, applying agile practices. Since 2020, 4 cohorts of X-TEAMS have been carried out with 26 teams – consisting of 250 employees have been involved in this system and submitted 26 projects. X-challengers was formed as a strong initiative to support the transformation culture with the program engages young talent to challenge the existing core business and contribute to the strategic plan. In 2021, X-challengers generated 84 ideas, 15 of which were considered in the current 2021-2025 strategic plan.



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# PERFORMANCE, REMUNERATION AND SUCCESSION

8 min

## SUCCESSION PLANNING

At Sabanci Group, we form the basis of sustainable human resources with the Organizational Success Planning (OSP), and annually evaluate the elements of talent management end-to-end on a company basis. In 2021, we carried out the OSP process in line with the Sabanci Leadership Model, which reflects the vision of Sabanci of New Generation. In this context, we considered criteria such as appropriate potential assessment, succession principles, and organizational health.

With the Sabanci Leadership Model, we reveal the competency model that forms the vision of Sabanci of New Generation, and the personality traits, motives and experiences required to fully exhibit these competencies. In this context, we aim to determine the potential of employees and their readiness more accurately for higher leadership roles across the Group and support the career planning and development of employees with rational criteria.

We conducted the OSP process for the senior management of the Group with the Sabanci People Review (SAPR), used to review the potential and developments of senior managers, and created succession plans for management positions. We carried out regular follow-up of our plans. We included intra-company, inter-company, and inter-functional criteria as well as diversity and inclusiveness indicators, such as female succession rate, in our succession plans.

Another matter of emphasis and action is the Strategic Workforce Planning model. This model includes an HR planning approach that anticipates the competencies that will be required by our Group companies in the future to implement their strategic plans and aims to substitute these competencies. With this model, we use advanced data analytics applications to highlight the needs for change in our workforce well in advance and prepare our employees and organizations for these changes.

Career at Sabanci is another practice we carry out to support the career development of our employees. Our employees are the first to learn about the open positions within the Group. We continue the announcement, application and candidate nomination processes on the Sabanci Career Portal. We create opportunities for our employees to gain experience in different companies, industries and units if they so choose. While 49%<sup>64</sup> of the positions opened within the Group in 2021 were filled by internal candidates, a total of 8,122 new employees joined the Group.

## CONTINUOUS PERFORMANCE MANAGEMENT

Performance culture is one of the major value-adding elements of our strategy. Performance expectations of companies and employees are clearly defined and monitored through a structured continuous performance management system by using Objectives & Key Results (OKR) and Key Performance Indicators (KPIs).

Adopted by all Sabanci Group Companies, Continuous Performance management system focuses on transparency; stays agile and flexible; supports cooperation; and is fed with open and continuous feedback dialogues. We're using tailor made performance management software – Perfx (designed and created by Sabanci Group & SabanciDx) to manage the process.

In 2021, 100% of Group employees were subjected to a regular performance evaluation process.

<sup>64</sup> Akbank, Carrefoursa, Kordsa and CSC BV are not included.

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## REMUNERATION MANAGEMENT

Sabancı Group operates a balanced and effectively managed remuneration system that provides competitive total remuneration opportunities to attract, retain, motivate and reward employees. Remuneration at the Sabancı Group is conducted in accordance with applicable legal and regulatory requirements, as well as market developments.

The Remuneration Model for all employees, including executive positions, is comprised of fixed remuneration consisting of the base salary, employee benefits, allowances and variable remuneration consisting of short- and long- term incentive awards.

Gender equality is one of the key criteria in our remuneration model. Men and women receive equal pay with a male to female pay ratio of 1.0 in our Group. Additionally, Sabancı Group has no raw pay gap against women employees. Sabancı Holding is committed to carrying out an equal pay for equal work study with a raw gender pay gap analysis on an annual basis, maintaining equality going forward. Our action plan to maintain equality include the release of a Group-wide Policy that suggests;

- the disclosure of pay gap figures (both raw pay gap and equal pay for equal work figures) with management level breakdown
- if there are any pay gap<sup>65</sup> on a company basis, each company determines a roadmap for a maximum of 2 years to ensure equality. Wage adjustments can be included in the scope of the mitigation action plan.

Gender equality is among the key criteria in our remuneration model. The female-to-male pay ratio is 1.



## 12. GOLDEN COLLAR AWARDS

In October 2021, we held the 12<sup>th</sup> Sabancı Golden Collar Awards, one of the most critical components of Recognition and Appreciation systems, with live broadcast to all Group companies. A total of 153 projects competed in the following categories: Sabancı of New Generation, Innovation, Customer Experience, Lean Transformation & Continuous Development, Sustainability and Digitalization. Best practices were rewarded with the votes of Group employees. On behalf of the winning projects of the Golden Collar Awards, donations were made to the relevant nongovernmental organizations specified together with Sabancı Foundation.

<sup>65</sup> Refers to equal pay for equal work, includes white collar employees.

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Remuneration policies are reviewed and updated annually in view of macroeconomic data, regular detailed salary trend reports received from independent surveys based on peer groups and general industry, the size of each company as well as corporate long-term goals, individual workloads, and in-house and external salary patterns. To support remuneration models with additional benefits, all Sabanci Group companies offer separate side benefits schemes with varying content and flexibility based on role status and requirements in line with employee expectations and needs.

Performance expectations are clearly defined and monitored through a structured continuous performance management system by using Objectives & Key Results (OKRs) and Key Performance Indicators (KPIs). Performance results are used to support remuneration decisions.



<b>TOTAL REWARD</b>	<b>TOTAL INCOME PACKAGE</b>		Recognition, Appreciation and Supportive Practices	Flexible Working Career Development Training Support Golden Collar Awards Recognition & Appreciation Programs Work Environment	Sabanci Group provides a range of benefits, recognition, appreciation and supportive practices to employees, which are designed to reflect peer group and market practices.
			Benefit & Allowances	Private Pension Plans With Company Support Private Health Insurance Employee Transportation Support/Fuel Support Company Car Mobile Phone/Date Line	
	<b>TOTAL CASH</b>	Variable Salary	Short-Term Incentives Long-Term Incentives	Sabanci Group's short-term incentive plan (STIP) and long-term incentive plan (LTIP) aim to align the remuneration architecture with the achievement of the Group's key financial and strategic targets, operational plans, while considering the interests of key stakeholders. Business and individual performance may result in remuneration levels above target for superior performance, and reduced levels that are below target for performance below expectations.	
Fixed Salary		Base Salary	Base salary is defined by the size, scope and complexity of the role, level of responsibility, professional experience and reviewed annually.		

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Variable Remuneration Components are;

- Short-term (one year) incentives help employees focus their performance on the achievement of key financial and non-financial objectives. (STI)
- Long Term (three-year) incentives are offered to a defined group of the most senior executive positions including CEO within the Sabanci Group, to increase share value and help them gain a shareholder perspective, and to reward long-term performance and Stability. (LTI)
- The Malus and clawback framework is established both for STI and LTI systems as a remuneration safeguard, and it applies to all STI and LTI Participants.

**Short Term (1-Year) Financial KPIs\***

- Net Sales
- Working Capital
- EBITDA
- Market Share
- Free Cash Flow
- rTSR\*\*
- Net Financial Debt

**Short Term (1-Year) Non-Financial KPIs\***

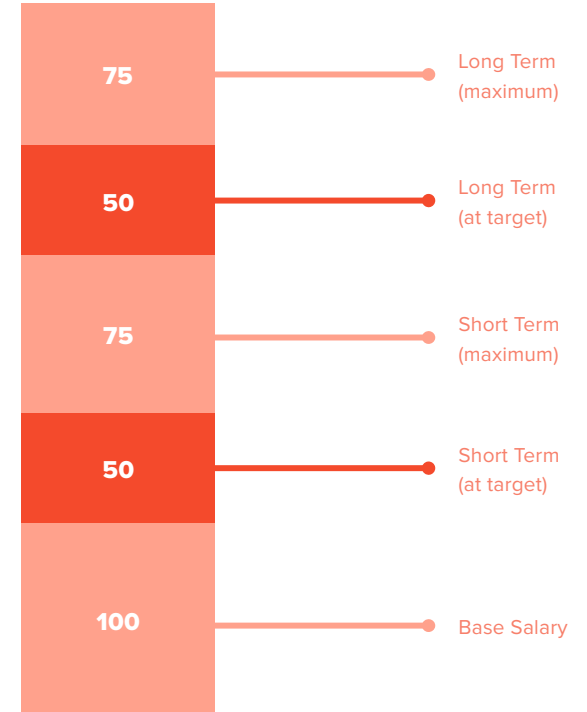
- Action against the climate emergency
- Diversity and Inclusion
- Reduction in plastic usage
- Future of Work
- Improvement in MSCI score
- Operational Excellence

**Long Term (3-Year) Financial KPIs\***

- rTSR\*\*
- Free Cash Flow\*\*\*
- Net Asset Value Growth
- Equity Growth\*\*\*

- Both short- and long-term performance indicators go beyond financial targets, and include targets such as sustainability, equality, operational excellence. Depending on the nature of business line or function, CEO and Group President sustainability targets include GHG emission reduction, diversification of sustainable products and services, increasing ESG disclosure and rating scores, enhancing climate risk assessments, issuance of policies such as equality, further embedding ESG into capital allocation decisions, development of programs to eliminate unconscious bias on women and quotas on women candidates for leadership positions

**Total Cash Distribution Model**



Sample for a company general manager

\* Short Term KPIs are not limited to those included on this page, some of them are shown as samples.  
 \*\* Change in market capitalization compared to peers for listed companies  
 \*\*\* For non-listed companies



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## EMPLOYEE ENGAGEMENT AND SATISFACTION

The actions we plan within the scope of Adapting to the Future of Our Work are based on the satisfaction and wellbeing of our employees. Managed with a model consisting of seven main headings<sup>66</sup> and 34 sub-headings, the program was determined in an inclusive and democratic manner for the purpose of hearing the expectations and needs of our employees from all generations and positions. Within this scope, we held nearly 200 detailed analysis meetings, more than 40 design meetings with the participation of international experts; more than 30 surveys with thousands of participants; and numerous workshops, evaluations and inter-company learning sessions.

We also regularly measure employee loyalty and satisfaction through independent companies to receive employee feedback and determine the actions that will increase employee loyalty. We utilize the services of independent organizations to annually measure the employees' perceptions of the organizational climate and the leadership styles of the management team, which has the greatest impact on this climate. The results related to leadership styles are included as a criterion in the Senior Management's People and Organization performance target.

## ENGAGEMENT SCORE

With its strong employer brand perception among both professionals and university students, Sabancı Group, as in previous years, maintained its commanding position as a preferred employer among students in all categories according to the "The World's Most Attractive Employers 2021" according to a study conducted by Universum, one of the world's best known research institutions in this area. Also, Sabancı Group was recognized as World's Best Employers and became one of the best 500 companies listed on Forbes in 2021.

Covering Loyalty, Agility, Leadership and Employee Experience, Sabancı Group's employee loyalty is above Turkish average.



<sup>66</sup> Remote Work, Physical and Mental Health, Flexible and High Performance Workforce, New Talent and Skill Paradigm, Leadership with Head, Heart and Hands, Purpose-Driven Organization and Culture, Resilient and Agile Organization

# HUMAN RIGHTS, EQUALITY, DIVERSITY AND INCLUSION

5 min

Sabancı Holding sets its Human Rights standards, exclusion criteria and due diligence framework for its entire value chain including suppliers and its work force in Responsible Investment and Due Diligence Policy. Topics include minimum wage, defense industry norms, labor rights, child labor and the like.

As an integral part of our responsible investment and human capital management approach, we believe ensuring diversity in the workplace and providing equal rights and opportunities to all employees facilitate a successful and productive business environment, while also contributing to socioeconomic development. We do not allow any discrimination among employees at Sabancı Group on the grounds of language, race, color, gender, political opinion, belief, religion, sect, age, physical disability or similar reasons. As a signatory of the Equality at Work Declaration, we consider creating and maintaining a fair working environment for our employees to be among our top priorities. We emphasize inclusion and diversity in the workplace. We implement practices that encourage women, young people, and people with disabilities to take active roles, and we provide equality of opportunity in all Group companies. In 2022, Sabancı Holding issued a renewed Diversity, Equality, Inclusion and anti-Harassment Policy (DEI&H Policy) to guide our Group. Our Chief Diversity, Equality and Inclusion Officer (DE&I) is the Group President of Human Capital and Sustainability. Each of our Group companies has also started to identify the highest level of ownership and champions on the same topic.

With the launch of our DEI&H Policy, our Group companies also started to set their roadmap for an equal representation of women at all levels in the workplace.

With the launch of our DEI&H Policy, our Group companies also started to set their roadmap for an equal representation of women at all levels in the workplace.

*Please visit Remuneration and Incentive Management on page 85 to learn more about equal pay policies.*



Sabancı Group is committed to complying with the following international standards:

- The Universal Declaration of Human Rights,
- The ILO Declaration on Fundamental Principles and Rights at Work,
- The OECD Guidelines for Multinational Enterprises (2011)
- The UN Guiding Principles on Business Human Rights
- The Women Empowerment Principles
- The UN Global Compact

Sabancı Holding is a signatory to UN Global Compact and Women's Empowerment Principles

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## WOMEN'S EMPOWERMENT PRINCIPLES

Sabancı Holding, Enerjisa Enerji, Carrefoursa, Teknosa, Akçansa, Çimsa and Kordsa are among the signatories of the Women's Empowerment Principles (WEPs) Platform established in partnership with the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and the United Nations Global Compact. They support gender equality in the business world and the economic empowerment of female employees.

As Sabancı Holding, we commit to increase the female leaders to 50% by 2030, meaning a 32% increase compared to 2020 figures, which was already aligned with the EU average.

Sabancı Holding is one of the leading World's Top Female Friendly Companies

Sabancı Holding was included in the 2022 Bloomberg Gender Equality Index which recognizes the performance of companies committed to gender equality across five pillars.



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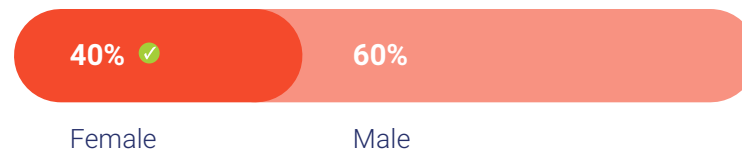
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We believe that Sabancı derives its strength from qualified employees with unique characteristics and competencies. As of the end of 2021, we create employment for more than 60,000 people, including subcontractors. At Sabancı Group, 30% of our employees and 40% of our managers are women.<sup>67</sup> We encourage employees to take active roles at home and with their families, regardless of their gender. We also facilitate the return of women to work after maternity leave. We also delivered Gender Equality trainings that include basic concepts on gender, stereotypes, discrimination, sexual harassment and violence, sexism and discrimination in language and communication and unconscious bias to all employees in 2021. We have compulsory trainings totaling to 8,890 person x hour that include sections on eliminating unconscious bias for all levels including the management positions.

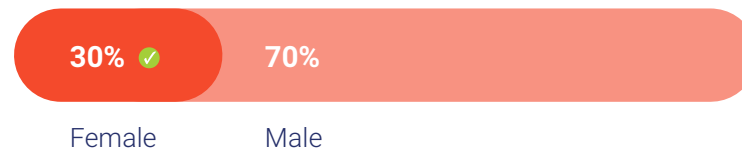
Sabancı Holding was included in the 2022 Bloomberg Gender Equality Index which recognizes the performance of companies committed to gender equality across five pillars. At Sabancı Holding, women hold 44% of board seats including the chair role.

**At Sabancı Holding, women hold 44% of seats in Board of Directors including the chair position.**

**Distribution of Managerial Roles by Gender**



**Distribution of Workforce by Gender**



**Share of Women Employees in IT, R&D and Revenue Generating Roles**

	Share of Women Employees (%)
STEM Roles <sup>68</sup>	33% ✓
Revenue Generating Roles <sup>69</sup>	43% ✓

Maternity/Parental Leave (2021)	Female	Male
	Employees granted maternity/parental leave	749 ✓
Employees who returned to work following maternity/parental leave	682 ✓	1775 ✓

<sup>67</sup> Employees working directly in Turkish operations are included in the number of employees. <sup>68</sup> Science, technology, engineering, and math. <sup>69</sup> Revenue-generating jobs refer to ones that when vacant, no revenue is generated.

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We are also working to combat violence against women. At Sabancı Group, we support the Business Against Domestic Violence (BADV) project run by Sabancı University Corporate Governance Forum.

Providing opportunities for new talent plays a key role in ensuring equality, diversity, and business performance. Accordingly, we strive to recruit young people across the Group. Generation Y accounts for about 76% of all Group employees. We provide the physical facilities required by employees with disabilities with regular inspections and arrangements. 3% of all employees within the Group are employees with disabilities.

We respect the union rights and freedoms of our employees and guarantee this approach under Sabancı Group Human Resources Policy.

The Sabancı Group Diversity & Inclusion initiatives won recognition with two GOLD awards (“Best Advance in Leading Diversity, Equity & Inclusion Initiatives” and “Best Governance of Diversity, Equity & Inclusion” categories) from the Brandon Hall Human Capital Management Excellence Program.

Sabancı Group HR Initiatives on Women Empowerment was also rewarded as a SILVER winner in the Stevie Awards for Women in Business.

**92%**  
the unionization rate of blue-collar employees in 2021<sup>70</sup>

Employees by Category	Female	Male
blue collar employees	19%	81%
white collar employees	40%	60%


In terms of the rate of female employees in management positions, Sabancı Group is almost 2 times higher than the average in Turkey and almost 5% higher than the average in EU.

Sabancı Holding received the GOLD award in the “Achievement in Human Resources Administration” category in The Stevie Awards, in recognition of its Great Employers Program.


The New Generation Career Experience Program was recognized with two SILVER awards (Achievement in Succession and Career Management & Achievement in Extended Enterprise Learning Programs) by The Stevie Awards in recognition of its Great Employers Program.

The Program was also ranked 1<sup>st</sup> as “The Most Preferred Online Internship Program by Youth” in the Youthwards ’21 by 46,238 university students from 150 different universities. X-Teams was awarded with two GOLD (“Training Programs - Problem-Solving Training” and “Best Use of Social Collaborative Learning”) and one BRONZE award (“Most Innovative Learning and Development Program”) from The Stevie Awards in recognition of its Great Employers Program.

