SABANCI HOLDİNG A.Ş. - Climate Change 2022

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Hacı Ömer Sabancı Holding A.Ş., one of Turkey's leading conglomerates, is the parent company of Sabancı Group and manages the Group's companies with the objective 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 Group's main business areas are banking, financial services, energy, industrials, building materials and retail, digital businesses. Sabancı Group companies are market leaders in most of their respective sectors and operate in 13 countries as of year-end 2021, supplying their products in regions across Europe, the Middle East, Asia, North Africa, North and South America.

In 2021, Sabancı Group posted combined net sales of TL 152 billion and consolidated net income of TL 12 billion. Sabancı Holding's own shares, as well as the shares of its 11 subsidiaries, are listed on Borsa Istanbul (BIST) and constitute 6.0% of the total market capitalization of the Turkish equity market. The Sabancı Family is collectively Sabancı Holding's majority shareholder. As of year-end 2021, 49.11% of Sabancı Holding's shares are publicly traded.

Sabancı Holding's executive activities are carried out by the Executive Committee, consisting of the CEO, CFO, Strategic Business Unit Presidents and the Group President of Human Resources and Sustainability. The Executive Committee reports to the Board of Directors.

Sabancı Holding considers sustainability as an integral part of its mission and strategy. As part of the rapid and sharp transformation based on technology and sustainability, Group's purpose is defined as "We unite Turkey and the World for a sustainable life with leading enterprises." Within Sabancı Holding's 5-year strategy plan there are 5 strategic directions that will lead the Group to its purpose: Provide wider customer experience, Transform into an agile/global footprint, Pioneer in sustainability, Lead in digital & material technologies, Adapt to Future of Work. The Group steadily supports and strengthens these 5 strategic directions with its investments in technology and digital.

In 2020, Sustainability Roadmap was created and the potential areas to increase the Group's positive impact were determined. The Sustainability Roadmap, which was approved by the Executive Board and the Board of Directors in 2021, includes Group-wide actions on climate emergency, alongside with other material issues. Moving forward with the goal of achieving Net-Zero Emissions and Zero Waste in all operations by 2050, Sabancı Holding started to take approximately 80 detailed actions to implement the Sustainability Roadmap in 2021. By the end of December 2021, more than %50 of the actions were undertaken. The Holding also began measuring the key performance indicators for each pillar of Sustainability Roadmap in 2021 and received third party verification services for these data for the entire Group.

Detailed information on Sabancı Holding's climate approach is published on 2021 Sabancı Holding Sustainability Report, which can be accessed on Sabancı Holding's Investor Relations Website.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2021	December 31 2021	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas in which you operate.

Turkey

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

TRY

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-FS0.7

(C-FS0.7) Which activities does your organization undertake, and which industry sectors does your organization lend to, invest in, and/or insure?

	Does your organization undertake this activity?	Insurance types underwritten	Industry sectors your organization lends to, invests in, and/or insures
Banking (Bank)	No	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	No	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	<Not Applicable>	None of the above
Insurance underwriting (Insurance company)	No	<Not Applicable>	<Not Applicable>