You can access Sabancı Group Human Resources Policy here.



Please visit other pages in Our Human Capital chapter to read on the rest of our investments for employees.



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# SAFE WORKING ENVIRONMENT

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At Sabancı Group, we adopt employee health and safety as a natural part of working life and corporate culture and aim to continuously develop this culture. We carry out employee health and safety practices in accordance with the relevant legislation, obligations and standards. We improve our performance by continuously following national and global trends and best practices in the field and adapting them to fit our business. In all our activities, we analyze potential risks in advance, and adopt proactive approaches to prevent these risks. We provide training regarding employee health and safety at the time of their employment and renew the training at particular periods during their employment. We promote harmony and excellence in employee health and safety practices among employees and stakeholders by maintaining the sharing of knowledge and experience within the Group.

While ensuring employee health and safety, we work in accordance with the international standards, and display this approach with our certification. Among Group companies, Akçansa, Brisa, Çimsa, Enerjisa Enerji, Enerjisa Üretim, and Kordsa have received the ISO 45001 Occupational Health and Safety Management System certification.

We believe that ensuring occupational health and safety (OHS) is a multidimensional issue, which is why we support our employees with training, raise their awareness, and update their knowledge and experience. In 2021, we provided 304,013 person\*hours of OHS training to Group employees.<sup>70</sup> We also provide regular OHS training to subcontractors with the same sense of responsibility.

We work with the target of zero accidents across the Group. There was a total of 518 accidents<sup>71</sup> in Group companies in 2021, one of which was fatal. The lost days rate (LDR)<sup>72</sup> is 9.22 In 2021, the number and ratio of occupational diseases experienced across the group was zero.

**496,915**

person x hour of OHS training<sup>73</sup>

## EMPLOYEE HEALTH AND SAFETY DURING COVID-19

Sabancı Group places the highest priority on providing accurate and timely information on pandemic-related developments, maintaining a unified approach and ensuring consistent implementation across the Group, as well as reacting immediately to urgent developments as its top priorities.

We promoted vaccination in our workplace and provided extensive testing options to our employees. During the pandemic, in order to ensure healthy and safe working environment we implemented different types of COVID-19 preventive measures such as enhanced environmental cleaning and disinfection protocols for indoor spaces in our office buildings and factories.

<sup>70</sup> In 2021, total OHS training hours decreased as in-class OHS training sessions could not be held due to COVID-19. <sup>71</sup> All recorded accidents are included, regardless of their scale. <sup>72</sup> The lost days rate is the ratio of the total number of lost days calculated based on work-related injury or disease only. <sup>73</sup> Includes group employees and subcontractors.

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- **Akbank** was ranked the first among Emerging Market banks and among the top 5 banks globally according to the gender equality survey conducted by OMFIF.
- In 2021, **Akbank** was awarded as “Best Bank in Turkey” by Euromoney, Global Finance, EMEA Finance and World Finance.
- **Akbank** became the first depository bank in Turkey to declare long-term sustainable finance commitments, which includes providing TL 200 billion of sustainable loan financing to Turkey by 2030.
- **Enerjisa Üretim** was deemed worthy of a gold award in the category of “Excellence in Social Impact Innovation” and bronze award in the category of “Excellence in Diversity, Equity and Inclusion”, as well as Best Employer’s Award by Kincentric.
- In 2021 **Akçansa** was deemed worthy of a total 10 awards including 5 gold, 2 silver, 2 bronze and 1 Best Awarded from leading award organizations such as Stevie, Globee and Best Business Awards.
- In Stevies; **Akçansa** was awarded Employer of the year award with the “Best HR Team”, Achievement & Best Team Development and Coaching and Mentoring awards with the “Kariyer Çınarı Mentoring Program”, Best Training Program award with “Akçansa Digital Academy”, HR Team of the Year award with the “Best HR Team” project, Best Education Management Program award with “Akçansa Digital Academy” and Achievement in Employer Relations award with “HR Communication” project.
- In Stevie Awards for Women in Business; **Akçansa** was awarded Achievement in Human Resources award with “Best HR” project. In Globee Awards; Best Workplace of the Year- Europe award with the “Best HR” project. In Best Business Awards; Akçansa awarded Best with “Best HR” project in the Best HR category.
- **Çimsa** received the Respect for Human Award in 2021, as in previous years. Among Turkey’s leading companies, Çimsa received the “Kariyer.net Respect for People Award”, which is given according to criteria such as the rate of return to candidate applications, the number of applications received and the number of people employed.
- **Çimsa** received the first medal within the scope of the “OHS Leadership Program (M2-GR2)” organized by Cement Industry Employers’ Association (CEIS) and with the participation of companies in the Turkish cement industry. Çimsa continues to set an example for the sector with the importance it attaches to OHS and OHS culture.
- **Çimsa** won the bronze award in the “Best Advancement in Leadership During the Crisis” category with its management during the pandemic period at the 2021 Human Capital Management Excellence Awards managed by Brandon Hall Group.
- In 2021, **Kordsa** was included in “The Most Amazing Place to Work” list in Brazil, where one of its 12 production facilities is located, thanks to its high employee satisfaction rates. The list was created following research conducted with 150,000 employees of Brazil’s 100 leading companies by the Institute of Management Foundation (FIA), a subsidiary of Brazil’s most respected university, the University of Sao Paulo, and Universe OnLine (UOL).
- In 2021, **Agesa** was deemed worthy of a total of 10 awards in the fields of Human Resources, Business Technologies, Corporate Social responsibility and Management at leading award organizations such as Brandon Hall, IDC, MIXX AWARDS and Business Life.
- **SabancıDx** has been nominated as one of the top 3 employers of the IT sector in Turkey by the Great Place to Work.
- With its Design-Oriented Thinking Journey program and innovation efforts, **SabancıDx** was awarded the Great Place to Work (GPTW) certificate in 2020.
- At the Brandon Hall 2021 Awards, **SabancıDx** received the Silver Award in the “Cultural Transformation” category with the “New Generation Sabancı - SabancıDx’s Digital Transformation Journey”.
- **Aksigorta** was presented with seven awards in three different categories at the IDC CIO Turkey Awards.
- **Aksigorta** was named the “Best Employer in Turkey” for the fourth time in a row at the Best Employers Awards organized by Kincentric.

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At Sabanci Group, our corporate governance approach, which is based on fair, transparent, responsible and accountable principles, forms the basis of our superior performance. We manage financial and non-financial risks and opportunities by establishing an effective governance mechanism in all our operations. In doing so, we create long-term economic value for our investors and shareholders, as well as for our other stakeholders. The Board of Directors, the highest governing body of Sabanci Holding, sets targets and monitors performance in line with the strategies it has determined for the Holding and Group companies with a holistic approach.





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## GÜLER SABANCI

### CHAIR

Güler Sabancı was born in Istanbul. After finishing high school education at TED Ankara College and Sabancı graduated from Boğaziçi University, Department of Business Administration. She has held various executive roles in the Group and currently serves as Chair of Sabancı Holding. She is also the Founding President of Sabancı University, Chair of the Board of Trustees of Sabancı Foundation and Chair of Sakıp Sabancı Museum.

Güler Sabancı has been the first female member in many organizations such as the European Round Table for Industry. She also sits on the External Advisory Board of MIT Energy Initiative and Board of Overseers of Columbia Business School and she is also a member of The Trilateral Commission. Güler Sabancı also served as a Member of the UN Global Compact Board of Directors between 2012 and 2018.

## EROL SABANCI

### VICE CHAIRMAN

Erol Sabancı served as a member of the Akbank Board of Directors between 1967 and March 2018. For a decade beginning from March 1998 Erol Sabancı was the Chairman of the Board of Directors. He has been a Consultant to the Board of Directors since 26 March 2018. Erol Sabancı also serves as Vice Chairman of the Board of Directors of Sabancı Holding.

## SUZAN SABANCI DİNÇER CBE

### BOARD MEMBER

Suzan Sabancı Dinçer is the Chair of Akbank. Mrs. Sabancı Dinçer is also a board member of Sabancı Holding and a member of the Board of Trustees of Sabancı University and the Sabancı Foundation. In 2009, Mrs. Sabancı Dinçer founded the Akbank International Advisory Board and currently serves as its chair.

Mrs. Sabancı Dinçer is a member of the Institute of International Finance Board of Directors and Emerging Markets Advisory Board, as well as Harvard University's Global Advisory Council. Suzan Sabancı Dinçer

is also co-chair of the New York-based American-Turkish Society, as well as a member of the Global Board of Advisors at the Council on Foreign Relations (CFR), and the Board of Managing Directors of Venetian Heritage, Inc.

From 2010 to 2014, Suzan Sabancı Dinçer served as the chair of the Turkish-British Business Council. From 2009 to 2016, Mrs. Sabancı Dinçer sat on the Global Board of Advisors of Chatham House. Between 2014 and 2018, Sabancı Dinçer acted as the Advisory Board President of the Women on Board Association Turkey. She is a founding member of Endeavor Turkey, a founding and honorary member of the Women Entrepreneurs Association of Turkey, and chair of the Executive Advisory Board and a patron of the Contemporary Istanbul Art Fair.

## SAİME GONCA ARTUNKAL (ON BEHALF OF SAKIP SABANCI HOLDİNG A.Ş.)

### BOARD MEMBER

Saime Gonca Artunkal received her undergraduate degree in economics from Oglethorpe University and her master's degrees from the London School of Economics and Boğaziçi University. She started her career in 1991 at Andersen Consulting and worked in investment banking and corporate finance at The Chase Manhattan, Morgan Stanley, Citi, Societe Generale and UBS in both London and Istanbul. She was the CEO and Chairperson of UBS in Turkey until the end of 2018. Saime Gonca Artunkal has extensive risk management experience ranging from credit and market risks to reputational and compliance risks. During her banking career, Gonca has held managerial roles covering various regions including the Middle East, Greece, Israel, Turkey, Central Asia and the Caucasus. She has also worked on transactions in the UK, Europe and the US. She currently advises Turkish and international companies and families on mergers and acquisitions, corporate finance and corporate governance. She is a member of Advisory Board of FODER - Financial Literacy and Inclusion Association, Member of Audit Committee of KIHP – YC – Women for Women's Human Rights – New Ways and a founding member of 65+ Elderly Rights Association.

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**SERRA SABANCI****BOARD MEMBER**

Serra Sabancı was born in Adana in 1975 and graduated from the University of Portsmouth, and Istanbul Bilgi University, Department of Economics, where she graduated as the top student in her class. Having served at Temsa, Serra Sabancı participated in the Institute of Directors (IOD) seminars and courses on Board Membership, Mergers and Acquisitions in London after becoming a Board Member of Sabancı Holding. Serra Sabancı currently serves as Board Member at Sabancı Holding. She is also a Member of the Board of the Sabancı Foundation.

**CENK ALPER****BOARD MEMBER AND CEO**

Cenk Alper received his Bachelor's degree in Mechanical Engineering from the Middle East Technical University in 1991. He has a Master's degree in Mechanical Engineering from the same university as well as an MBA from Sabancı University.

Mr. Alper joined the Sabancı Group in 1996 at Beksa, later taking on managing positions in Belgium and the US at Bekaert between 2002 and 2007. In 2007, Mr. Alper returned to Turkey as the Global Technology Director at Kordsa and completed the establishment of its R&D center and Innovation division. After serving as COO, he led Kordsa's transformation and secondary public offering as CEO between 2013 and 2017. In 2017, he took on a new role as Sabancı Holding Industry Group President. As of August 2019, Cenk Alper is the CEO and Board Member of Sabancı Holding. Mr. Alper is also a Board Member of Enerjisa Enerji and Enerjisa Üretim.

He is a member of the Turkish Industry and Business Association (TÜSİAD), the World Economic Forum (WEF), the World Business Council for Sustainable Development (WBCSD), the International Corporate Governance Network (ICGN), the CNBC ESG Council and the WSJ CEO Council.

**AHMET ERDEM****INDEPENDENT BOARD MEMBER**

Ahmet Erdem graduated from Istanbul Technical University as a Civil Engineer and also studied Engineering Management at Istanbul University.

Erdem joined Shell in 1990. He worked in top executive roles in Turkey, Middle East and Europe. After serving as the Investment Manager of Greece and Turkey and as the Retail Sales Manager in Turkey; in 2006, he performed a major role in the formation of the Shell & Turcas joint venture where he is still the Chairman of the Board. After his duties as Retail General Manager and Executive Committee Member during the integration of the Joint Venture, he served as the Country Chair Shell Kenya and as the Chairman of Shell Kenya that is the operational center of Shell in East Africa. He participated in Royal Dutch Shell's risk management trainings in finance and reputation and has experience of 20 years in risk management.

In addition to his role as the Country Chair Shell Turkey Erdem also serves as the Chairman of Shell & Turcas and as an Independent Member of the Board of Directors at Sabancı Holding.

Mr. Erdem served as Chairman of the International Investors Association (YASED) for two terms. He also serves as the Petroleum and Petroleum Products Industry Council President at the Union of Chambers and Commodity Exchanges of Turkey (TOBB); as the Vice Chairman at Oil Industry Association (PETDER); as a Board Member at the World Business Council for Sustainable Development (WBCSD Turkey), United Nations Global Compact Turkey and Energy Efficiency Association (ENVER) and as an Advisory Board Member at British Chamber of Commerce.

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**HAYRİ ÇULHACI****INDEPENDENT BOARD MEMBER**

Having graduated from Ankara University Faculty of Political Sciences in 1978, Çulhacı obtained his MBA degree from Northeastern University, USA in 1986.

Between 1979 and 1990, he assumed various audit and management positions at the Ministry of Finance.

Having joined Akbank as Executive Vice President in 1990, Çulhacı became an Executive Director in 2009 and also served as the Vice President of the Executive Board, Chairman of Audit Committee, Corporate Management Committee and High Level Risk Committee from 2010 on. He was retired in 2020.

Hayri Çulhacı was also a member of the Board of Aksigorta A.Ş. and Avivasa and Chairman of Ak Yatırım Menkul Değerler A.Ş. and Ak Portföy Yönetimi A.Ş. He is still the Vice Chairman and a member of the Board of Trustees of Sabancı Foundation.

**MEHMET KAHYA****INDEPENDENT BOARD MEMBER**

Mehmet Kahya received his double major BS degree in Chemical Engineering and Economics from Yale University and his MBA with majors in Finance, Marketing and Quantitative Methods from Kellogg School of Management.

He started his career as Management Services Manager at Sasa (1975-80) and later was Founder and Managing Director of MKM BV (Holland, 1980-84) and of Siberetik Sistemler (1984-86). Mehmet rejoined Sabancı Group in 1986 as Automotive Group Vice President and was EVP/President of Temsa (1986-90) and Member of the Presidency of Toyotasa (1990-94) while serving as Member of the Management and Planning Council of Sabancı Holding and as Member of the Boards of Temsa, Toyotasa, Susa and Sapeksa.

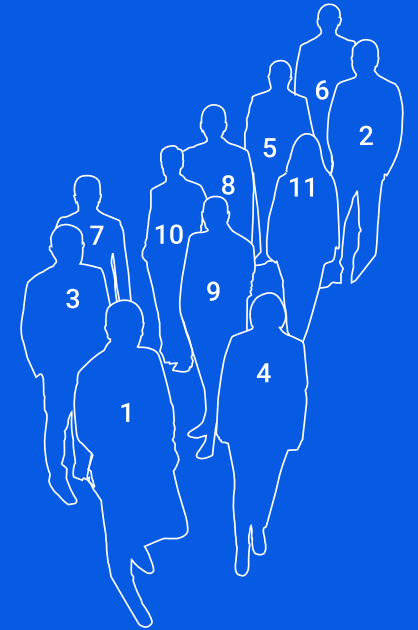
In the period 1994-2006, various positions held by Mehmet was Managing Director and Vice Chairman of the Board of CarnaudMetalbox, President of Uzel Makina and Member of the Executive Committee of Uzel Holding, General manager and Group Vice President of DYÖ, Member of the Executive Committee of Sarten Ambalaj, Shareholder and Vice-Chairman of the Board of Gierlings Velpor (Portugal, 2002-2005), President of Assan Alüminyum.

Since 2006, he is advising boards/ shareholders as the Founder and Principal of Kronus. Currently he serves as an independent member on the Board of Directors at Brisa; member of the board at Temsa and Electrosalus Biyomedikal; as shareholder advisor at Dağbaşı Yatırım, Audio, Enerjeo Gediz and Enerjeo Kemaliye.

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# EXECUTIVE COMMITTEE

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## CENK ALPER

### BOARD MEMBER AND CEO

Cenk Alper received his Bachelor's degree in Mechanical Engineering from the Middle East Technical University in 1991. He has a Master's degree in Mechanical Engineering from the same university as well as an MBA from Sabancı University.

Mr. Alper joined the Sabancı Group in 1996 at Beksa, later taking on managing positions in Belgium and the US at Bekaert between 2002 and 2007. In 2007, Mr. Alper returned to Turkey as the Global Technology Director at Kordsa and completed the establishment of its R&D center and Innovation division. After serving as COO, he led Kordsa's transformation and secondary public offering as CEO between 2013 and 2017. In 2017, he took on a new role as Sabancı Holding Industry Group President. As of August 2019, Cenk Alper is the CEO and Board Member of Sabancı Holding. Mr. Alper is also a Board Member of Enerjisa Enerji and Enerjisa Üretim.

He is a member of the Turkish Industry and Business Association (TÜSİAD), the World Economic Forum (WEF), the World Business Council for Sustainable Development (WBCSD), the International Corporate Governance Network (ICGN), the CNBC ESG Council and the WSJ CEO Council.

## BURAK ORHUN

### BUILDING MATERIALS

Burak Orhun graduated from Boğaziçi University Economics Department and received his master's degree in Finance from George Washington University and MBA degree from University of Pennsylvania – Wharton School of Business.