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	TRASAHOL91Q5

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	The CEO holds the ultimate responsibility for the execution of Sustainability Roadmap. The Chairperson of the Sustainability Leadership Committee informs the CEO quarterly on the progress and the Holding Board of Directors and the Corporate Governance, Appointment and Remuneration Committee (which includes BoD members) in every 6 months and receives their guidance and approval. Example on climate-related decision made by the CEO: In line with the decision to become Net Zero Emissions by 2050 the work around the transition plans have started to align with SBTi targets for the Sabancı Holding and its Group Companies. 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 accordance with the agenda, relevant stakeholders are invited in addition to Permanent Member. In 2021, the Committee has met 3 times.
Board-level committee	The Chairperson of the Sustainability Leadership Committee(*) informs the CEO quarterly and the Holding Board of Directors and the Corporate Governance, Appointment and Remuneration Committee (which includes BoD members) in every 6 months and receives their guidance and approval. 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. Sustainability Board Committee comprises of the independent board members in order to help the Board of Directors fulfil its duties and responsibilities regarding environmental and social issues in a healthy manner. 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 submitted to Sabancı Holding Board of Directors. Example on climate-related decision made by the Committee: In 2021, it was agreed among members to receive consultancy support from an independent consultant on how Sabancı Group can further align its transition plans with 1.5 C scenario.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding business plans Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues	Climate-related risks and opportunities to our own operations Climate-related risks and opportunities to our investment activities The impact of our own operations on the climate The impact of our investing activities on the climate	Climate emergency issues constitute an important part of Sabancı Holding's sustainability efforts, given its Group-wide long-term goal of being net zero emissions and zero waste by 2050 at the latest. Such topics are brought to the agenda of BoD members through a variety of channels including the Corporate Governance, Appointment and Remuneration Committee or the Board-level Sustainability Committee. Also, risk study results are evaluated periodically by the Holding BoD, Early Detection Risk Committee and Risk Coordination Committee. Sustainability-risks, including those that are related to climate, are among the critical risks that are assessed and monitored at the EDRC level. An example to such risks can be physical and transitional risks related to the climate emergency and their impact on our Group activities. Transition to a low carbon economy provides many opportunities for Group companies. These are assessed at Sustainable Business Models Thematic Task Force.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	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. 89% of our Board Members have ESG experience. The Skills Matrix can be seen in our 2021 Sustainability Report's Governance section. Also, members of our Board of Directors are active members of several climate related foundations, associations and initiatives. - The Chair of Sabancı Holding; has been a member of the UN Global Compact Board of Directors - Board Member and CEO has been a member of WBCSD and the CNBC ESG Council - Independent Board Member is also Board Member at the World Business Council for Sustainable Development (WBCSD Turkey), United - Nations Global Compact Turkey and Energy Efficiency Association (ENVER)	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our investing activities Risks and opportunities related to our own operations	Quarterly
Other C-Suite Officer, please specify (Group President, Human Capital and Sustainability)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our investing activities Risks and opportunities related to our own operations	Quarterly
Sustainability committee	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our investing activities Risks and opportunities related to our own operations	Quarterly
Other, please specify (Thematic Task Forces)	Other, please specify (Sustainability Leadership Committee)	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our investing activities Risks and opportunities related to our own operations	More frequently than quarterly
Risk committee	Reports to the board directly	Assessing climate-related risks and opportunities	Risks and opportunities related to our investing activities Risks and opportunities related to our own operations	More frequently than quarterly
Other, please specify (Sabancı Holding Sustainability Director)	Other, please specify (Group President, Human Capital and Sustainability)	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our investing activities Risks and opportunities related to our own operations	More frequently than quarterly
Other, please specify (Sabancı Holding Sustainability Manager)	Other, please specify (Group President, Human Resources and Sustainability)	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our investing activities Risks and opportunities related to our own operations	More frequently than quarterly
Other committee, please specify (Sustainability Board Committee)	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our investing activities Risks and opportunities related to our own operations	Half-yearly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

CEO: The CEO of Sabancı Holding holds the ultimate responsibility for monitoring and assessment of sustainability-related risks and opportunities, including those that are related to climate emergency, as well as the execution of Sustainability Roadmap. For instance, the CEO comments on the evaluation of sustainability risks across the Group and suggests on actions to improve during the Risk Coordination Committee meetings. An example to such risks which the CEO commented on can be the impact of Carbon Border Adjustment Mechanism (CBAM) on emission-intensive sectors. ESG performance, including but not limited to those that are related to climate issues, are embedded in senior management's performance goals at the rates of 10% for Group Presidents -15% for CEOs.

Group President, Human Capital & Sustainability and 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 while encouraging the deployment of expertise and best practices among Group companies. The Chair of the Committee informs the Holding Board Sustainability Committee every six months, 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 2021 the Committee had 3 meetings.

BoD & BoD level Sustainability Committees: The Sustainability Leadership Committee meets and reports directly to the CEO (who is also executive member of the board of directors) on a quarterly basis. Sabancı Holding established a Board-level Sustainability Committee consisting of three independent BoD members in 2021 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. The Committee briefs the Board of Directors and makes suggestions as needed. The Committee meets in ordinary session at least twice a year.

Early Detection of Risk Committee (EDRC): 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 ERM system used includes identification and assessment of all risks including the critical and high-level priority risks of Sabancı Group companies, and continuously measures the performance changes of these risks, as well as monitoring and reporting them. Risk study results are evaluated periodically by the Holding BoD, EDRC and Risk Coordination Committee. Sustainability-risks, including those that are related to climate, are among the critical risks that are assessed and monitored at the EDRC level.

Thematic Task Forces, Sustainability Director, Sustainability Manager: Thematic Task Forces were established under the Sustainability Leadership Committee as a support structure in the focus areas of the Sustainability Roadmap. Task Forces, consisting of experts from Group companies, are responsible for designing programs and projects for the implementation of the action plan. Thematic Task Forces report their work to the Sustainability Leadership Committee through the Sustainability Directorate.

The Holding's Sustainability Directorate undertakes the coordination role for both the Thematic Task Forces and the Committee. An example to the assessment and monitoring role of Thematic Task Forces as well as Sustainability Director and Manager are their monitoring and assessment of progress on the implementation of climate-related actions under the Sustainability Roadmap. 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.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Sustainability targets are embedded in the remuneration of Group Presidents (also members of Sustainability Leadership Committee) and CEOs of Group companies at the rate of 10% and 15% respectively. The targets include climate-related targets directly or indirectly in addition to other metrics.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Executive Officer (CEO)	Monetary reward	Company performance against a climate-related sustainability index Other (please specify) (Implementation of Sustainability Roadmap which includes climate-related actions and targets)	ESG performance, including but not limited to those that are related to climate issues, are embedded in senior management's performance goals at the rates of 10-15% (10% for Group Presidents including the CFO; 15% for CEO, who is also a member of BoD).
Chief Financial Officer (CFO)	Monetary reward	Company performance against a climate-related sustainability index	ESG performance, including but not limited to those that are related to climate issues, are embedded in senior management's performance goals at the rates of 10-15% (10% for Group Presidents including the CFO; 15% for CEO, who is also a member of BoD).
Corporate executive team	Monetary reward	Company performance against a climate-related sustainability index Portfolio/fund alignment to climate-related objectives	ESG performance, including but not limited to those that are related to climate issues, are embedded in senior management's performance goals at the rates of 10-15% (10% for Group Presidents including the CFO; 15% for CEO, who is also a member of BoD). 100% of the scorecard of Sustainability Director and Manager is consisting of sustainability criteria, including increasing transparency and the management of climate-related issues across the Group companies (i.e. investment portfolio).

C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG criteria, including climate change?

	Employment-based retirement scheme that incorporates ESG criteria, including climate change	Describe how funds within the retirement scheme are selected and how your organization ensures that ESG criteria are incorporated	Provide reasons for not incorporating ESG criteria into your organization's employment-based retirement scheme and your plans for the future
Row 1	Yes, as an investment option	Sabancı Holding provides the opportunity to have Private Individual Pension Plan as a retirement plan for its all employees including group companies. The employees have the freedom to choose from different pension funds including ESG related ones. One of the group companies also conducted Sustainability Equity Pension Investment Fund in 2021 and has offered as an option to customers and our employees in 2022. At least 80% of the fund portfolio of a Group Company 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 depositary receipts and global depository receipts. It will be invested in the shares of the exchange traded funds established to follow the sustainability indices.	<Not Applicable>