Burak Orhun started his career at Mercedes Benz Turk as a Financial Analyst, after which he worked in United States at Thomson Corporation/ Reuters, CapitalOne Financial and CadenceQuest, Inc, respectively, at various management positions such as Finance Manager, Director of Portfolio Management, Director of Corporate Development and CFO. Before joining Sabancı Group, Burak Orhun, worked at Oyak Group, responsible for all M&A and new investment activities of the Group from 2009 to 2018. He was the General Manager of Oyak Girişim Danışmanlığı A.Ş., while having executive management, board member and chairman roles at chemical and energy companies of the Group, both domestic and global. Mr. Orhun joined Sabancı Group in 2018 as Head of Strategy and Business Development. Burak Orhun

is currently The Building Materials Group President of Sabancı Holding. Mr. Orhun also serves as Chairman at Afyon Çimento, Akçansa, Çimsa and Cimsa Sabancı Cement BV as well as a member of Board at Teknosa and SabancıDx.

## CEVDET ALEMDAR

### INDUSTRIALS

Cevdet Alemdar received his BS degree from Industrial Engineering Department of Boğaziçi University in 1992 and completed his MBA degree in Sabancı University in 2000.

He joined the group in 1993 and has taken various leadership positions, respectively in Beksa, Sakosa, Kordsa, Temsa İş Makinaları and Brisa. After administering wire investments serving to manufacturing and construction industries in Turkey, he has taken on general manager roles in Brazil, Thailand and China, and lead marketing and sales functions in technical textiles for Kordsa in South America and Asia Pacific regions.

Returning to Turkey, he has steered Kordsa's R&D and innovation processes as VP of Technology and Market Development. Later, he guided Temsa İş Makinaları to transform from a construction equipment company to a heavy machines and truck provider in Turkey. Next, as CEO he led Brisa, a joint venture of Bridgestone and Sabancı Holding, an important tire manufacturing venture in the world and leader of Turkey's tire and mobility solutions. From April 2020 onwards, he is Sabancı Holding Industrials Group President.

He is TÜSİAD's board member, DEİK / Turkey-U.S. Business Council (TAİK) board member, Boğaziçi University alumni, Sabancı University alumni, chairman of the board for companies; Kordsa, Brisa, Temsa Skoda Transportation, Temsa Motorlu Araçlar and member of the board of Akçansa.

## DUYGU KIRCA<sup>74</sup>

### LEGAL, RISK AND COMPLIANCE

Duygu Kırca graduated from Dokuz Eylül University Faculty of Law and completed the mini-MBA program offered by Boston University designed for corporate lawyers while working as a legal professional.

Duygu Kırca began her professional career at Koloğlu Law Firm in 1995 and worked as a Legal Advisor at Sabancı Holding between 1998 and 2002.

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Later, she worked as a Senior Lawyer at Paksoy Law Firm between 2002 and 2004 and managed Regulation Relations at BP Petroleum between 2004 and 2005. She rejoined Sabancı Group in 2005, serving as the Director of Legal Affairs at Kordsa Global until 2015. She then served Mondelez International as Chief Legal Counsel from 2015 to 2017, before joining Amazon Luxembourg's team the same year to carry out the project relating to Amazon's entry into the Turkish market and amazon.com.tr's establishment. In 2019, she was appointed as the Legal Director of Pfizer in Turkey and the Adriatic regions.

Duygu Kırca has been Legal, Risk and Compliance President of Sabancı Holding since June 2020. She also serves as a Member of the Board of Directors of Ankara Enternasyonel Otelcilik, Brisa, Carrefoursa, Exsa, and Tursa.

## EYÜP ENGİN BANKING

Eyüp Engin graduated from Middle East Technical University, Faculty of Economics and Business Administration.

Eyüp Engin joined Akbank in 1978 as an Assistant Internal Auditor. Following his auditing assignment, Eyüp Engin served as Department Head in Treasury, International Banking and Overseas Financial Institutions. He was appointed as the Executive Vice President in charge of Corporate Banking in 1996 and after 1998, Engin continued to serve as Executive Vice President in charge of International Banking and Overseas Financial Institutions Marketing.

Eyüp Engin was appointed to the position of Head of Internal Audit in 2007 and during 2007-2019 he served on Boards of Directors of Bank's subsidiaries as the President of Audit Committee. Engin was elected as Executive Board Member in March 2019 and he was elected as Vice Chairman and Executive Board Member in March 2020. Eyüp Engin also serves as Vice Chairman of Türk Telekomünikasyon A.Ş.

Additionally, Eyüp Engin is Banking Unit Group President and Executive Committee Member of Sabancı Holding, Board Member of TT Mobil A.Ş. and TT Net A.Ş. and also Chairman of Argela Yazılım ve Bilişim Teknolojileri Sanayi ve Ticaret A.Ş.

## GÖKHAN EYİĞÜN<sup>75</sup>

### SECRETARY GENERAL AND STRATEGY & BUSINESS DEVELOPMENT

Gökhan Eyigün graduated from Management Engineering Department of İstanbul Technical University with honors degree in 1998. He had his MBA degree from Rotterdam School of Management in 2004; moreover, he attended several executive programs at Harvard Business School.

Mr. Eyigün started his career at Arthur Andersen in 1998 where he was mainly specialized in Corporate Finance Advisory. He, then, took responsibility in the formation of Corporate Finance and M&A Advisory department at PricewaterhouseCoopers in 2004 and led the department afterwards. In 2007, Mr. Eyigün joined Sabancı Group where he contributed to Strategy and Business Development department at various executive roles until 2018. He served as the Secretary General of Sabancı Holding and the General Manager of Exsa, Tursa and AEO companies between 2018 and 2021; and he worked as the Executive Board Member of Temsa Motor Vehicles between 2020 and 2021, in addition. He was appointed as the Group President of Strategy and Business Development at Sabancı Holding in 2021. He continues to serve as the Secretary General of Sabancı Holding at the same time. Mr. Eyigün also is a member of Board at Afyon Çimento, Çimsa, Kordsa, SabancıDx, Temsa Motorlu Araçlar and Temsa Ulaşım Araçları.

## HAKAN TİMUR

### HUMAN CAPITAL AND SUSTAINABILITY

Hakan Timur has BA degree in Economics from İstanbul University and received his Masters degree in Energy and Technology Management from the Sabancı University. He started his professional career in 1997 at Marsa-Kraft Foods International and pursued his career journey from Human Resources Specialist to Human Resources Manager level in here until 2006. After that, he held various roles in Sabancı Group containing different industries, different companies and international responsibilities. He worked as Human Resources Manager at Sabancı Food Group, Human Resources Manager at H.Ö Sabancı Holding A.Ş., Global Human Resources Director at Kordsa Global, Human Resources Vice General Manager at Akçansa and Chief Officer, Human Resources and Corporate Capabilities at Enerjisa respectively. He has been working as Sabancı Group HR & Sustainability Group President since 1 February 2018.

In addition to his duty of Human Capital & Sustainability Group President, Hakan Timur also serves as the Executive Committee Member at Sabancı Holding, Chairman at Teknosa and holding roles of Board Member / Vice Chairman in companies; Çimsa, Afyon Çimento, Enerjisa Enerji, Enerjisa Üretim and SabancıDx. He is also Member/ Board Member in several NGOs such as Özel Sektör Gönüllüleri Derneği-ÖSGD, Yönetim Kurulu Üyeleri Derneği-YÜD, Sürdürülebilir Kalkınma Derneği Türkiye-SKDT and the World Business Council for Sustainable Development (WBCSD). Timur also serves as the Chairman of TÜSİAD's Employment and Social Security Working Group.

<sup>74</sup> As of 15 April 2022, Duygu Kırca has been appointed as Secretary General in addition to her responsibilities on Legal, Risk and Compliance President. As of 1 July 2022 Duygu Kırca left company and Sabancı Holding Head of Audit Fuat Oksuz has been appointed as Secretary General in addition to his current responsibilities. <sup>75</sup> As of 15 April 2022, Gökhan Eyigün handed over the Secretary General role.

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## HALUK DİNÇER

### FINANCIAL SERVICES

Haluk Dinçer has a BSE degree in Mechanical Engineering and an MBA, both from the University of Michigan. After starting his career at General Motors Technical Center in 1985, Dinçer joined Sabancı Group in August 1995, serving initially as Executive Board Member, and then in December 1995, as Executive Vice Chairman of Temsa. In October 2001, he assumed responsibilities within the Holding company, first as Food Group Vice President, and six months later, as Holding Executive Board Member and Food Group President. He took over as Food and Retail Group President in September 2004, and after organizational restructuring in March 2011, as Retail and Insurance Group President. In June 2016, Dinçer was named Insurance Group President and later in April 2020, Financial Services Group President. With this role, he currently serves as Chairman of the Board of Aksigorta, Agesa, Exsa, Tursa and Ankara Enternasyonel Otelcilik, as well as Board Member of Brisa.

Haluk Dinçer served as President of TÜSİAD - Turkish Industry and Business Association in 2014-15, and as President of Turkey-U.S. Business Council (TAİK) in 2008-14. He has been a Board Member of the Global Relations Forum (GRF) since February 2018 and a member of the Geneva Association since June 2019.

## KIVANÇ ZAIMLER

### ENERGY

Kivanç Zaimler graduated from Istanbul Technical University Industrial Engineering Department in 1991, also studied at Berlin Technical University. He started his career in 1992 and until 2008; he worked in various executive positions in Turkish Electricity Industry, RAM Foreign Trade and Aygaz companies respectively. Kivanç Zaimler joined Enerjisa in 2008 and served as Trade Director, Distribution Companies General Manager, Sales Companies General Manager and CEO at Enerjisa respectively. As of July 2018, Zaimler was appointed President of the Energy Group at Sabancı Holding. Taking active roles in NGOs, Zaimler serves as Chairman at ELDER, Turkish Vice President at World Energy Council; Chairman at TÜSİAD Energy Working Group; Member of the Board of Directors at Sabancı University Istanbul International Energy and Climate Center (IICEC) and Advisory Council Member at SHURA. He is also Chairman of the Board at Enerjisa Enerji and SabancıDx, serves as Deputy Chairman of the Board at Enerjisa Üretim and is a Member of the Board of Directors at Aksigorta and Agesa.

## N. ORHUN KÖSTEM

### FINANCE

Orhun Köstem received his bachelor's degree from Middle East Technical University Mechanical Engineering Department in 1991 and completed his MBA Program at the same university. He also has a master's degree in Finance and Corporate Law from

Bilgi University. Mr. Köstem joined Anadolu Group in 1994 and held various management positions until 2008. In 2008, he was appointed as the CFO of Efes Breweries International and in 2009 continued his career as Corporate Finance Coordinator of Anadolu Group.

Mr. Orhun Köstem pursued his career in Coca-Cola İçecek where he worked from 2010 to 2016 as the CFO and from 2017 to 2018 as the Regional Director responsible for Middle East and Pakistan. Mr. Köstem served as the CFO of Anadolu Efes between 2019 and 2021. Mr. Köstem has been in charge of Group CFO of Sabancı Holding since 1 July 2021. He is also the Chairman and Member of the Board of Directors of Carrefoursa and Kordsa, respectively. Mr. Köstem is one of the three authors of the book "A Window to Capital Markets: The A to Z of Public Offering and Investor Relations" published in 2009.

In 2016, 2019, 2020 and 2021 he was listed among "Turkey's Most Influential 50 CFOs", according to a research conducted by BMI Business School in collaboration with DataExpert. He was awarded as Turkey's Best CFO in the Investor Relations Awards organized by Thomson Reuters Extel in 2011 and 2013, while he was also honored with the "Best CFOs" by Sell Side analysts in Consumer Sector in Emerging EMEA by Institutional Investor Magazine and Institutional Investor Research Group in 2020. He is also a member of CFO Network of the World Business Council for Sustainable Development (WBCSD).

## PELİN ERKIRALP

### CORPORATE BRAND MANAGEMENT AND COMMUNICATIONS

Pelin Erkiralp graduated from Boğaziçi University Economics Department in 1996 and began her career at Unilever as a Brand Manager. She managed Hair Care businesses in Unilever Africa, Middle East and Turkey between 2002-2006 leading innovation and harmonization across the region. In 2006 Erkiralp moved to Citibank as Vice President Marketing managing marketing for retail & commercial banking businesses. After joining Philip Morris Sabancı in 2009 and pursuing several leadership positions in Turkey, she undertook the management of Marlboro brand globally in Philip Morris International headquarters in Lausanne, Switzerland between 2012-2013. Following her return to Turkey, she was appointed Marketing Director in Philip Morris Sabancı for 4.5 years.

Erkiralp started to work with LC Waikiki as Assistant General Manager Marketing in 2017, and managed various transformation projects that supported the company's expansion domestically and abroad. She undertook the position of Chief Marketing Officer in Kızılay Yatırım Holding between 2019-2020, and led marketing function of 8 companies within the holding.

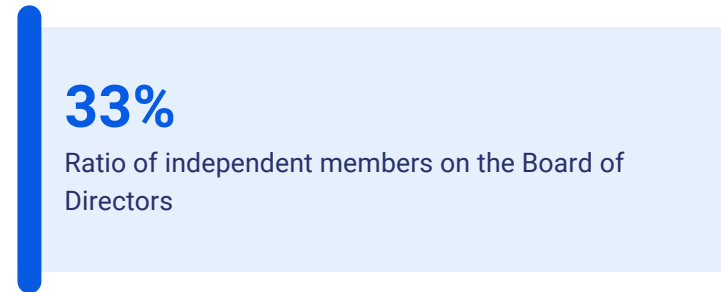
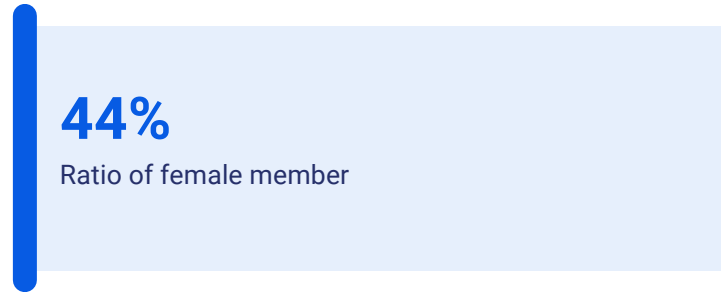
She joined Sabancı Holding as Corporate Brand Management and Communications President in 2020. She is also vice chair of the board at Teknosa and a member of the board at Carrefoursa.



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### SKILLS MATRIX

We believe that having members on the Board of Directors who possess a diverse range of competencies, knowledge and experience strengthens the Board's functioning and benefits decision-making processes. *Research* shows that companies with a diverse board of directors have 36% more profitability than others. The process of being nominated for the Board of Directors membership is not solely limited to gender equality in terms of diversity and inclusion. We evaluate the competencies of candidates by considering various factors, such as knowledge of the industry, management experience, knowledge in ESG matters, crisis management experience, and global and long-term thinking. We do not tolerate any discrimination among candidates on grounds of gender, age, ethnicity, religion, language, race, etc.



### BOARD OF DIRECTORS SKILLS MATRIX

Explanation	Rate of Related Member of Board
Gender	44% female member
Term (≥15 years)	33%
Average Tenure	~12 years
Independent Member	33%
Audit Experience	44%
Financial Service Experience	44%
Non-Financial Real Sector Experience	56%
Risk Management Experience	67%
Environmental, Social and Corporate Governance Experience	89%
International/Multi Geographical Experience	78%
Average board meeting attendance for 2021	94%
Minimum required attendance for all members	at least 67%

# COMMITTEES AND THEIR RESPONSIBILITIES

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According to the Company’s Articles of Association, the Board of Directors establishes a sufficient number of Committees (“Committee”) to fulfill the required tasks and responsibilities properly. According to Corporate Governance Code in Turkey, the Board or each committee may benefit from the opinions of the independent specialists/consultants on matters that they find necessary regarding their activities without approval of corporate management.

The Audit Committee, the Corporate Governance, Nomination and Remuneration Committee, the Early Detection of Risk Committee and the Sustainability Committee operate under the Sabancı Holding Board of Directors.

The Audit Committee oversees the Company’s accounting system, financial reporting, public disclosure of financial information, the functioning and effectiveness of the independent audit and internal control system on behalf of the Company’s Board of Directors. The Audit Committee presents its activities and its findings & suggestions relating to its area of duty and responsibility to the Company’s Board of Directors.

The Corporate Governance, Nomination and Remuneration Committee aims to maintain the continuity of the accountable management process, which is based on the ethical values of the company, and is risk-conscious with sustainable success targets, and makes transparent decisions to protect the interests of the stakeholders. The Committee makes suggestions and issues recommendations to the Board of Directors to shape the Corporate Governance Principles in line with the Capital Markets Board of Turkey and internationally accepted corporate governance principles.

The Early Detection of Risk Committee operates to complete the early detection of all kinds of risks related to strategies, operations, finances, compliance and similar risks that may endanger the existence, development and continuation of the Company, taking the necessary precautions and managing the risks.

The Board Sustainability Committee, in coordination with Sabancı Holding’s Human Capital and Sustainability Group Presidency, monitors the following activities which are under the responsibility of other Management functions related with the Sustainability Leadership Committee, follows up developments and performance, provides guidance for improvement to Holding Management in case of need. The Committee also briefs the Board of Directors and makes suggestions as needed. Aforementioned sustainability topics are as follows:

- Sustainability Governance: Structure and functioning of sustainability governance which was established to implement sustainability initiatives in accordance with expectations of internal and external stakeholders, Treating all risks which may arise in environmental and social issues, and which may transform into financial risks at times, including reputation risks, with the coordination of Early Detection of Risk Committee (EDRC), Having the necessary knowledge level to comply with all local and international developments to execute managerial duties of Sabancı Holding executive level in sustainability areas.
- Sustainability Performance: Keeping performance indicators and targets of Sabancı Group up-to-date,
- Transparency: Disclosure of Sustainability Report and environmental and social performance at the Investor Relations web site or other platforms suggested by Human Capital and Sustainability Group Presidency.

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- Policies: Establishment of environmental and social policies, which should be treated at the Board of Directors level, primarily Responsible Investment principles, and updating of current policies.

The members of the Sustainability Committee determined in accordance with the decision of the Board of Directors of the company are as follows:

Full Name	Role	Nature of the Board of Directors Membership
Ahmet Erdem	Committee Chairman	Independent Board Member
Hayri Çulhacı	Committee Member	Independent Board Member
Mehmet Kahya	Committee Member	Independent Board Member

For further information Board Sustainability Committee and Sustainability Leadership Committee, see the section Sustainability Management.