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	Time horizons are defined primarily acc. to the definition in Sustainability Roadmap and can vary based on the activities of others functions such as risk management, strategy, etc.
Medium-term	1	3	Time horizons are defined primarily acc. to the definition in Sustainability Roadmap and can vary based on the activities of others functions such as risk management, strategy, etc.
Long-term	3	20	Time horizons are defined primarily acc. to the definition in Sustainability Roadmap and can vary based on the activities of others functions such as risk management, strategy, etc.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

According to Sabancı Holding's Enterprise Risk Management (ERM) system, risks are categorized based on their nature under the clusters such as strategic risks, financial risks, operational risks and compliance risks. Each cluster is then rated based on parameters such as 'impact', 'likelihood', 'vulnerability' and 'speed of onset'. The 'impact' is determined based on multiple dimensions such as financial, operational, legal, reputational, H&S, human resources and environmental impact. The Holding's Early Detection of Risk Committee (EDRC) convenes at least 6 times a year and evaluates the risks by considering their final risk scores and categories. Upon the suggestion of the EDRC, the BoD decides on the mitigation plans on risks that are deemed as high or critical.

In principle, all mitigation actions are planned by the risk supervisors or department heads and assigned to a risk owner. Consequently, the action plan is conducted by the risk owner. The Holding's related risk owner and risk supervisor as well as the Holding risk management teams re-evaluate the residual risk level following the completion of mitigation actions.

Definition of substantive financial impact (2021):** As per the financial impact, the threshold for the highest risk level is >TL 315 million.

Definition of substantive strategic impact (2021): If the cluster of a risk is identified as 'strategic' AND the risk is rated as High or Critical* on the basis of inherent risks; then it is deemed to pose high strategic risks and prioritized to be reported to the EDRC.

*Following the calculation of final score based on impact, likelihood, vulnerability, speed of onset, the risks are categorized according to the following classification:

If the final score is:

· equals and higher than 3 than the risk is categories as “Critical”,

· equals to 2.6 and between 2.6 and 3 than the risk is categories as “High”,

· equals to 2 and between 2 and 2.6 than the risk is categories as “Medium”,

· equals and lower than 2 than the risk is categories as “Low”.