*You can find more information about the committees and their duties in the Sabancı Holding 2021 Annual Report.*



# RISK MANAGEMENT

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To maximize the value we create for our stakeholders and ensure the sustainability of the Group, we ensure the early detection, measurement, and continuous and effective monitoring of risks with a corporate risk management approach.

Risk management is carried out in accordance with risk appetite levels/ attitudes determined in various breakdowns using quantitative and qualitative measurement metrics. Prioritized in terms of significance and impact, the risks are maintained within the tolerance limits and confidence intervals determined numerically by modeling studies.

Risks prioritized in accordance with the strategic and financial targets determined by the Group are handled within the frame of the risk management strategies, determined as risk avoidance, risk transfer, risk reduction and risk acceptance. Corporate Risk Management is carried out in breakdowns such as deciding and following up on mitigation actions, determining action responsibilities, and making cost-benefit analyses for action plans. Risk study results are evaluated periodically by the Holding Board of Directors, the Early Detection of Risk Committee and the Holding's senior management.

At Akbank, one of the Group's subsidiaries, risk management is carried out under the responsibility and supervision of the Bank's Board of Directors, in accordance with the Banking Supervision and Regulation Agency legislation. The Board carries out its oversight responsibility through committees such as the Audit Committee, the Executive Risk Committee, and the Credit Committee. The Bank's risk-taking levels are determined through the risk limits approved by the Board of Directors. The Bank's senior management is responsible to the Board of Directors for the execution of daily activities within the frame of the determined risk management processes and risk limits. The Board of Inspectors, Internal Control Center and Risk Management Department, which report directly to the Board of Directors, also operate in coordination with the executive units. Risk models and parameters accepted in national and international practices are used to identify, measure and monitor risks. Efforts to develop and improve internal methods and models are carried

out continuously. Various scenario studies are conducted to analyze the risks that the Bank may be exposed to in extraordinary situations, and emergency plans are prepared accordingly. Various risk mitigation techniques are used to limit the risks for the Bank and provide the required protection.

At Sabancı Group companies operating in non-financial industries, corporate risk management is carried out by executives responsible for the relevant process and activities and the senior management of the companies under the supervision of the relevant Boards of Directors and their affiliated risk committees. Companies identify the risks they may encounter and prioritize them according to the probability of the risks and the size of the losses they may cause. Prioritized risks are monitored by the Company Management, the Early Detection of Risk Committee and the Company's Board of Directors with periodic reports. Risk management processes, including the measures that will be taken accordingly, are decided, and the implementation and results of these processes are monitored. The management of the financial, strategic, operational and compliance risks of the Group subsidiaries are also monitored and directed by the Holding's relevant Strategic Business Unit Presidents, the Office of the Chief Financial Officer, and the Legal, Risk and Compliance Group.

*You can find detailed information about risk management and risk categories in the 2021 Annual Report.*



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## SUSTAINABILITY RISKS

Environmental, social and governance (ESG) issues pose threats in all risk categories defined in this section and may directly impact the financial performance of Sabancı Group. Under the Enterprise Risk Management System of Sabancı Holding, sustainability risks (which are evaluated as part of the Holding’s strategic risks and which has a transversal impact across other risk groups) are defined as ‘the risk of failure to comply with sustainability requirements’ and subcategorized into the following three main topics, i.e. physical risks, compliance risks and transition risks. We closely monitor developments with the potential to turn these risks into financial risks, and conduct analyses on parameters such as impact, probability, vulnerability and speed of onset at Group companies.

### PRIORITIZED SUSTAINABILITY RISKS

	1. Physical Risks	2. Compliance Risks	3. Transition Risks
<b>Description</b>	Physical risks are diverse and are predominantly global risks. These include acute risks such as wildfires, hurricanes and floods, as well as chronic risks such as extreme heat, epidemics, pandemics, drought and access to water.	These are risks that may cause non-compliance with the legislation. Companies must go beyond compliance with the legislation and address health and safety, the environment and human rights issues on a broader scale to comply with differing ethical expectations.	Transition risks are those arising from policy changes in sustainable development, their impact on reputation and failures to manage market preferences, norms and technological developments. Uncertainties may amplify the impact of transition risks. The faster the transition, the greater the financial impact can be.
<b>Causes of financial loss<sup>76</sup></b>	<ul style="list-style-type: none"> <li>- Infrastructure damage</li> <li>- Service interruption</li> <li>- Decreasing revenue</li> <li>- Increasing operational expenses</li> </ul>	<ul style="list-style-type: none"> <li>- ESG-related lawsuits and loss of SLO<sup>77</sup></li> <li>- Loss of investors, market share and customers</li> </ul>	<ul style="list-style-type: none"> <li>- Loss of investors</li> <li>- Reduced access to financing</li> <li>- Loss of customers due to the inability to respond to changing consumer behavior</li> </ul>

<sup>76</sup> These are just a few examples, as there are many more risks involved.

<sup>77</sup> SLO, social license to operate. Social license to operate refers to the level of acceptance or approval of local communities and organizations by the stakeholders and operations.

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Efforts are made to ensure that Group companies are well prepared against sustainability risks. Group companies receive guidance on taking measures in their business models against the possible impact of such risks.

The risks that are not explained in this section although they are directly related to sustainability risks, such as the pandemic, health and safety and talent risk, are covered in other risk topics provided in Risk Management Section of 2021 Annual Report. For the long-term risks that stand out for 2021, see the section Emerging Sustainability Risks in 2021.

### **Physical Risks:**

#### **Acute & Chronic Physical Risks**

Physical risks are diverse and are predominantly global risks. These include acute risks such as wildfires, hails, hurricanes and floods, as well as chronic risks such as extreme heat, epidemics, pandemics, drought and access to water.

Such risks are also clustered under 'operational risks' and may lead to financial losses in case of infrastructure damage, service interruption, increased operational expenses and the like. Management of acute and chronic physical risks vary among our Group companies given the nature of this risk and sectors that we operate in. The management methods include supply chain measures should the physical risks cause a disruption in our supply chain.

#### **Water risks**

The Group evaluates threats arising from the water crisis taking into consideration the adverse effects on the respective strategic business line and their impact at the operational level. The most critical risks are water shortages, failure to meet water supply in industrial production and operational failures due to lack of water. Sector-specific practices vary between Group companies. As a result, a variety of practices are implemented to reduce water consumption, such as monitoring efforts, repairing leakages in water lines, and collecting and recycling of surface water.

#### **Biodiversity risks**

Biodiversity risk refers to loss of nature and ecosystem degradation which have major impacts on resource management alongside with other negative impacts on the businesses community and society as a whole. The changes in land and sea use due to human activities are seen as the leading cause of the decline in biodiversity and wildlife. At Sabancı Group, we strongly value the continuity of ecosystems and conservation of biodiversity. We implement projects to protect biodiversity and cooperate with public bodies as well as non-governmental organizations. Our efforts at this front go beyond solely decreasing the negative impact of our own operations and create positive impact in the regions where we operate in.

#### **Compliance Risk**

##### **Current Regulation Risk**

In order to mitigate the risk of non-compliance, Sabancı Group takes a proactive approach in aligning with the developments on GHG-related regulations, through (1) undertaking emission reduction initiatives with the ultimate goal of becoming net zero emissions by 2050, (2) increasing its internal capacity to monitor and manage GHG emissions with the use of digitalization and technology where appropriate & feasible and (3) conducting R&D programs on efficient technologies.

##### **Emerging Regulation Risk**

In order to mitigate the risk of non-compliance to future regulations on ESG, Sabancı Group takes a proactive approach in aligning with the developments on ESG-related regulations. This approach includes undertaking ambitious ESG initiatives that are ahead of the current regulatory environment, increasing its internal capacity to monitor and manage ESG risks including GHG emissions with the use of digitalization and technology where appropriate and feasible and conducting R&D programs on efficient technologies.

##### **Legal Risk**

This risk type includes legal penalties, reputation loss or material damage that may arise in case of not complying with or violating applicable laws,

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rules or regulations, code of ethics, or a company's internal policies and directives. At Sabancı Holding, we believe companies must go beyond compliance with the legislation and address health and safety, the environment and human rights issues on a broader scale to comply with differing ethical expectations. Inability to meet such expectations would create loss of social license to operate, reputation, investors, market share and customers beyond legal penalties. In line with this vision, Sabancı Group sets environmental standards beyond legal obligations, monitors its performance in line with its targets and takes measures for improvement. To support Group companies in efficiently managing compliance risks within the determined framework, instructional activities are carried out by the Holding's Legal, Risk and Compliance Group.

### Reputational Risk

Sabancı Group sets environmental standards beyond legal obligations, monitors its performance in line with its targets and takes measures for improvement. For instance, in response to climate emergency, Sabancı Group has taken a proactive approach and set itself a Group-wide net zero emissions target by 2050 at the latest. With this goal, together with the implementation of its Sustainability Roadmap which includes a wide range of measures on the management of climate-related risks and opportunities, Sabancı Group plans to stay ahead of such developments and mitigate potential risks associated to those that are reputational.

### Transition Risks

#### Technology Risk

Technology is developing rapidly, changing production methods and operating models. Transition to green technologies poses a variety of risks (ranging from loss of market share to reduced competitiveness) to companies which do not invest in R&D / innovation and define their growth areas in high-tech sustainable businesses. At Sabancı Group, technology and innovation investments are focus areas on our sustainable business model as they will help us seize the opportunities in this field and implement leading practices.

In order to gain early access to technological innovations and developments, as well as to create agile and technology-based growth platforms, we established a corporate venture capital fund, namely 'Sabancı Ventures', through which we focus on investments in areas such as IoT (Internet of Things), artificial intelligence, new material technologies, sustainability, energy, mobility, and cyber security.

#### Market Risk

The Group's overall risk management program focuses on minimizing the effects of the unpredictability of financial markets and their possible adverse effects on the Group's financial performance. The Group uses financial derivative instruments in order to hedge from various risks. Financial risk management is carried out within the context of policies approved by their Board of Directors for each Group company. Of particular relevance to market related risks on climate change, the Group is proactively working to align with green transition making use of technology, digitalization and innovation in its operations and financial decisions. The Group is also closely monitoring the developments in the field of sustainable finance and enhancing its capacity to mitigate the risk of failure to access sustainable finance and to comply with the new standards that align the financial system with green transition.

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## POLICIES

At Sabancı Group, we regulate the fields of the environment, occupational health and safety, social responsibility and communication with policies that guide the Group companies.

We set the standards for ESG, exclusion list and due diligence framework in our entire value chain within our *Responsible Investment and Due Diligence Policy*.

We define our Diversity, Inclusion and anti-Harassment measures and principles on a Group-wide basis in our DEI&H Policy.

With our *Environmental Policy*, we set environmental standards beyond the legal obligations of Sabancı Group, monitor our performance in line with our targets and take improvement measures.

With our *Health and Safety Policy*, we aim to achieve zero work accidents and zero occupational diseases to provide a healthy and safe working environment for Sabancı Group employees.

Within the scope our *Corporate Social Responsibility Policy and Principles*, we expect all Group companies to manage the economic, social and environmental impacts of their activities with a sense of responsibility and prioritize societal development.

Within the scope of *Communication Principles of Sabancı Group*, we aim to create the perception that the Group manages its strategic portfolio with a competitive and sustainable growth potential with an understanding of shared value through internal and external communication tools.

With our *Anti-Bribery and Anti-Corruption Policy*, we demonstrate our stern intolerance for bribery and corruption across the Group and in our relations with our external stakeholders, and strengthen our position with our measures and sanctions

You can find all our policies here.






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At Sabancı Group, we define the frame of our mutual responsibilities with our employees and stakeholders with Sabancı Group Code of Business Ethics (SA-ETHIC). Based on the principles of honesty and integrity, SA-ETHIC acts as a guide on the laws, regulations and internal procedures that are decisive in all decisions and activities and complies with the Universal Declaration of Human Rights and the fundamental conventions of the International Labour Organization. SA-ETHIC is binding on all Board Members, managers, and employees of Sabancı Holding and Group companies. We also expect all our suppliers, subcontractors, dealers, business partners and similar stakeholders to respect this Code. Sabancı Holding Board of Directors is primarily responsible for the adoption, implementation, and compliance control with SA-ETHIC across the Group.

*You can access the Sabancı Holding Code of Business Ethics*



Holding and Company senior management is responsible from the implementation of the SA-ETHIC or in this context specific business ethics rules to their companies, and the creation of a culture that supports its implementation. Code of Business Ethics and any relevant policy are reviewed, updated, and documented by Human Resources and Sustainability Group Presidency with the recommendations of the Ethics Committee and after the approval of the Holding CEO and Chairman of the Board of Directors announced to Holdings and Companies.

- Holding and Company Human Resources are responsible of informing all employees (including our part-time and contracted employees) about the Code of Ethics, in order to ensure the clarity of policies and rules providing trainings at least once a year and ensuring constant communication with employees.

- Holding and Company is responsible from its employees to read the ethical rules, to be informed about this matter and to ensure the Employee Statement (Employee Statement) to be signed by them.  
 - At the beginning of each year, Holding and Company is responsible to ensure all employees to renew their notifications by signing the Business Ethics Compliance form (Business Ethics Compliance Form).

The Sabancı Holding Ethics Board is in responsible for supporting the Board of Directors in fulfilling this responsibility. Group employees can report ethical violations to the Ethics Board by sending an email to etik@sabanci.com or dialing +90 212 385 85 85 or mailing to the Sabancı Holding Headquarters. The person reporting to the Ethics Board is under the protection of this Board and is guaranteed that they shall not endure any repression, pressure, or penalty for raising concerns.

The Code of Business Ethics covers corporate policies, primarily the fight against bribery and corruption, human resources and environmental policies, and compliance with operating principles and legal obligations. To ensure compliance with legal regulations, contracts, company policies and procedures and ethical rules; to prevent errors and irregularities; to protect assets; to ensure effectiveness of the risk management and internal control environment, accuracy and integrity of operational and financial information and to identify opportunities for improvement; periodic or on-demand custom audits are carried out by the respective Audit Departments under the control of the Audit Committee in accordance with the International Internal Auditing Standards and Ethical Rules. Scope of the audits include all group companies entering within the scope of the Sustainability Report and the business units to be audited are prioritized from a risk point of view. In addition, the Internal Audit Units of Group companies also carries out regular audits for the same purpose under the supervision of Audit Committees at least once every three years. The scope of the audit covers all Group companies and the units to be audited within the relevant year are prioritized from a risk perspective. Audit activity covers notification

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and complaint submitted through ethics hotline or other channels, and special examinations about violation against legal regulations, our code of ethics and the other company regulations. The number of ethical notifications made in 2021 is 709 excluding the bank. 6% of these notifications were made to the Ethics Board and the rest were made directly to the companies. Notifications and violations are divided into the following five categories: administration, abuse, unfair treatment, working conditions, and customers and suppliers. Following the evaluation of the notifications, all cases were examined, and ethical violations were observed in 45%. 47% of the violations were abuse related. This is followed by administrative issues at 31%. As a result of the investigations, the employment contracts of 137 employees were terminated in 319 cases with ethical violations. At H.Ö. Sabancı Holding A.Ş. in particular, no ethical notifications or cases have occurred.

### TRAINING ON ETHICS AND PERSONAL DATA PROTECTION

We annually provide refresher training for current employees to keep their knowledge of SA-ETHIC up-to-date and to raise awareness. We ensure that every new employee in the Group receives SA-ETHIC training. This year, the university students participating in the New Generation Career Experience Program also received SA-ETHIC training. At the end of the training, we request a written statement from the employees signifying their willingness to comply with SA-ETHIC. Since 2019, we are providing online Personal Data Protection training to Group companies.

In 2021, we provided 21,118 person x hours of ethics training.

### ANTI-BRIBERY AND ANTI-CORRUPTION

Sabancı Group does not tolerate bribery or corruption under any circumstance. We expect all Group managers and employees to comply with the duties and responsibilities set out in the Anti-Bribery and Anti-Corruption Policy. The ethics training provided to employees covers Anti-Bribery- and Anti-Corruption Policy-related topics. Employees can report cases of bribery and corruption to the Ethics Board by sending an email to etik@sabanci.com, dialing +90 212 385 85 85 or mailing to the Sabancı Holding Headquarters. The Ethics Board is responsible for reviewing all reports thoroughly according to the privacy policy and resolving them as soon as possible.

The Anti-Bribery and Anti-Corruption Policy is binding on Group executives and employees, all relevant stakeholders, as well as suppliers, business partners, and consultants. In contracts, we impose as a condition that our business partners comply with the SA-ETHIC and the Anti-Bribery and Anti-Corruption Policy.

We follow blacklisted individuals and companies in close coordination with public authorities. We blacklist suppliers that are deemed as objectionable or risky by public institutions for any reason, act contrary to our Group culture, or violate our processes, and we terminate our business relationship with them. We can thus identify suppliers, contractors and customers who are known or suspected to be involved in bribery. We apply sanctions on people who urge, encourage, and legitimize violating acts, as well as those who tolerate such acts by not reporting them despite being aware of them. Nevertheless, those suppliers can be re-evaluated every year, and they can be added to the suppliers' list again after they have remedied the violations.