** Financial impact scores for 2021 are as follows and are revised on an annual basis:

1- No loss

2- Up to TL 90 million

3- 90 million TL up to TL 175 million

4- 175 million TL up to TL 315 million

5- More than TL 315 million

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
The Group manages risk in line with its risk appetite through a combination of both quantitative and qualitative metrics. In line with the strategic and financial targets, prioritized risks are handled in accordance with the following risk management strategies; risk avoidance, risk transfer, risk reduction and risk acceptance. The corporate risk management framework includes subheadings such as determination and monitoring of risk mitigation activities. Group Risk operation results are evaluated periodically by the Risk Coordination Committee at the Holding's senior management level and through the Early Detection of Risk Committee (EDRC) at Board of Directors level. Holding EDRC convenes at least 6 times a year and monitors the risks by considering their final risk scores and categories. Upon the suggestion of the EDRC, Holding BoD decides on the mitigation plans on risks that are deemed as high or critical. In principle, all mitigation actions are planned by the risk supervisors or department heads and assigned to a risk owner. Consequently, the action plan is conducted by the risk owner. The Holding's related risk owner and risk supervisor as well as the Holding risk management teams re-evaluate the residual risk level following the completion of mitigation actions. Sabancı Holding and Group companies use the Enterprise Risk Management (ERM) system. This system includes identification and assessment of all risks including the critical and high-level priority risks of Sabancı Holding companies, and continuously measures the performance changes of these risks, as well as monitoring and reporting them. We also identify emerging risks for the future (from 3 yrs up to 20 yrs), assess their impact on business and determine the required mitigation actions. Sabancı Holding acts with the principle of "every risk may contain an opportunity" and the risk teams coordinate with other functions such as Group Presidents responsible for main industries, investor relations, sustainability and the Group company managers in order to make sure the Group embeds such opportunities in business plans. Under the ERM, 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 'risk of failure to comply with sustainability requirements including environmental, social and governance (climate change, carbon tax etc.)' and sub-categorized into different topics such as physical risks, compliance risks and transition risks. It is deemed as a strategic risk as a whole with critical importance given its significant potential impact (e.g. financial impact of all 3 sub-categories collectively has the potential to exceed TL 315 million threshold). Examples of physical risk drivers that are taken into consideration in energy and industry sectors are as follows: - Climate change and drought leading to low water reservoir levels, disrupting electricity generation in hydro power plants - Extreme weather-driven irregularity in wind regimes, resulting in losses in power generation via wind turbines Examples to transitional risk drivers that are taken into consideration in building materials sector are as follows - Extreme weather events that disrupts the production of suppliers or logistics of raw materials and risk the continuity of production facilities Examples to compliance risk drivers that are taken into consideration in building materials sector are as follows: - ESG-related lawsuits and loss of Social Licence to Operate - Loss of investors, market share and customers Examples to transitional risk drivers that are taken into consideration in building materials sector are as follows: - Failure to comply with sustainability standards (e.g. Carbon Border Adjustment Mechanism - CBAM) - Gaps to climate friendly operational baseline leading to higher cost of funding Definition of substantive financial impact** (2021): As per the financial impact, the threshold for the highest risk level is > TL 310 million Definition of substantive strategic impact (2021): If the cluster of a risk is identified as 'strategic' AND the risk is rated as High or Critical* on the basis of inherent risks; then it is deemed to pose high strategic risks and prioritized to be reported to the EDRC. *Following the calculation of final score based on impact, likelihood, vulnerability, speed of onset, the risks are categorized according to the following classification: If the final score is: · equals and higher than 3 than the risk is categories as "Critical", · equals to 2.6 and between 2.6 and 3 than the risk is categories as "High", · equals to 2 and between 2 and 2.6 than the risk is categories as "Medium", · equals and lower than 2 than the risk is categories as "Low". ** Financial impact scores are as follows: 1- No loss 2- Up to TL 90 million 3- 90 million TL up to TL 175 million 4- 175 million TL up to TL 315 million 5- More than TL 315 million The EDRC convened 6 times in 2021 and submitted risk assessments to the attention of the Board of Directors.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	As of 2021, the only legal obligation directly related to GHG emissions in Turkey is the Regulation on Monitoring, Reporting and Verification (MRV) of GHG Emissions, which is in force since 2014 and applies to emission intensive sectors. Group Companies have been reporting their GHG emissions for their relevant facilities and to comply with the regulation the companies have external verification. The MRV regulation is expected to form the basis for a future legally-binding carbon pricing mechanism which has the potential to impact Sabancı Group companies in various ways, such as reduced revenues in energy intensive sectors in case of exceeding GHG thresholds/allocations. Compliance to MRV law and increasing the internal capacity to monitor and manage GHG emissions is crucial for Sabancı Group in terms of ability to adapt future obligations. 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	Relevant, always included	Turkey has signed Paris Agreement and declared the country will be Net Zero by 2053. In 2021 Ministry of Environment, Urbanization and Climate Change has started to prepare a new INDC to fulfil the Net Zero Commitment and plan to finalize it before COP27. Relevant governmental agencies in Turkey are also following up and working on the developments in Green Deal and proposed a roadmap for Turkey within 2021. Government is also working on a Climate Law that aims to reduce the country's impact on climate change and references the temperature targets as laid out in the Paris Agreement. The Climate Law is aimed to be the main legal framework to achieve this target. The main planned mechanisms to reduce GHG emissions are market-based mechanisms, with emission trading system (ETS) considered as the main mechanism. The draft Law also references strong and efficient financial incentives to increase carbon sequestration, increasing ecologically rich areas, disseminating energy efficiency projects, using alternative fuels, switching to sustainable production and consumption models in energy, transportation and waste, and especially development and innovation of technologies to reduce GHG emissions in energy-intensive sectors. The Ministry also has been working on PMR Project (Partnership for Market Readiness) to define the best mechanism for carbon pricing that fits Turkey's sustainable development agenda. The PMR is still in pilot phase, Carbon Border Adjustment Mechanism (CBAM) may trigger the implementation of a national pricing mechanism in different forms such as carbon tax or ETS, which would bring additional costs to sectors such as building materials and energy. The subject has been included and emphasized in the "Green Deal Action Plan" published by the Ministry of Commerce in 2021. In order to prepare for such scenarios, 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 carbon pricing before they occur. The portfolio of Sabancı Group includes heavy industries which may directly be affected from the emerging regulations in terms of a potential increase in OPEX and CAPEX.