*You can access the Sabancı Holding Anti-Bribery and Anti-Corruption Policy here.*



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## ANNEX 1: STAKEHOLDER RELATIONS AND COMMUNICATION

Stakeholders	Frequency	Communication Platforms	Stakeholder Priorities
<b>Employees</b>	Daily	Audits, supplier meetings, training	Business results, remuneration, performance and talent management, employee development, leadership, communication between Group companies, digitalization, innovation, ESG performance
<b>Shareholders and Investors</b>	At least monthly	Annual reports, annual meetings, conferences	Financial performance, ESG performance, future targets, responsible investment approach
<b>Suppliers</b>	Daily	Audits, supplier meetings, training	Business performance, incentives, quality, investment in sustainable business models
<b>Dealers and Partners</b>	At least weekly	Dealer meetings, field visits, training	Business performance, business goals
<b>Professional Associations</b>	Periodic	Meetings, panels, joint projects	Sectoral problems, compliance, benchmarking
<b>Public Institutions</b>	At least monthly	Seasonal meetings, projects	Compliance, performance, quality
<b>National and International Regulatory Bodies</b>	At least monthly	Panels, annual meetings	Adaptation and performance improvement, adaptation to trends
<b>Local Administrations</b>	At least monthly	Visits, panels	Performance, charitable donations, and sponsorship on social sustainability issues
<b>Nongovernmental Organizations</b>	At least monthly	Conferences, project partnerships, panels	Sustainability performance of the issues of society, environment and work-life; innovation
<b>Universities</b>	Project-based	Career days, project partnerships	Contribution to career opportunities, knowledge generation and development, reduction of environmental impact, performance improvement in the value chain
<b>Mass media</b>	Weekly	Press conferences, press releases, exclusive interviews, special news studies, digital communication channels	Business goal development, driving sectoral development, agenda assessment, transparency

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## ANNEX 2: CORPORATE MEMBERSHIPS AND INITIATIVES

As Sabancı Holding, we are members of various local and national associations, boards, and communities. We take active roles in varied formations and work shoulder to shoulder with all stakeholders for the development of our country.

Stakeholder	Representation
World Business Council of Sustainable Development	Member
UN Global Compact	Member
The Turkish Industry and Business Association	High-Level Representation and Representation in Various Commissions and Working Groups
The Foreign Economic Relations Board of Turkey	Business Councils Member / Member
The Corporate Governance Association of Turkey	Member
The Institute of Internal Auditing of Turkey	High-Level Representation and Ethics Committee Membership
The Turkish Investor Relations Society	High-Level Representation / Board Member / Member
The Istanbul Chamber of Commerce	Member
The Board of Directors Association	Member
The American Turkish Society	Board Member
The World Energy Council	Board Member
The Turkish Cement Manufacturers' Association	Chair
The Cement Industry Employers' Association	Board Member/Member
The Global Cement and Concrete Association	Member
CEMBUREAU	Member
Business Plastics Initiative	Member
Business Council for Sustainable Development Turkey	Board Member/Member
The Ethics and Reputation Society of Turkey	Member
The People Management Association of Turkey	Member

## ANNEX 3: PERFORMANCE INDICATORS

### ENVIRONMENTAL PERFORMANCE INDICATORS

Energy Consumption	2019	2020	2021 <sup>78</sup>	Water Consumption (m <sup>3</sup> )	2019	2020	2021
Total energy consumption (MWh)	32,330,950	39,474,981	43,342,048 ✓	Water consumption	8,895,181	10,051,448	10,585,542 ✓
Renewable energy consumption (MWh)	-	164,781	355,920 ✓	Water recycled and reused (%)	21%	19%	23%
Purchased heat/steam/cooling (kg)	-	80,583	39,873 ✓	Total amount of discharged water	1,657,413	3,488,182	5,378,280 ✓
Savings and Reductions Based on Environmental Investments	2019	2020	2021	Waste (ton)	2019	2020	2021
Energy savings (MWh)	-	12,506	43,157 ✓	Hazardous waste	7,191	8,109	8,206 ✓
Greenhouse gas emission reductions (ton CO <sub>2</sub> e)	-	20,636	117,570 ✓	Non-hazardous waste	24,170	23,465	34,555 ✓
				Total waste	31,361	31,574	42,761 ✓
Greenhouse Gas Emissions (ton CO <sub>2</sub> e)	2019	2020	2021	Percentage of waste reused and recycled		87%	80% ✓
Scope 1	16,560,630	18,601,123	19,976,890 ✓	Plastic consumption	1,084	15,762	2,725 ✓
Scope 2	2,730,255	2,719,439	2,822,956 ✓	Intensity Indicators	2019	2020	2021 <sup>80</sup>
Total (Scope 1 and 2)	19,290,884	21,320,561	22,799,846 ✓	Energy intensity (MWh/ million TL)	333.43	381.28	284.93 ✓
Scope 3 <sup>79</sup>	7,345	13,582	24,857 ✓	Greenhouse gas emission intensity (ton CO <sub>2</sub> e/ million TL)	198.95	205.93	149.89 ✓
Total	19,298,229	21,334,144	22,824,703 ✓	Water intensity (m <sup>3</sup> / million TL)	91.74	97.08	70.11
Air Emissions (kg)	2019	2020	2021	Waste intensity (ton/million TL)	0.32	0.30	0.28
NOx	11,365,122	11,634,810	36,759,565	Total Environmental Investments and Expenditures (TL) <sup>81</sup>	2019	2020	2021
SOx	3,318,093	3,675,249	10,962,819	Reduction investments	-	12,217,351	148,608,145 ✓
Persistent organic pollutants (POP)	-	-	-	Transition investments	-	15,430,444	72,309,255 ✓
Volatile organic compounds (VOC)	68,797	174,718	347,715	Enabler investments	-	125,160,338	255,505,514 ✓
Hazardous air pollutants (HAP)	1	2	11,183	Environmental expenditures mandatory by law	-	19,632,611	19,952,712 ✓
Particulate matter (PM)	74,736	72,715	301,282	Environmental expenditures that are not required by law	-	14,814,655	14,407,163 ✓

<sup>78</sup> CSC BV is only included in Scope 1 GHG performance, energy consumption and energy/GHG intensity figures. <sup>79</sup> Scope 3 emissions calculated only using employee commuting and business travel data, but cover all Sabancı Group companies. <sup>80</sup> Environmental expenditures and investments were redefined in 2020 for all Group companies, and therefore data is provided from 2020 onwards. <sup>81</sup> The figures have been restated due to change in unit calculation.

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	2019		2020		2021	
<b>Employees by Category</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>
Total number of employees <sup>82</sup>	14,051	32,704	14,178	33,485	14,118 ✓	33,687 ✓
Number of white-collar employees	8,907	13,540	8,983	13,716	9,414	13,863
Number of blue-collar employees	5,144	19,164	5,195	19,769	4,704	19,825
Employees covered by collective bargaining agreements	5,010	18,091	4,833	18,341	4,321	18,496
Number of employees with disabilities	243	1,006	240	1,015	246	986
Number of foreign employees	3	21	3	17	1	15
<b>Employees by Employment Type</b>	<b>Full-time</b>	<b>Part-time</b>	<b>Full-time</b>	<b>Part-time</b>	<b>Full-time</b>	<b>Part-time</b>
Employees by employment type	46,633	110	46,635	1,017	47,764	41
Number of white-collar employees	22,424	11	22,348	340	22,979	11
Number of blue-collar employees	24,209	99	24,287	677	24,785	30
<b>Employees by Age</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>
30 and younger	4,213	6,977	3,922	6,850	3,556	6,995
30-50 years old	9,707	24,783	10,124	25,503	10,404	25,529
50 and older	130	933	131	1,122	158	1,163
<b>Number of New Hires</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>
Under 30	1,874	3,158	1,378	2,436	2,008 ✓	3,668 ✓
30-50 years old	681	1,692	545	1,301	814 ✓	1,562 ✓
Over 50	9	70	1	48	2 ✓	55 ✓
<b>Number of Employees Who Left</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>
Total number of employees who left	2,107	4,007	1,424	2,675	2,015 ✓	3,569 ✓
Number of employees leaving – under 30	1,110	1,657	723	1,166	923 ✓	1,300 ✓
Number of employees leaving – 30-50 years old	966	2,135	680	1,321	1,068 ✓	2,023 ✓
Number of employees leaving – over 50	31	215	21	188	24 ✓	246 ✓
Number of employees left voluntarily	-	-	855	1,447	1,329 ✓	2,223 ✓
Voluntary employee turnover rate <sup>83</sup>	-	-	0.06	0.04	0.09	0.07
Total employee turnover rate <sup>84</sup>	0.15	0.12	0.10	0.08	0.08 ✓	0.11 ✓

<sup>82</sup> Number of employees includes the employees working directly in operations in Turkey. <sup>83</sup> This metric has started to be tracked in 2020. <sup>84</sup> Employee turnover rate: Number of employees who left/Total number of employees

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<b>Employees by Years</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>
Number of employees working for a period of 0-5 years	6,455	14,546	5,797	13,452	5,702	12,815
Number of employees working for a period of 5-10 years	3,302	9,596	3,860	10,659	3,858	10,504
Number of employees working for a period of more than 10 years	4,293	7,479	4,520	9,367	4,564	10,356
<b>Maternal/Parental Leave</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>
Number of employees granted maternal/parental leave	973	1,595	814	2,043	749 ✓	1,775 ✓
Employees who returned to work after maternal/parental leave	880	1,234	761	1,741	682 ✓	1,775 ✓
Ratio of the employees who returned to work after maternal/parental leave	-	-	-	-	91% ✓	100% ✓
<b>Performance Evaluation</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>
Number of employees subject to regular performance evaluation	10,141	14,891	10,100	15,355	4,156	10,689
<b>Training</b>	<b>2019</b>		<b>2020</b>		<b>2021</b>	
Total training hours	1,275,741		985,230		1,508,379 ✓	
Average training hours per employee	27		21		32 ✓	
Average training cost per employee (person/hours)	-		-		1,425 ✓	
Ethics training	60,567		37,835		21,118 ✓	
Sustainability training	6,725		9,679		18,476 ✓	
Diversity and inclusion training	-		-		8,890 ✓	
Anti-Bribery training	-		-		9,444 ✓	
<b>Subcontractors</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>
Number of subcontractors <sup>85</sup>	4,244	6,433	4,420	6,534	5,283	7,351
<b>Occupational Health and Safety Indicators (Employees)</b>	<b>2019</b>		<b>2020</b>		<b>2021</b>	
Number of fatalities	3		1		3 ✓	
Number of incidents	1,304		331		518 ✓	
Number of occupational diseases	3		0		16 ✓	
Incident rate (IR) <sup>86</sup>	3.10		0.79		0.89 ✓	
Lost day rate (LDR) <sup>87</sup>	9.06		8.79		9.22 ✓	
Absentee rate (AR) <sup>88</sup>	888		1,521		5,387 ✓	
Total OHS Investments (TL) <sup>89</sup>	143,493,106		96,406,787		130,902,549	
OHS training hours	469,880		220,243		496,915 ✓	
Average OHS training hours per employee	10		5		10	

<sup>85</sup>SabancıDx is not included. <sup>86</sup>Incident rate (IR) for the respective year is calculated as follows: (Number of injuries\*200,000) /Employee hours worked. <sup>87</sup>Lost day rate (LDR) is the ratio of total lost days, which is calculated based on work-related injury or disease only to total working days. LDR for the respective year is calculated as follows: Total Number of Lost Days \* 200,000/ Employee hours worked. <sup>88</sup>Absentee (AR) for the respective year is the ratio of total absent days to the employee hours worked.

<sup>89</sup>Akbank, CSC BV and Sabancı Holding are not included.



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#### ANNEX 4: REPORTING GUIDANCE

This reporting guidance (the “Guidance”) provides information on the data preparation and reporting methodologies of indicators within the scope of the limited assurance in the Hacı Ömer Sabancı A.Ş.’s (the “Sabancı Holding”, “Group”) Sabancı Group 2021 Sustainability Report (the “2021 Sustainability Report”). The indicators include social indicators, environmental indicators and economic indicators. It is the responsibility of the Group’s management to ensure that appropriate procedures are in place to prepare the indicators mentioned above in line with, in all material respects, the Guidance.

The data included in this guideline is for the FY 21 (1 January – 31 December 2021), fiscal year ended December 31, 2021, and as detailed in the “Key Definitions and Reporting Scope” section comprises only the relevant operations of listed companies below in Turkey and abroad that are the responsibility of the Group.

- Akbank T.A.Ş. (“Akbank”, “Bank”)
- Aksigorta A.Ş. (“Aksigorta”)
- AgeSA Emeklilik ve Hayat A.Ş. (“Agesa”)
- Enerjisa Üretim Santralleri A.Ş. (“Enerjisa Üretim”)
- Enerjisa Enerji A.Ş. (“Enerjisa Enerji”)
- Sabancı Dijital Teknoloji Hizmetleri A.Ş. (“SabancıDx”)
- Kordsa Teknik Tekstil A.Ş. (“Kordsa”)
- Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. (“Brisa”)
- Temsa Skoda Sabancı Ulaşım Araçları A.Ş. (“Temsal”)
- CarrefourSA Carrefour Sabancı Ticaret Merkezi A.Ş. (“Carrefoursa”)
- Teknosa İç ve Dış Ticaret A.Ş. (“Teknosa”)
- Akçansa Çimento Sanayi ve Ticaret A.Ş. (“Akçansa”)
- Çimsa Çimento Sanayi ve Ticaret A.Ş. (“Çimsa”)
- Hacı Ömer Sabancı Holding A.Ş. (“Holding”)

#### GENERAL REPORTING PRINCIPLES

In preparing this guidance document, consideration has been given to following principles:

- Information Preparation – to highlight to users of the information the primary principles of relevance and reliability of information; and
- Information Reporting – to highlight the primary principles of comparability / consistency with other data including prior year and understandability / transparency providing clarity to users.

#### KEY DEFINITIONS AND REPORTING SCOPE

For the purpose of this report, the Group defines:

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- LETTER FROM THE CEO
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## KEY DEFINITIONS AND REPORTING SCOPE

For the purpose of this report, the Group defines:

Type	Indicator	Scope
Social Indicators	<b>Occupational Health and Safety</b>	
	Number of Incidents (#)	This indicator indicates total number of work accidents occurred during the reporting period.
	Number of Fatalities (#)	This indicator reflects the number of fatal accidents resulted in one or more deaths, occurred during the reporting period.
	Number of Occupational Diseases (#)	This indicator reflects total number of occupational diseases that refer temporary or permanent illness, physical or mental disability, which occur due to the nature of the work, or the operating conditions of the business.
	Injury-related Absenteeism (#)	This indicator refers absenteeism as a result of accidents that are machine/ equipment collision, uncontrolled material movement, cutting with blades, getting stuck between machine equipment, falling/sliding/ tripping, car crashes, landings, rubbing, getting stuck between car and equipment, resulting loss of working days.
	Total Working Hours (h)	This indicator reflects total working hours of the reporting period.
	Lost Workday Rate (%)	This indicator means the rate of lost workdays due to work accidents during the reporting period.
	OHS Training Hours (h)	This indicator represents the total hours of the OHS Trainings delivered to the employees and sub-contractors during the reporting period.
	<b>Total Number of Employees</b>	
	Total Number of Employees (Female & Male) (#)	This indicator means the total number of employees (female & male) working in the Group during the reporting period.
	<b>Distribution of Female Employees</b>	
	Female Employees' Rate (%)	This indicator means the ratio of the total number of female employees of the Group to the total number of employees during the reporting period.
	Distribution of Female Managers (%)	This indicator represents the ratio of the female managers (N-1, N-2, N-3 Levels) during the reporting period.
	Distribution of Female Managers in Revenue-Generating Roles (%)	This indicator means the ratio of the female managers worked in the roles that have an impact on the Group's revenue directly.
Distribution of Female Employees in STEM Roles (%)	This indicator represents the ratio of female employees worked in STEM (engineering, IT, etc.) roles during the reporting period.	

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Type	Indicator	Scope
	Total Number of Employees on Maternity Leave (%)	This indicator means the number of employees on maternity leave during the reporting period.
	Total Number of Employees on Paternity Leave (%)	This indicator means the number of employees on paternity leave during the reporting period.
	Ratio of the Employees that Returned to Work in the Reporting Period After Parental Leave Ended (%)	This indicator represents the ratio of the employees left and returned to work after maternity leave during the reporting period.
	<b>Trainings</b>	
	Total Hours of Trainings by Gender (h)	This indicator reflects the total hours of training provided to female and male employees during the reporting period.
	Total Hours of Trainings by Age (h)	This indicator reflects the total hours of training provided to the employees by age under 30, between 30 and 50, and over 50 during the reporting period.
	Total Hours of Trainings by Managerial Level (h)	This indicator reflects the total hours of training provided to the managers with levels N-1, N-2 and N-3 during the reporting period.
	Total Cost of Trainings in the Reporting Period (TL)	This indicator reflects the total costs of the trainings during the reporting period.
	Average Training Costs per Employee (TL)	This indicator reflects the average training costs per employee during the reporting period.
	<b>Total Number of Employees Hired</b>	
	Number of Employees Hired by Gender (#)	This indicator reflects the total number of female and male employees hired during the reporting period.
	Number of Employees Hired by Age (#)	This indicator reflects the total number of employees hired by age under 30, between 30 and 50, and over 50 during the reporting period.
	Number of Employees Hired by Managerial Level (#)	This indicator reflects the total number of managers hired with levels as N-1, N-2 and N-3 during the reporting period.
	<b>Total Number of Employees Left</b>	
	Number of Employees Left by Gender (#)	This indicator reflects the total number of female and male employees left during the reporting period.
	Number of Employees Left by Age (#)	This indicator reflects the total number of employees hired by age under 30, between 30 and 50, and over 50 during the reporting period.
	Number of Employees Left by Managerial Level (#)	This indicator reflects the total number of managers hired with levels as N-1, N-2 and N-3 during the reporting period.

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Type	Indicator	Scope
	<b>Turnover Rates</b>	
	Turnover Rates by Gender (%)	This indicator means the turnover rates of female and male employees during the reporting period.
	Turnover Rates by Age (%)	This indicator means the turnover rates of employees by age under 30, between 30 and 50, and over 50 during the reporting period.
	Turnover Rates by Managerial Level (%)	This indicator means the turnover rates of managers with levels as N-1, N-2 and N-3 during the reporting period.
	<b>Energy Consumption by Fuel Type</b>	
	Total Energy Consumption (MWh)	
	Natural Gas Consumption (m <sup>3</sup> )	This indicator reflects the total purchased natural gas (volume – m3) consumption used for heating, cooking and other business operations that require natural gas, at the relevant locations of the Group during the reporting period. It is reported in MWh on a consolidated basis.
	Diesel Consumption (L)	This indicator reflects the total purchased diesel (volume – l) consumption used for generators and company-owned cars at the relevant locations of the Group during the reporting period. It is reported in MWh on a consolidated basis.
<b>Environmental Indicators</b>	Coal (tones)	This indicator reflects the total purchased coal (by weight – tones) consumption used for heating at the relevant locations of the Group's during the reporting period.
	Fuel-Oil (tones)	This indicator reflects the total purchased fuel-oil (by weight – tones) consumption used for heating at the relevant locations of the Group's during the reporting period.
	Gasoline Consumption (L)	This indicator reflects the total purchased gasoline (volume – l) consumption used for company-owned cars at the relevant locations of the Group during the reporting period. It is reported in MWh on a consolidated basis.