	Relevance & inclusion	Please explain
Technology	Relevant, always included	Technology and innovation have been positioned as our most essential enablers in the transformation journey, we began within the scope of “Sabancı 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 Sabancı Group was 51% in 2021. We aim that 70% of our R&D and innovation expenses serve SDGs by 2025. We established the Corporate Venture Capital Fund Sabancı Ventures to support entrepreneurship ecosystem in Turkey and to gain early access to technological innovations and developments, as well as to create agile and technology-based growth platforms. 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 size is $30 million. 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. 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, Enerjisa Üretim A.Ş. focused its efforts on activities of researching hydrogen technologies, establishing a pilot electrolysis facility and conducting feasibility studies with domestic universities have continued increasingly in 2021. Other Group companies also increased their efforts to develop or use new technologies in their operations.
Legal	Relevant, always included	This risk type includes legal penalties, reputation loss or material damage that may arise from the failure to comply with or the violation of applicable laws, rules or regulations, sanctions, codes of ethics or internal policies and directives. To support Group subsidiaries in efficiently managing compliance risks within the determined framework, instructional activities are carried out by the Holding’s Legal, Risk and Compliance Group. 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.
Market	Relevant, always included	Market risks are considered under transition risks that refer to changes in strategies, policies or investments to address mitigation and adaptation requirements related to a lower carbon economy. 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. For instance, 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 amounted to TL 27 billion in 2021 according to unconsolidated management reporting. Aksigorta, the insurance company, launched two SDG linked product in 2021 and Agesa established Sustainability Equity Pension Investment Fund in 2021. In the case of tire manufacturing, there is a risk of losing competitiveness and experiencing a drop in market share in case of delay in developing and providing tires, which can meet customer demands on adapting to changing climate conditions or to other climate-related issues. Consequently, our Group company Brisa aims to meet the growing demand for fuel-efficient tire and re-tread tire.
Reputation	Relevant, always included	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. As an example from our Group companies, in 2021, Enerjisa Enerji conducted a series of climate-related videos and commercials to increase the awareness in Turkey on pollution and global warming, with the message that “no one can do everything, but everybody can do something – join us in the combat to protect our planet for the generations to come”. The company was also recognized as a global thought leader by CBS that did extensive profiling on Enerjisa Enerij’s management related to its future strategy, on green energy transition.
Acute physical	Relevant, always included	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 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 physical risks vary among our Group companies given the nature of this risk and sectors that we operate in. As an example to our Group companies, Enerjisa Enerji assesses the likelihood and impacts of acute physical risks such as storms, heavy snow falls, floods and wildfires. Based on historical observations and trend analyses, the frequency of storms and other severe event-driven weather impacts are modelled and concluded to have an increasing impact on business. The overhead lines are more exposed to the impacts of natural disasters compared to underground lines. To mitigate the impacts, the ratio of underground lines are increased from 19% in 2015 to 26% in 2021 in distribution regions. Heavy snowfalls and intense storm inhibits the repair fleet to reach the infrastructure causing the power interruption and thus increasing the duration of blackouts. The risk is identified in the company’s risk register. Enerjisa Enerji has also developed a mitigation action, that transforms the tires of the maintenance fleet vehicles to continuous tracks (like tanks) which increases the ability to reach the sites with unfavourable weather conditions. For direct operations, any extreme weather event such as extreme drought will result in water stress or scarcity which bears a risk for some of Group companies like Brisa. There is a risk of disruption in supply chains caused by extreme weather events in different regions (regions where para rubber tree grows for Brisa case). Like Brisa, many Group companies are developing supplier diversity plans in line with the strategy to prioritize local suppliers and decreasing Scope 3 emissions as well as business continuity plans.
Chronic physical	Relevant, always included	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. Such risks are 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 chronic physical risks vary among our Group companies given the nature of this risk and sectors that we operate in. As an example to our Group companies, Brisa's Izmit Production Facility is considered as being exposed to chronic physical risks as it is located in the flood plain of Akarca River and has previously experienced flood related problems. The hydro-power plants are the ones most exposed to the changes in climate patterns. As per IPCC 5th assessment report rains will decrease all over Turkey with medium confidence. It may cause generation loss due to decreased inflow to our hydro power plants. 43.60% of Enerjisa Uretim’s installed capacity consists of renewable sources (in which 37.50% hydro and 6.1% wind&solar) in 2021. The company currently has 1.35 GW of hydroelectric installed capacity. Enerjisa Üretim maps the transition to green and low carbon energy by using different input parameters for scenario development with geographic, social & economic factors. The drought that hit the country in 2021 had a major impact on the generation of hydro power generation of Enerjisa Üretim hydro plants. As a result of real-time monitoring, an early warning system has been established against meteorological and hydrological risks that may occur in Enerjisa Üretim basins. On the other hand, water scarcity is taken into account as a chronic physical risk to Group’s building material companies because of the vital role of water availability in cement/concrete production. Çimsa also conducts R&D activities for low water consuming products and looks for decreasing the water footprint in its processes. In this regard, Çimsa strictly applies ISO 14046 - Water Management Standard in all manufacturing facilities and follows water consumption rates to reduce water consumption levels.