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Type	Indicator	Scope
Environmental Indicators	LPG (L)	This indicator reflects the total purchased LPG consumption used for company-owned cars at the relevant locations of the Group during the reporting period. It is reported in MWh on a consolidated basis.
	LNG (L)	This indicator reflects the total purchased liquified natural gas (volume – l) consumption used for heating, cooking and other business operations that require natural gas, at the relevant locations of the Group during the reporting period. It is reported in MWh on a consolidated basis.
	CNG (L)	This indicator reflects the total purchased compressed natural gas (volume – l) consumption used for heating, cooking and other business operations that require natural gas, at the relevant locations of the Group during the reporting period. It is reported in MWh on a consolidated basis.
	Petroleum Coke (tones)	This indicator refers the petroleum coke (by weight – tones) consumption used for business operations at the relevant locations of the Group’s during the reporting period. It is reported in MWh on a consolidated basis.
	Alternative Fuels (tones)	This indicator refers the alternative fuels such as waste oil, waste tire, waste-driven fuel and waste sludge (by weight – tones) consumption used for business operations at the relevant locations of the Group’s during the reporting period. It is reported in MWh on a consolidated basis.
	Electricity Consumption (kWh)	This indicator reflects the total purchased electricity consumption used for air conditioning, lighting, electrical equipment uses and other business operations that require electricity, at the relevant locations of the Group during the reporting period. It is reported in MWh on a consolidated basis.
	Renewable Energy Consumption (MWh)	This represents the Group’s renewable energy consumption figures by the end of the reporting period.
	Purchased Heat/Steam/Cooling (kg)	Purchased in the reporting period means the amount of R22 purchased by the Group and the amount of refrigerant gas consumed for cooling purposes.
	Sold Heat/Steam/Cooling (kg)	This indicator represents the amount of steam, cooling gases, heat, electricity sold by the Group during the reporting period. Sold energy is reported in MWh on a consolidated basis.

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Type	Indicator	Scope
Environmental Indicators	<b>Share of Renewable Energy Consumption in Total Energy Consumption</b>	
	Renewable Energy Generation (MWh)	It represents the total of renewable energy sourced electricity produced by the Group during the reporting period.
	Renewable Energy Consumption (MWh)	This represents the Group's renewable energy consumption figures by the end of the reporting period.
	Purchased Renewable Energy (MWh)	It represents the total purchased renewable energy (by I-REC, YEK-G certificates etc.) during the reporting period.
	<b>Intensity Indicators</b>	
	Energy intensity (MWh/ million TL)	It means energy consumption per million TL within the reporting period.
	Greenhouse Gas and Energy Density (ton CO <sub>2</sub> e/ million TL)	It means greenhouse gas emissions per million TL within the reporting period.
	<b>Total Yearly Business Air Travel in Kilometers (km)</b>	It means the total kilometers of air travels made by the Group employees during the reporting period.
	<b>Total Yearly Employee Commuting in Kilometers (km)</b>	It means the total kilometers covered by the services provided for the Group employees during the reporting period.
	<b>Total Yearly Greenhouse Gas Emissions (ton CO<sub>2</sub>e)</b>	
	Scope 1 Greenhouse Gas Emissions (tCO <sub>2</sub> e)	This indicator reflects the emissions of greenhouse gases due to the use of natural gas, diesel, gasoline consumption, SF6 and refrigerant gases and fire extinguishing devices at the relevant locations of the Group during the reporting period.
	Scope 2 Greenhouse Gas Emissions (tCO <sub>2</sub> e)	This indicator reflects the emissions of greenhouse gases due to the use of purchased electricity at the relevant locations of the Group during the reporting period.
	Scope 3 Greenhouse Gas Emissions (tCO <sub>2</sub> e)	This indicator reflects the emissions of greenhouse gases due to non-company and non-directly controlled sources such as waste disposal, business travel and purchased goods and services, which are not considered under Scope 1 and Scope 2 during the reporting period.

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Type	Indicator	Scope
<b>Water Consumption</b>		
<b>Environmental Indicators</b>	Total Amount of Water Consumption (m <sup>3</sup> )	This indicator reflects the total water consumption by source (volume – m <sup>3</sup> ) as mains water, fresh water, well water, third party sources, reused water at the relevant locations of the Group during the reporting period.
	Total Water Discharge (m <sup>3</sup> )	This indicator reflects the total water discharge by source (volume – m <sup>3</sup> ) at the relevant locations of the Group during the reporting period.
	Water Recycled & Reused (m <sup>3</sup> )	This indicator represents the ratio of the amount of water reused-recycled to the total consumed water in the reporting period.
	<b>Waste Management</b>	
	Reused / Recycled Waste Rate (%)	It represents the ratio of the amount of waste recycled in the reporting period to the total amount of hazardous and non-hazardous waste.
	Total Hazardous Waste (ton)	It means the amount of hazardous waste where the Group's operations take place during the reporting period.
	Total Non-Hazardous Waste (ton)	It means the amount of non-hazardous waste where the Group's operations take place during the reporting period.
<b>Sustainable Business Model</b>		
<b>Economic Indicators</b>	Number of Sustainable Products and Services (#)	It refers to the number of mitigation (Products that directly reduce resource use or carbon emissions. Includes activities that are considered unquestionably sustainable.), transition (Products and services that are not considered entirely environmentally friendly in nature, but can be considered as a transition to more sustainable technologies, such as cement and rubber products produced using alternative raw materials and/or fuels.) and enabler (Products that are not considered as direct source/carbon emission reduction activities, but facilitate the dissemination of related technologies.) products and services offered by the Group during the reporting period that provide environmental and social benefits.
	Total Amount of Sustainable Product and Service Revenues (TL)	It refers to the income obtained from the products and services offered by the Group during the reporting period, which provide environmental and social benefits, and have a mitigation, transitional and facilitating nature.
	R&D and Innovation Expenditures (TL)	It refers to the R&D and innovation investments of the Group made during the reporting period.
	SDG Linked R&D and Innovation Investments (TL)	It refers to the sustainability-oriented R&D and innovation investments of the Group made during the reporting period.
	Ratio of SDG Linked R&D and Innovation Activities (%)	It refers to the ratio of sustainability-oriented R&D and innovation investments in the Group's investment budget to total revenue realized during the reporting period.

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Type	Indicator	Scope
<b>Economic Indicators</b>	<b>Environmental Investments &amp; Expenditures</b>	
	Environmental Investments by Type (TL)	It refers to the mitigation (Products that directly reduce resource use or carbon emissions. Includes activities that are considered unquestionably sustainable.), transition (Products and services that are not considered entirely environmentally friendly in nature, but can be considered as a transition to more sustainable technologies, such as cement and rubber products produced using alternative raw materials and/or fuels.) and enabler (Products that are not considered as direct source/carbon emission reduction activities, but facilitate the dissemination of related technologies.) environmental investments carried out by the Group during the reporting period that provide environmental and social benefits.
	Savings and Reduction Based on Environmental Investments (TL)	It refers to the financial savings and environmental/social benefits through sustainable investments and/or operations during the reporting period.
	Environmental Expenditures by Type (TL)	It refers to expenditures that are legally required and not legally required in the reporting period.
	<b>People Reached Through Inclusion Programs in Reporting Period (#)</b>	It refers to the number of people of the vulnerable groups (youth, women and disabled people, etc.) reached by the Group through inclusion programs during the reporting period.



## DATA PREPARATION

### Social Indicators

#### Occupational Health and Safety (OHS) Indicators

The number of accidents and the number of fatal cases are followed by the tables that list the SGK declarations.

The following definitions and formulas are used in the calculation of occupational health and safety indicators.

- **Formulas:**

$\text{Lost Working Days Rate} = \frac{\text{Accidental Absence}}{\text{Total Working Hours}} * 200,000$

#### Distribution of Female Employees Data

The total number of employees represents the total number of employees that the companies have as of the end of the reporting year and that are based on the information included in the annual reports or human resources systems published as of 31 December 2021.

The following definitions and formulas are used in the calculation of female employee distribution indicators.

- **Formulas:**

$\text{Ratio of Female Employees} = \frac{\text{Number of Female Employees}}{\text{Total Number of Employees}}$

#### Distribution of Female Managers

Managerial levels in the scope are defined as N-1, N-2 and N-3. N-1 level is an executive level who directly reports to CEO. N-2 level is defined as middle level which is two degrees away from CEO. Similarly, N-3 is three degree away from CEO level.

- **Formulas:**

- Ratio of female managers (N-1) = number of N-1 level female managers / total number of N-1 level managers

- Ratio of female managers (N-2) = number of N-2 level female managers / total number of N-2 level managers
- Ratio of female managers (N-3) = number of N-3 level female managers / total number of N-3 level managers

#### Distribution of Female Managers in Revenue-Generating Roles

Revenue-generating roles defined as the roles that when vacant, no revenue is generated. These positions mostly include in sales fields.

- **Formulas:**

Ratio of female managers in revenue-generating roles = number of female managers in revenue-generating roles / total number of managers in revenue-generating roles

#### Distribution of Female Employees in STEM Roles

STEM roles are directly related to the Science, Technology, Engineering and Math.

- **Formulas:**

Ratio of female employees in STEM roles = Number of female employees in STEM roles / total number of employees in STEM roles

#### Parental Leaves

Parental leaves include maternity and paternity leaves during the reporting period.

- **Formulas:**

Ratio of the employees returned from maternity leave = Number of employees left due to maternity leave / Number of employees returned from maternity leaves

#### Trainings:

It represents the trainings provided to the employees during the reporting period. Total training hours is divided into four sub-categories. Total training hours by gender (female and male), by age (under 30, between 30 and 50, over 50), by managerial levels (N-1, N-2 and

N-3), by training types (ethics, fighting against bribery and corruption, sustainability and environment).

Total cost of the trainings represents the total cost of all the trainings provided by the Companies to their employees.

● **Formulas:**

Training costs per employee = Total cost of all the trainings / the number of employees

**Total Number of Employees Hired**

The number of employees hired during the reporting period is divided into three categories as gender (female and male), age (under 30, between 30 and 50, over 50) and managerial level (N-1, N-2 and N-3).

**Total Number of Employees Left**

The number of employees left during the reporting period is divided into three categories as gender (female and male), age (under 30, between 30 and 50, over 50) and managerial level (N-1, N-2 and N-3).

● **Formulas:**

**Turnover rates by gender:**

- Number of female employees left / total number of female employees
- Number of male employees left / total number of male employees

**Turnover rates by age:**

- Number of employees under 30 left / total number of employees under 30
- Number of employees between 30 and 50 left / total number of employees between 30 and 50
- Number of employees over 50 left / total number of employees over 50

**Turnover rates by managerial level:**

- Number of managers (N-1) left / total number of managers (N-1)
- Number of managers (N-2) left / total number of managers (N-2)
- Number of managers (N-3) left / total number of managers (N-3)

**Environmental Indicators**

*Energy Consumption by Fuel Type*

Within the scope of energy consumption data for Akbank, Aksigorta, Agesa, Enerjisa Üretim, Enerjisa Enerji, SabancıDx, Kordsa, Brisa, Temsa, Carrefoursa, Teknosa, Akçansa, Çimsa and the Holding, natural gas, diesel, fuel-oil, gasoline, LPG, CNG, coal, petroleum-coke, alternative fuels and electricity are reported. The data is obtained with the meter, invoice, receipt and maintenance-repair forms of the service providers.

● **Akbank:**

Only the Bank's buildings, branches and vehicles are included in the calculations, and consumptions related to subsidiaries or group companies are not included. While calculating these values, the consumptions are obtained from the counters and invoices of the service providers or based on the consumptions in the sample branches.

● **Aksigorta:**

Natural gas consumption is obtained by dividing the unit price over the TL amount of the invoices of the service providers. Consumption values for 70% Aksigorta and 30% common area are denominated by the building management.

● **Brisa:**

Diesel consumption is derived from service providers' invoices for generators, fire pumps and company-owned vehicles. Gasoline consumption is obtained from the invoices of the service providers for the vehicles belonging to the company. LPG consumption is obtained from service providers' invoices for meal preparation of İzmit Plant.

- For the İzmit, Aksaray and Esenler locations, the m3 value on the invoice is considered.
- Since the natural gas consumption for the Altunizade location is billed jointly with Temsa, consumption values are obtained by denominator according to the usage areas. The usage share for Brisa is 41%.

● **Carrefoursa:**

Natural gas consumption is obtained by dividing the unit price over the TL amount of the invoices of the service providers. The unit price is obtained by taking the average of the TL unit prices per kWh determined by İGDAŞ for each month for 2021.

● **Teknosa:**

Natural gas consumption for stores is obtained by dividing the unit price over the TL amount of the invoices of the service providers. Two different unit price for semester one and semester two (obtained by TURKSTAT) is considered in the total consumption. Natural gas consumption for warehouse is obtained from meters and natural gas consumption for headquarters is obtained from Carrefoursa since the consumption is mutual and Teknosa is responsible from the 30% of the total consumption. Electricity for stores is provided by both Enerjisa and other providers. Electricity consumption from the other providers is calculated by considering two different unit price obtained by TURKSTAT. On the other hand, electricity meters are used to calculate the consumption from the Enerjisa. Electricity consumption for warehouse is obtained from meters and electricity consumption for headquarters is obtained from Carrefoursa since the consumption is mutual and Teknosa is responsible from the 30% of the total consumption.

● **Akbank, Aksigorta, Agesa, Enerjisa Üretim, Enerjisa Enerji, SabancıDx, Kordsa, Brisa, Temsa, Carrefoursa, Teknosa and Holding** use the following conversion factors in their energy consumption calculations:

- Since the electricity supply unit is billed in kWh, a conversion factor of 1 kWh=0.0036 GJ is used for conversion to GJ;
- Since the natural gas supply unit is billed in m<sup>3</sup>, a conversion factor [1m<sup>3</sup> \* (34.52) MJ/m<sup>3</sup>/1000 is used;
- Since the diesel supply unit is billed in liters, the conversion factor [1l \* (35.42) MJ/l] /1000 is used for conversion to GJ;
- Since the gasoline supply unit is billed in liters, the conversion factor [1l \* (31.98) MJ/l] /1000 is used for conversion to GJ;

- Since the unit of all fuel consumption is reported as MWh, a conversion factor of 1GJ=0.277777 MWh is used for conversion to GJ.

● **Akçansa, Çimsa:**

The company's energy resources calorific values are shared below. The calorific values in the Emission Verification Reports reported to the Ministry of Environment for 2021 are taken as a basis. It uses the formulas listed below along with these values:

- Since the electricity supply unit is billed in kWh, a conversion factor of 1 kWh=0.0036 GJ is used for conversion to GJ;
- Since Imported Coal and Domestic Coal supply unit is reported in tons, conversion factor of [1ton \* (Net Calorific value) GJ/ton] /1000 is used in conversion to TJ;
- Since the natural gas supply unit is billed in m<sup>3</sup>, a conversion factor 1m<sup>3</sup> \* (Net Calorific Value) GJ/m<sup>3</sup>/1000 is used;
- Since the diesel supply unit is reported in liters, the conversion factor [1l \* (Net Calorific value) GJ/l] /1000 is used in the conversion to TJ;
- Since the fuel-oil supply unit is reported in liters, the conversion factor [1l \* (Net Calorific value) GJ/l] /1000 is used in the conversion to TJ;
- Since the unit of consumption of petroleum coke, waste oil, waste tire, waste-derived fuel (RDF) and waste sludge, which are evaluated within the scope of other fuels, is reported in tons, in conversion to TJ [1l \* (Net Calorific Value) GJ/l] /1000 conversion factor is used;
- Since the unit of all fuel consumption is reported as MWh, a conversion factor of 1GJ=0.277777 MWh is used for conversion to GJ.

*Purchased Heat/Steam/Cool*

The amount of refrigerant consumed for cooling purposes is reported within the scope of purchased heat/steam/cooling indicator. For this indicator, the total consumption amount of R22 gases and other gases such as SF<sub>6</sub>, R407C, R134A, R410A and CO<sub>2</sub> gases has been calculated based on maintenance/repair forms and related invoices.

### Greenhouse Gas and Energy Intensity (tCO<sub>2</sub>-e / TL)

Greenhouse gas intensity was calculated by dividing the sum of scope 1 and 2 emissions by the total TL revenues in the reporting period.

Energy intensity was calculated by dividing the total energy consumption by the total TL revenues in the reporting period.

Total TL income refers to the total income figures of the combined net revenue of the Group as of the end of the reporting year.

#### ● Formulas:

Greenhouse Gas and Energy Intensity = tCO<sub>2</sub>e / Revenues in TL

Energy Intensity = Total energy consumption / Revenues in TL

Share of Renewable Energy Consumption in Total Energy Consumption

Renewable energy consumption refers to the renewable energy sourced electricity consumption purchased by the Group.

- **Akbank & Akçansa & Aksigorta & Brisa & Enerjisa Enerji & Enerjisa Üretim & Kordsa:**  
It is followed by iREC (Renewable Energy Certificate).
- **SabancıDx:**  
It is followed by reports received over the system.
- **Akçansa:**  
Renewable energy consumption refers to the electrical energy obtained from the waste heat generated during the production process and the energy gained from the wind turbine.
- **Çimsa:**  
Renewable energy consumption represents the electrical energy obtained from the waste heat generated during the production process.

Renewable energy generation, on the other hand, refers to the total electricity produced by the Company from renewable energy sources. It is followed by reports received on the system.

#### ● Formulas:

Share of Renewable Energy Consumption in Total Energy Consumption = Renewable Energy Consumption/Total Energy Consumption

### Total Yearly Business Air Travel in Kilometers

It represents the total kilometers of air travels made by the Group's employees during the reporting period. Companies are followed up with the information provided by the tourism agency they work for.

### Total Yearly Employee Commuting in Kilometers

It represents the total kilometers covered by the services provided for the Group employees during the reporting period. These data are followed in line with the information shared by the tourism agency with which the Group works.

### Scope 1, 2 and 3 Emissions

- **Akbank, Aksigorta, Agesa, Temsa, Carrefoursa, Teknosa, SabancıDx, Enerjisa Üretim, Enerjisa Enerji, Brisa, Kordsa, Holding:**

Scope 1, Scope 2 and Scope 3 emissions have been calculated in accordance with ISO 14064-1, with the principle of operational control within the framework of the "Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard".

In the calculations, CO<sub>2</sub> equivalent factors consisting of CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs (SF<sub>6</sub> and refrigerant gas) CO<sub>2</sub> equivalent emission factors were used. The emission sources used are detailed in the table below. Global Warming Potential (GWP) coefficients are from 5th Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) and Greenhouse Gas Protocol (<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020>) and the resultant ton CO<sub>2</sub>e value is calculated by multiplying with the appropriate coefficients.

In the calculations, CO<sub>2</sub> equivalent factors consisting of CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs (SF<sub>6</sub> and refrigerant gas) CO<sub>2</sub> equivalent emission factors were used. The emission factors sources are detailed in the table below. Global Warming Potential (GWP) coefficients are from 6<sup>th</sup> Assessment

Report of the Intergovernmental Panel on Climate Change (IPCC) and Greenhouse Gas Protocol (<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021>) and the resultant ton CO<sub>2</sub>-e value is calculated by multiplying with the appropriate coefficients.

Emission Factors – Scope 1	Emission Calculation Methodology
Stationary	IPCC 2006 guidelines, fuel NCV and density values are from regulations published by Energy Ministry. IPCC GWP coefficients are from 5 <sup>th</sup> assessment Report.
Mobile	IPCC 2006 guidelines, fuel NCV and density values are from regulations published by Energy Ministry. IPCC GWP coefficients are from 5 <sup>th</sup> assessment Report.
Fugitive	IPCC 2006 guidelines. IPCC GWP coefficients are from 5 <sup>th</sup> assessment Report.
Processes	IPCC guidelines, Global Cement and Concrete Association – Cement CO <sub>2</sub> and Energy Protocol V3.1, Cement Sustainability Initiative.
Emission Factors – Scope 2	Ton CO <sub>2</sub> e / MWh
Turkey Electricity (from grid)	IEA, TEIAS 2020 published data for electricity generation.
Emission Factors – Scope 3	kgCO <sub>2</sub> e / km
Business Travels (Domestic Flights) (km)	DEFRA 2021 GHG conversion factors.
Business Travels (International Flights - Europe) (km)	
Business Travels (International Flights – Overseas) (km)	

- Akçansa, Çimsa:
  - Scope 1, Scope 2 and Scope 3 emissions have been calculated in accordance with “Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard”.
  - Carbon Dioxide Emission and Energy Inventory provided by the World Business Council for Sustainable Development – Cement Sustainability Initiative (WBCSD) for scope 1 and scope 2 emission calculations – Cement Carbon Dioxide and Energy Protocol Version 3.04
- For Scope 3 calculations, the Mobile Combustion Greenhouse Gas Emissions Calculation Tool Version 2.6

- (Mobile Combustion GHG Emissions Calculation Tool Version 2.6 – GHG Protocol) provided by the Greenhouse Gas Protocol was used. Since the type of fuel used for personnel services is diesel, the mobile combustion-diesel carbon factor was used.

### Water Management

Consumption data for the total water withdrawal and discharges are obtained from meters, invoices, field consumption reports, and assumptions based on Turkish Statistical Institute.

### Waste

Hazardous wastes are defined as wastes containing substances that are dangerous for human health and the environment and that have the potential to be harmful, while non-hazardous wastes are defined as wastes that do not cause any harm to human health and the environment. The total amount of hazardous waste and non-hazardous waste is tracked through the waste declaration forms shared by the suppliers.

The amount of recycled waste refers to the amount of waste that goes to the Group's landfill/solid waste site or is recycled by itself or another organization, recovered for energy purposes and reused. It is followed through the waste declaration forms shared by the providers.

Total plastic consumption is followed up with invoices; represents the consumption amount of plastic products, pet bottles, bags and plastic packaging.

#### ● Formulas:

Reused / recycled waste ratio = Amount of Recycled Waste / (Total Hazardous Waste + Total Non-Hazardous Waste)

### Economic Indicators

The following definitions and formulas are used in the calculation of economic indicators.

### Sustainable Business Model

Products and services identified as sustainable are;

- Products and services that provide benefits related to the direct reduction of environmental resources / carbon emissions (mitigation),

- Products and services related to the reduction of environmental resource use / carbon emissions in technologies and activities that are not considered sustainable in nature (transition),
- Products and services that are not considered as direct source / carbon emission reduction activities, but facilitate the dissemination of related technologies (enabler) Grouped as products and services that create positive social impact.

Revenues from products and services were obtained through product-based sales lists, and total revenue from related product types was reported within the scope of this indicator.

Within the scope of the ratio of sustainable product and service revenues to total revenues, total TL revenues represent the total revenues of the companies as of the end of the reporting year, which are stated in the annual reports published as of 31 December 2021 or in the financial reports subject to independent audit.

The total amount reported within the scope of R&D and innovation investment consists of the investments made within the approved budget of the Group. Amounts reported under R&D and innovation investments represent the total revenue figures of the Companies stated in the annual reports published as of 31 December 2021 or in the financial reports subject to independent audit. The total amount reported within the scope of sustainability-oriented R&D and innovation investment represents the sustainability-oriented investments included in the Company's approved R&D and innovation investment budget.

#### ● Akbank:

While calculating the number of financed renewable energy projects, the loaned renewable energy portfolio was used. In this context, the financing provided to the Hydroelectric Power Plant (HEPP), Wind Power Plant (WPP), Biomass Power Plant (BES), Waste Power Plant and Solar Power Plant (GES) projects, which are within the scope of renewable energy, is calculated over the number of power plants established on a project-basis.

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#### ● Aksigorta:

The number of sustainable products and services consists of 8 products and services that are considered as products that create positive social impact. The 6 services evaluated within this scope, which include online appraisal, online health consultancy, digital/full automation-based damage processes, paperless damage reporting, inspection and evaluation processes, debris removal in case of debris damage and Akşağlık mobile application, are activities that are not included in the amount of the Company's sustainable product and service revenues.

The amount of sustainable product and service revenues represents the products that create a positive social impact, namely the revenues of Solar Power Plant, Hydroelectric Power Plant, Wind Energy Panel Insurances and vehicle insurance products for electric vehicles and is obtained through the relevant policies.

"The Sustainability/Social Responsibility Project Projected on Digital Risks" was considered within the scope of the sustainable-oriented R&D budget. The balance reported within the scope of R&D and innovation investments includes the expenses of the projects within the 2021 financial year budget.

#### ● Agesa:

The number of sustainable products and services consists of 19 products and services that are considered as products that create positive social impact and transition. The 19 products are Long Term Life Insurance, Private Life Insurance, Good Odds Insurance, Continuing Education Insurance, VIP Life, My Credit is Safe, SME Life, Easy Life, Advantage Plus Personal Accident Insurance, Akbank Personal Accident Insurance, Express Personal Accident Insurance, Take Care Insurance, Saving Future Plan, Saving VIP Plan & Prestigious Retirement Investment Plan, Sabancı Employee Assurance Plan, Retirement Investment Plan, Rapid Retirement Plan, Retirement Income Plan, Automatic Enrollment Plans. The sustainable products revenue is calculated as 5% of each related products' revenue indicated by the Agesa Global.

#### ● Enerjisa Üretim:

The number of sustainable products and services consists of 23 products and services, which are considered as mitigation and transition products. Mitigation products are defined as products and services that provide benefits related to the direct reduction of environmental resources and/or carbon emissions. The products evaluated in this context are 12 HPP, 3 WPP, 2 SPPs and 2 Natural Gas Cycle Power Plant. There are 4 services evaluated within the scope of transition products, and they consist of CO<sub>2</sub> emission reduction and hot use return projects.

#### ● Enerjisa Enerji:

Mitigation projects are Green Energy Certificates (Renewable Energy Certificate, Carbon Reduction Certificate), Cogeneration, energy efficiency products, Solar Power Plant projects, Regulated Green Energy Tariff Sales, Solar PV Rooftop, Green Energy Sales (green energy certificate and electricity bundle sales). Enabler projects are (Eşarj AC, Eşarj DC, Network and Maintenance Revenue). The total revenue generated from the sales lists tracked on a project basis is reported within the scope of this indicator.

#### ● SabancıDx:

The number of sustainable products and services consists of 6 products and services, which are considered as mitigation and transition products.

The product called Edoksis, which is an e-transformation platform that enables companies to manage electronic document flow in accordance with RA standards, quickly and securely. IREC considered as only one mitigation services.

There are 5 services evaluated within the scope of converter products and they are considered within the scope of the digital transformation project. The balance reported within the R&D and innovation investments includes the R&D projects capitalized in the 2021 financial year.

● **Kordsa:**

62 sustainable products (21 Mitigation, 30 Transition, 9 Enabler, 2 positive social impact) specified of which 32 are developed by Tire Reinforcement, 16 Composite Technologies and 14 Construction Reinforcement.

● **Brisa:**

The number of sustainable products and services consists of 484 products and services that are considered as transition, enabler and positive social impact products.

Products that are not considered as sustainable by their nature are tire products designed with Aspects+ mobilfix and product improvements. In the enabler product group, e-charging points for electric vehicles and manufactured tire products were evaluated. In the category of products with positive social impact, wet braking distance (All groups A value & Sound All groups PBN wave-1 value), wet ground braking distance (All groups A value & Sound All groups different from PBN wave-1 value) and wet ground braking distance (All groups different from A value & Sound All groups PBN wave-1 value) products were evaluated. The projects included within the scope of R&D and innovation investments are the projects carried out at Brisa R&D Center, the reported balance includes R&D projects capitalized in the 2021 financial year.

Total amounts reported within the scope of sustainability-oriented R&D and innovation investments consist of expenditures made within the approved budget of the Company. The projects carried out at the Brisa R&D Center are the projects carried out under the headings of rolling resistance, reducing noise and raw material use, energy saving, localization projects, recycled material usage and improvement of abrasion life, within the scope of environmental investment.

● **Temsa:**

The number of sustainable products and services is discussed under two headings. The products considered within the scope

of mitigation products are sustainable electric vehicle models produced by the Company, monitored by the relevant product catalogs and sales invoices. The balance reported within the R&D and innovation investments includes the R&D projects capitalized in the 2021 financial year. Total income for Temsa has been obtained from internal financial reports.

● **Carrefoursa:**

The number of sustainable products and services consists of 53 products and services, which are considered as mitigation and enabler products. The products evaluated within the scope of mitigation products are 50 CarrefourSA branded Eco-Bio and organic bread products. The service evaluated within the scope of enabler products is the e-charging points located at 2 locations for electric vehicles and 1 product is bring your own bowl.

● **Teknosa:**

The number of sustainable products and services consists of 118 products and services, which are considered as mitigation and enabler products. The products evaluated within the scope of mitigation products are 116 types are low energy consumption A+++ white appliances and air conditioner models. The service evaluated within the scope of enabler products are Teknogaranti and in-store service package.

Projects carried out within the scope of R&D and innovation investments are SAP-HYBRIS projects, digital label and electronic label systems projects, the reported balance includes R&D projects capitalized in the 2021 financial year.

The company saved approximately 2.6 million KW of energy in 2021 with the automation system for heating, cooling and lighting installed in its stores and workplaces. The number of Teknosa stores that turned into LED lighting reached 147 at the end of 2021.

● **Akçansa:**

The number of sustainable products and services consists of 26 products and services, which are considered as transition



products. Transition products refer to cement types that are included in the scope of products related to the reduction of environmental resource use / carbon emissions in technologies and activities that are not considered sustainable by nature. The balance reported within the scope of R&D and innovation investments includes the expenses of the projects within the 2021 financial year budget.

● **Çimsa:**

The number of sustainable products and services consists of 10 products and services, which are considered as transition products. Transition products refer to cement types that are included in the scope of products related to the reduction of environmental resource use / carbon emissions in technologies and activities that are not considered sustainable by nature.

Sustainability-focused R&D and innovation investment budget represent the R&D and innovation budget allocated by the Company for Alto, Escoria, Re-AL, Ligni-Tech, HorusCam, New World, C-World, HyperCog, Iceberg, Forge projects, which is budgeted by the Company during the reporting period and is also stated in the Çimsa Integrated Annual Report published as of 31 December 2021 and reported as expense in the financial statements.

● **Formulas:**

Ratio of Sustainable Product and Service Revenues to Total Revenue = Sustainable Product and Service Revenues / Total Revenue

Ratio of All R&D and Innovation Investment Budget to Total Revenue = R&D and Innovation Investment Budget/ Total Revenue

Ratio of Sustainability Oriented R&D and Innovation Investment Budget to Total Revenue = Sustainability Oriented R&D and Innovation Investment Budget/ Total Revenue

*Savings and Reduction Based on Environmental Investments*

● **Enerjisa Üretim:**

It represents the fuel consumption savings achieved as a result of more efficient use of steam energy in the combined cycle electricity generation process and accelerating the activation process of the steam turbine.

● **Kordsa:**

Within the scope of the financial savings and environmental and social benefit indicators realized through sustainable investments and/or operations, the Company's electricity savings in kWh and savings in TL are reported. Energy savings are reported based on the outputs of the software used.

● **Brisa:**

Within the scope of the financial savings and environmental and social benefit indicators realized through sustainable investments and/or operations, the Company's electricity CO<sub>2</sub> savings in tonnes and savings in TL are reported. The financial and environmental benefits of energy saving projects realized in Izmit and Aksaray locations were evaluated and combined.

● **Carrefoursa:**

The financial savings and environmental/social benefit indicators realized through the sustainable operations of the Company during the reporting period include the replacement of fixtures, the use of IFCO RPC, the Linerless Label Application, industrial cooling refurbishment, air conditioner renewal, air conditioner operation monitoring and management (air conditioning automation), secondary savings projects and route optimization. The savings related to these operations have been evaluated through the emission factors referenced by the Turkey 2020 National Inventory Report (NIR) and the certificates of the applications.

● **Teknosa:**

Within the scope of the financial savings and environmental and social benefit indicators realized through sustainable investments

and/or operations, the Company's electricity savings in kWh and savings in TL are reported. The financial and environmental benefits of energy saving projects (LED conversion and Automation system installation) realized in stores are evaluated regarding this indicator.

● **Çimsa:**

It represents the environmental benefit achieved by the reduction of CO<sub>2</sub> emissions during the reporting period.

*Environmental Investments and Expenditures*

● **Aksigorta:**

It covers the environmental investments and expenditures of the Company during the reporting period. Environmental investments are reported as mitigation investments. The environmental investment made by the Company in the reporting period includes the TSKB, Asian Infrastructure Investment Bank, Inter-American Development Bank, Zorlu Enerji and Palen Enerji include green bonds. Environmental investment amounts are followed on the receipt issued for Aksigorta. The total amount reported in this indicator is composed of the expenditures made within the approved budget of the Company. Environmental expenditures are monitored through the receipt issued for Aksigorta.

● **Agesa:**

The total amount reported in this indicator is composed of expenditures and investments made within the approved budget of the Company and monitored through invoices.

● **Enerjisa Üretim:**

Non-mandatory environmental expenditure represents expenditure for carbon certificates.

● **Enerjisa Enerji:**

Environmental investments are reported as mitigation investments, enabler and mitigation investments. The total amounts reported in these indicators are constituted by the expenditures made within the approved budget of the Company. Mitigation investments include energy efficiency

and cogeneration solutions. Transition investments include Network Connection of Renewable Energy Resources. Enabler investments include those related to E-charge, SCADA, OSOS and voltage conversion projects.

● **Kordsa:**

Environmental investments are reported as transition investments. The total amounts reported in these indicators are constituted by the expenditures made within the approved budget of the Company. Related expenditures cover the number of products and services related to the reduction of environmental resource use / carbon emissions in technologies and activities that are not considered sustainable by their nature.

● **Brisa:**

It covers legally mandatory environmental expenditures and non-legal environmental expenditures including Izmit electric forklift investment, Izmit energy efficiency CAPEX, Aksaray energy efficiency CAPEX expenditures. The total amount reported in these indicators is composed of the expenditures made within the approved budget of the Company.

● **Temsa:**

Environmental investments are reported as mitigation investments. The total amounts reported in these indicators are constituted by the expenditures made within the approved budget of the Company. The said expenditures are mitigation investments that directly reduce resource use or carbon emissions. It includes the production and sales of Sustainable Electric Vehicles.

● **Teknosa:**

Environmental investments are reported as enabler investments. The total amounts reported in these indicators are constituted by the expenditures made within the approved budget of the Company. In this criterion, investment expenditures made for teknosa.com under facilitating investments within the scope of environmental investment were evaluated, and within the scope of environmental expenditures, the Recycling Contribution Share (GEKAP) and the amounts of LED conversion and automation system installation in Teknosa stores were

evaluated. Environmental investments and expenditures are tracked through invoices issued on behalf of Teknosa and GEKAP payments.

● **Akçansa:**

Environmental investments are reported as transition investments. The total amounts reported in these indicators are constituted by the expenditures made within the approved budget of the Company. The said expenditures include investment projects in Büyükçekmece, Ladik and Çanakkale Plants, ready mixed concrete plants and as well as Ambarlı and Yalova locations as transition investments.

● **Çimsa:**

Environmental investments cover emission reduction and energy efficiency investments realized by Çimsa in the reporting period. Environmental expenditures refer to legal obligatory (expenses related to waste disposal, environmental obligatory expenses and dues, lab measurements, online measuring device, maintenance, etc.) and non-legal obligatory (consulting fees spent on environmental and sustainability issues) operational expenditures.

*People Reached Through Inclusion Programs in Reporting Period*

It refers to the number of people of the vulnerable groups (youth, women and disabled people, etc.) reached by the Company through inclusion programs.

● **Akbank:**

It refers to the the number of young people reached through the programs include My e-scholarship supported by the Bank and Center of Excellence in Finance, ScaleUp Ankara, StartUp Campus, Entrepreneurship Program and Good City projects within Sabanci University. The number of participants is tracked through the confirmation letters received.

● **Agesa:**

Vulnerable groups reached in 2021 include aid to citizens over the age of 65. The number of people represent is phone call of the Psychosocial Support Team with 600 elderly citizens who had to stay at home due

to the restrictions imposed within the scope of Covid-19 and therefore became lonely. Other vulnerable group is young people. The number of people represents the support for the education of 12 female students made to the Turkish Education Foundation AgeSA Scholarship Fund.

● **Enerjisa Enerji:**

Vulnerable groups reached in 2021 include the "Device Dependent Patients" (Hasta Var Programı), who maintain their life dependent on a device. If the medical condition of a patient requires vital medical equipment, in case of an outage in their residential area, emergency supply is provided. Furthermore, in accordance with the amendments on the Regulation on Electricity Market Customer Services Regulation in 2021, the conditions for cutting off energy to vulnerable customers in case of unpaid bills have been altered. Accordingly, for the families of martyrs, veterans, and disabled veterans, customers over the age of 65 and customers who submitted a health report stating that they had disabilities over 40%; the electricity will be cut only in the case of three consecutive months of failure in payment.

● **Kordsa:**

Vulnerable groups reached in 2021 include young people who were offered internship opportunities with the project realized in cooperation with the Association for Supporting Contemporary Life and Kordsa.

● **Brisa:**

Vulnerable groups reached in 2021 include youth, children and women. It represents the number of young people and children reached through activities and donations within the scope of the Sustainability Week and "Cumhuriyet Seferberliği" Project. The number of women reached represents the number of people reached by the ideathon program.

● **Temsa:**

Vulnerable groups reached in 2021 include young people who benefit from university, vocational high school, summer internship and workplace training.

## ● Carrefoursa:

Vulnerable groups reached in 2021 include youth and people with basic needs. The number of young people reached represents the number of people participating in the MT program held within the Company. The personnel list is followed through the SAP software. The number of people in need was shared by TIDER.

## ● Teknosa:

Within the scope of the “Technology for Women” project carried out with the Habitat Association, the number of female participants who attended digital literacy trainings was evaluated. The relevant number has been obtained from the Habitat Association. In addition, smartphone donations were made to 201 women.

As the Teacher Network, they had developed a collaboration with Teknosa. Teknosa delivered second-hand tablets for education purposes.

## ● Çimsa:

Çimsa supported 1,972 people in 2021 with its inclusion programs, focusing on vulnerable groups such as the disabled people and children.

In this context, Çimsa, carried out 2 school renovation projects in Mersin within the scope of the “Cumhuriyet Seferberliği”. In addition, on March 22 World Water Day, Mersin Plant employees provided training on the importance of water to primary school students. At Disability Week, battery powered wheelchair was donated to disabled people in Mersin.

## ● Enerjisa Üretim:

- **Feed Support for Ovine Owners in Taurus:** 3 trucks of feed, sufficient for 2500 small cattle, were distributed in the fire zones of all Taurus Mountains, accompanied by the District Directorate of Agriculture. It was delivered to the headmen of Kozan / Kizlarsekisi, Salmanlı, Gökgöz, Akarca, Aladağ / Boztahta, Topallı.

- **60 Pieces of Beehive Support :**The families who lost their hives in the fire and made a living from beekeeping were compensated.

The hives, together with the bees and honeycombs, were delivered in a condition where income can be obtained quickly.

The Wounds of Small Cattle Animals in the Taurus were healed. Veterinary support was provided with HAYTAP.

Temporary Housing Provided to 11 Families Who Will Spend the Winter in the Region. Within the framework of cooperation with Kozan District Governorate, a delivery plan was made for families with low incomes and those who will spend the winter in the region. Due to the terrain conditions, 5 standard, 1 special size temporary residences and 5 monolithic temporary residences to be installed on site were provided.

- **Akdam District School:** Children in the areas affected by the fire receive education in the kindergarten-primary school and secondary school in Akdam, where a total of 240 students are located. Support was given to needs such as Library, Robotic Coding Class and Sporting Goods
- **Topsoil Repair with Fertilizer Application:** Fertilization and soil rehabilitation of 4200 income generating trees were carried out on an area of 8.5 hectares with 8500 kg of manure.
- **Kozan Akdam Secondary School Girls Volleyball Team Support:** Uniform support was provided to Kozan Akdam Girls Volleyball Team.
- **Planting Saplings:** On October 27, a total of 1000 saplings were planted, 500 of which are red pine trees on the forest land and 500 pieces of pine pine on our land with ESA title deed.

## Restatement

The measuring and reporting of sustainability-related data inevitably involves a degree of estimation. Restatements are considered where there is a change in the data of greater than 5 percent at the Company level.

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**Limited Assurance Report**
**to the Board of Directors of Hacı Ömer Sabancı Holding A.Ş.**

We have been engaged by the Board of Directors of Hacı Ömer Sabancı Holding A.Ş. (the “Group”) to perform a limited assurance engagement in respect of the Selected Sustainability Information (the “Selected Information”) stated in the Sabancı Group 2021 Sustainability Report (the “2021 Sustainability Report”) for the year ended 31 December 2021 and listed below.

**Selected Information**

The scope of the Selected Information for the year ended 31 December 2021, which is subject to our limited assurance work, set out in the pages 18, 19, 40, 48, 49, 50, 56, 67, 71, 73, 82, 83, 85, 92, 94, 118, 119 and 120 of the 2021 Sustainability Report with the sign is summarised below:

*Social Performance Indicators*

- Occupational Health and Safety Indicators (Employees)
  - Number of incidents (#)
  - Number of fatalities (#)
  - Number of occupational diseases (#)
  - Injury-related Absenteeism (#)
  - Total working hours (h)
  - Lost Day Rate (LDR) (%)
  - OHS Training Hours (h)
- Total number of employees
  - Female (#)
  - Male (#)
- Distribution of Female Employees
  - Female employees’ rate (%)
  - Distribution of Female Managers (%)
  - Distribution of Female Managers in Revenue-Generating Roles (%)
  - Distribution of Female Employees in STEM Roles (%)
  - Total Number of Employees on Maternity Leave (#)
  - Total Number of Employees on Paternity Leave (#)
  - Ratio of the Employees that Returned to Work in the Reporting Period After Parental Leave Ended (%)

- Trainings
  - Total Hours of Trainings by Gender, Age, Managerial Level (h)
  - Total Cost of Trainings in the Reporting Period (TL)
  - Average Training Costs per Employee (TL)
- Total Number of Employees Hired
  - Number of Employees Hired by Gender, Age, Managerial Level (#)
- Total Number of Employees Left
  - Number of the Employees Left by Gender, Age, Managerial Level (#)
- Turnover Rates
  - Turnover Rates by Gender, Age, Managerial Level (%)

*Environmental Performance Indicators*

- Energy Consumption by Fuel Type
  - Total energy consumption (MWh)
  - Renewable Energy Consumption (MWh)
  - Purchased heat/steam/cooling (kg)
  - Sold heat/steam/cooling (kg)
- Share of Renewable Energy Consumption in Total Energy Consumption
  - Renewable Energy Generation (MWh)
  - Renewable Energy Consumption (MWh)
  - Purchased Renewable Energy (MWh)
- Intensity Indicators
  - Energy intensity (MWh/ million TL)
  - Greenhouse gas emission intensity (ton CO<sub>2</sub>e/ million TL)
- Total Yearly Business Air Travel in Kilometers (km)
- Total Yearly Employee Commuting in Kilometers (km)
- Total Yearly Greenhouse Gas Emissions (ton CO<sub>2</sub>e)
  - Scope 1
  - Scope 2
  - Scope 3
- Water Consumption
  - Total Amount of Water Consumption (m<sup>3</sup>)
  - Total Amount of Discharged Water (m<sup>3</sup>)
  - Water Recycled & Reused (m<sup>3</sup>)

- Waste
  - Reused / Recycled Waste Rate (%)
  - Total Hazardous Waste (ton)
  - Total Non-Hazardous Waste (ton)

#### Economic Performance Indicators

- Sustainable Business Model
  - Number of Sustainable Products and Services (#)
  - Total Amount of Sustainable Product and Service Revenues (TL)
  - R&D and Innovation Expenditures (TL)
  - SDG Linked R&D and Innovation Investments (TL)
  - Ratio of SDG Linked R&D and Innovation Activities (%)
- Environmental Investments and Expenditures
  - Environmental Investments by Type (TL)
  - Savings and Reduction Based on Environmental Investments (TL)
  - Environmental Expenditures by Type (TL)
- People Reached Through Inclusion Programs in Reporting Period (#)

Our assurance was with respect to the year ended 31 December 2021 information only and we have not performed any procedures with respect to earlier periods or any information other than Selected Information marked with in the 2021 Sustainability Report and, any other elements included in the 2021 Sustainability Report and, therefore, do not express any conclusion thereon.

#### Criteria

The criteria used by the Group to prepare the Selected Information is set out in section “Sabancı Group 2021 Sustainability Report-Reporting Guidance” (the “Reporting Guidance”) on pages 121-140 of the 2021 Sustainability Report.

#### The Group’s Responsibility

The Group is responsible for the content of the 2021 Sustainability Report and the preparation of the Selected Information in accordance with the Reporting Guidance. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Selected Information that is free from material misstatement, whether due to fraud or error.

#### Inherent Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Selected Information in the context of the Reporting Guidance.

In particular, the conversion of different energy measures to megawatt-hour (MWh) and energy used to carbon emissions is based upon, inter alia, information and factors generated internally and/or derived by independent third parties as explained in the Reporting Guidance. Our assurance work has not included examination of the derivation of those factors and other third-party information.

#### Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### Our Responsibility

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that the Selected Information has not been properly prepared

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in all material respects in accordance with the Reporting Guidance. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information', and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 and ISAE 3410. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of the persons responsible for the Selected Information;
- understood the process for collecting and reporting the Selected Information. This included analysing the key processes and controls for managing and reporting the Selected Information;
- evaluated the source data used to prepare the Selected Information and re-performed selected examples of calculation;
- performed limited substantive testing on a selective basis of the preparation and collation of the Selected Information prepared by the Group and
- undertook analytical procedures over the reported data.

### Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Group's Selected Information for the year ended 31 December 2021, is not properly prepared, in all material respects, in accordance with the Reporting Guidance.

### Restriction of use

This report, including the conclusion, has been prepared for the Board of Directors of the Group as a body, to assist the Board of Directors in reporting Hacı Ömer Sabancı Holding A.Ş.'s performance and activities related to the Selected Information. We permit the disclosure of this report within the Sabancı Group 2021 Sustainability Report for the year ended 31 December 2021, to enable the Board of Directors to demonstrate they have discharged their governance responsibilities by commissioning a limited assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of Hacı Ömer Sabancı Holding A.Ş. as a body and Hacı Ömer Sabancı Holding A.Ş. for our work or this report save where terms are expressly agreed and with our prior consent in writing.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.



Mehmet Cenk Uslu, SMMM  
Partner

Istanbul, 26 July 2022

**ANNEX 5: TCFD**

- ABOUT THE REPORT
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Area	Recommendations	References
Governance	a Describe the board’s oversight of climate-related risks and opportunities.	Sustainability Governance, page 32 Risk Management, page 108
	b Describe management’s role in assessing and managing climate-related risks and opportunities.	Sustainability Governance, page 32 Risk Management, page 108
Strategy	a Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Emerging Sustainability Risks, page 23-25 Risk Management, Sustainability Risks, page 108-111 Act on Climate Emergency, Energy and Emission Management, page 38-46
	b Describe the impact of climate related risks and opportunities on the organization’s businesses, strategy, and financial planning.	Risk Management, Sustainability Risks, page 108-111 Act on Climate Emergency, Energy and Emission Management, page 38-46
	c Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Risk Management, Sustainability Risks, page 108-111 Act on Climate Emergency, Energy and Emission Management, page 38-46
Risk Management	a Describe the organization’s processes for identifying and assessing climate-related risks.	Emerging Sustainability Risks, page 23-25 Risk Management, Sustainability Risks, page 108-111
	b Describe the organization’s processes for managing climate-related risks.	Emerging Sustainability Risks, page 23-25 Risk Management, Sustainability Risks, page 108-111
	c Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	Risk Management, Sustainability Risks, page 108-111
Metrics and Targets	a Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.	Act on Climate Emergency, Energy and Emission Management, page 38-46 Environmental Performance Indicators, page 118
	b Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Act on Climate Emergency, Energy and Emission Management, page 38-46 Environmental Performance Indicators, page 118
	c Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Sustainability Roadmap and Goals, page 29-31 Act on Climate Emergency, Energy and Emission Management, page 38-46



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GRI Standard	Disclosure	References	Omission
<b>GRI 101: Foundation 2016</b>			
<b>General Disclosures</b>			
<b>Organizational Profile</b>			
	102-1	2	-
	102-2	9, 17	-
	102-3	4-7	-
	102-4	9	-
	102-5	10	-
	102-6	12	-
	102-7	10-11 (2021 Annual Report, page 5-8 <a href="https://yatirimciliskileri.sabanci.com/2021-Digital-Annual-Report/pdf/en/sabanci2021.pdf">https://yatirimciliskileri.sabanci.com/2021-Digital-Annual-Report/pdf/en/sabanci2021.pdf</a> )	-
	102-8	90,91	-
	102-9	70-71	-
	102-10	7,10	-
	102-11	108-112	-
	102-12	116	-
	102-13	116	-
	<b>Strategy</b>		
	102-14	3-6, 8	-
	102-15	108-112	-
	<b>Ethics and Integrity</b>		
	102-16	113-114	-
	102-17	113-117	-
	<b>Governance</b>		
	102-18	32, 106-107	-
	102-19	32-36, 106-107	-
	102-20	33	-
	102-21	32-36, 120	-
	102-22	101-105	-
	102-23	106-111	-
<b>GRI 102: General Disclosures 2016</b>			

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GRI Standard	Disclosure	References	Omission
<b>GRI 101: Foundation 2016</b>			
<b>General Disclosures</b>			
<b>Stakeholder Engagement</b>			
	102-40	116	-
	102-41	91-93	-
	102-42	26, 120	-
	102-43	116	-
	102-44	116	-
<b>Reporting Practice</b>			
	102-45	2	-
	102-46	29-31	-
	102-47	27	-
<b>GRI 102: General Disclosures 2016</b>	102-48	2	-
	102-49	28	-
	102-50	1 January 2021 - 31 December 2021	-
	102-51	July 2020	-
	102-52	Annual	-
	102-53	sustainability@sabanci.com	-
	102-54	2	-
	102-55	145-149	-
	102-56	141-143	-
<b>GRI 200: Economic Performance Series</b>			
<b>Economic Performance</b>			
	103-1	8-11	-
<b>GRI 103: Management Approach 2016</b>	103-2	8-11	-
	103-3	8-11	-
<b>GRI 201: Economic Performance 2016</b>	201-1	9-10	-
	201-3	23-25, 109-111	-

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GRI Standard	Disclosure	References	Omission
<b>GRI 300: Environmental Standards Series</b>			
<b>General Disclosures</b>			
<b>Energy</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	38-46	-
	103-2	38-46	-
	103-3	38-46	-
<b>GRI 302: Energy 2016</b>	302-1	40-46, 118	-
	302-3	40-46, 118	-
	302-4	40-46, 118	-
<b>Water and Effluents 2018</b>			
<b>GRI 303: Water and Effluents 2018</b>	303-1	47-48	-
	303-2	47-48	-
	303-3	47-48, 118	-
<b>Biodiversity</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	53-54	-
	103-2	53-54	-
	103-3	53-54	-
<b>GRI 304: Biodiversity 2016</b>	304-3	53-54	-
<b>Emissions</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	38-46	-
	103-2	38-46	-
	103-3	38-46	-
<b>GRI 305: Emissions 2016</b>	305-1	38-46, 118	-
	305-2	40-46, 118	-
	305-3	40-46, 118	-
	305-4	40-46, 118	-
	305-5	40-46, 118	-
	305-7	118	-
<b>Waste</b>			
<b>GRI 306: Waste 2020</b>	306-1	49-52	-
	306-2	49-52	-
	306-3	49, 118	-

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GRI Standard	Disclosure	References	Omission
<b>GRI 400: Social Standards Series</b>			
<b>General Disclosures</b>			
<b>Employment</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	77-79	-
	103-2	77-79	-
	103-3	77-79	-
<b>GRI 401: Employment 2016</b>	401-1	119-120	-
	401-2	85-87	-
	401-3	119-120	-
<b>Labor Management Relations</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	77-79	-
	103-2	77-79	-
	103-3	77-79	-
<b>GRI 402: Labor Management Relations 2016</b>	402-1	Minimum notice periods regarding operational changes are respected	-
<b>Occupational Health and Safety</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	94	-
	103-2	94	-
	103-3	94	-
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1	94	-
	403-2	94	-
	403-3	94	-
	403-4	94	-
	403-5	94	-

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GRI Standard	Disclosure	References	Omission
<b>GRI 400: Social Standards Series</b>			
<b>General Disclosures</b>			
<b>Training and Education</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	80-84, 79	-
	103-2	80-84, 79	-
	103-3	80-84, 79	-
<b>GRI 401: Employment 2016</b>	404-1	82-83	-
	404-2	81	-
	404-3	86	-
<b>Diversity and Equal Opportunity</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	90	-
	103-2	90-93	-
	103-3	90-93	-
<b>GRI 402: Labor Management Relations 2016</b>	405-1	90-93	-
	405-2	85	-
<b>Local Communities</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	56	-
	103-2	56	-
	103-3	56-66	-
<b>GRI 413: Local Communities 2016</b>	413-1	56-58	-

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#### LEGAL NOTICE

The information and analysis in the Sabancı Holding Sustainability Report (“Report”) are obtained from sources and information believed to be accurate and reliable during the reporting period and are for informational purposes only. It is not intended to provide the basis for any investment decision. The Company, managers, employees and all other individuals and institutions contributing to the preparation of this Report cannot be held responsible for any losses arising from the use of the data contained in the Report. Sabancı Holding reserves all rights to the Report.

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