C-FS2.2b

(C-FS2.2b) Do you assess your portfolio’s exposure to climate-related risks and opportunities?

	We assess the portfolio's exposure	Explain why your portfolio's exposure is not assessed and your plans to address this in the future
Banking (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

C-FS2.2c

(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.

	Type of risk management process	Proportion of portfolio covered by risk management process	Type of assessment	Time horizon(s) covered	Tools and methods used	Provide the rationale for implementing this process to assess your portfolio's exposure to climate-related risks and opportunities
Banking (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Integrated into multi-disciplinary company-wide risk management process	100	Qualitative and quantitative	Short-term Medium-term Long-term	Scenario analysis Stress tests Internal tools/methods External consultants Other, please specify (Company specific risk management system)	Risk Management: Sabancı Holding and Group companies use the Enterprise Risk Management (ERM) system. During the assessment process, the risks are categorized based on their nature under four clusters, i.e. financial, strategic (incl. reputational and sustainability risks), operational and compliance. Each cluster is then rated based on parameters such as 'impact', 'likelihood', 'vulnerability' and 'speed of onset'.* The 'impact' is determined based on multiple dimensions such as financial, operational, legal, reputational, H&S, human resources and environmental impact. Holding EDRC convenes at least 6 times a year and monitors the risks by considering their final risk scores and categories. Upon the suggestion of the EDRC, Holding BoD decides on the mitigation plans on risks that are deemed as high or critical. In principle, all mitigation actions are planned by the risk supervisors or department heads and assigned to a risk owner. Consequently, the action plan is conducted by the risk owner. The Holding's related risk owner and risk supervisor as well as the Holding risk management teams re-evaluate the residual risk level following the completion of mitigation actions. The Holding offers guidance for the Group companies to be prepared for these risks and take precautions in their business models against any potential impact. Definition of substantive financial impact** (2021): As per the financial impact, the threshold for the highest risk level is > TL 315 million Definition of substantive strategic impact (2021): If the cluster of a risk is identified as 'strategic' AND the risk is rated as High or Critical* on the basis of inherent risks; then it is deemed to pose high strategic risks and prioritized to be reported to the EDRC. *Following the calculation of final score based on impact, likelihood, vulnerability, speed of onset, the risks are categorized according to the following classification: If the final score is: · equals and higher than 3 than the risk is categories as "Critical", · equals to 2.6 and between 2.6 and 3 than the risk is categories as "High", · equals to 2 and between 2 and 2.6 than the risk is categories as "Medium", · equals and lower than 2 than the risk is categories as "Low". ** Financial impact scores are as follows: 1- No loss 2- Up to TL 90 million 3- 90 million TL up to TL 175 million 4- 175 million TL up to TL 315 million 5- More than TL 315 million. The EDRC convened 6 times in 2021 and submitted risk assessments to the attention of the Board of Directors. Strategic Portfolio Management: As a Holding company, the most material part of our value chain in terms of environmental impact is our investments, i.e. the companies that we invest in our portfolio. Therefore, we pioneer and lead the sectors that we operate in via (1) our 5-year Strategic Plan, where "pioneering in sustainability" is among the five strategic directions and is part of our "Purpose" as the Group, (2) our Sustainability Roadmap, which is implemented by the entire Group, (3) performance management in which sustainability is embedded at a rate of 10% in senior management performance goals , (4) our asset allocation strategy in which sustainability is among the key drivers. We make sure we capture the opportunities and mitigate the risks through these 4 pillars in addition to our ERM system.
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS2.2d

(C-FS2.2d) Does your organization consider climate-related information about your clients/investees as part of your due diligence and/or risk assessment process?

	We consider climate-related information	Explain why you do not consider climate-related information and your plans to address this in the future
Banking (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

C-FS2.2e

(C-FS2.2e) Indicate the climate-related information your organization considers about clients/investees as part of your due diligence and/or risk assessment process, and how this influences decision-making.

Portfolio
Investing (asset owner)

Type of climate-related information considered
Emissions data
Energy usage data
Emissions reduction targets
Climate transition plans

Process through which information is obtained
Directly from the client/investee

Industry sector(s) covered by due diligence and/or risk assessment process
Energy
Retailing
Software & Services
Utilities
Other, please specify (Banking, financial services, industrials, building materials)

State how this climate-related information influences your decision-making
Sabancı Group acknowledges sustainability as fundamental principle in its investment and divestment decisions. In 2021, the Group further enhanced its strategic focus to accelerate its growth and transformation towards a sustainable future. 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 take into consideration physical risks our facilities and value chain can face (employees, suppliers, etc.) and take actions accordingly. The Group set a target to be Net Zero by 2050 and all Group Companies focused their efforts to decrease their energy use, emissions and started to prepare their transition plans. In 2021, Sabancı Holding also 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. As a conglomerate one of the duties of Sabancı Holding is to guide the Group Companies on global trends as well as learning from them. It would be only possible if there is a share of knowledge, know-how between the companies. The interaction is not just between Sabancı Holding and the Group companies bilaterally but as a whole and a synergy is created between companies towards the same goals.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Risk 1

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Reputation	Increased stakeholder concern or negative stakeholder feedback

Primary potential financial impact
Decreased access to capital

Climate risk type mapped to traditional financial services industry risk classification
Reputational risk

Company-specific description
Sectoral and regional context for Holding companies operating in Turkey: Reputational risk includes negative social or conventional media coverage or public sentiment disrupting Sabancı Holding or operating companies' brand image and potentially financial results. Examples to risk drivers include failure to comply with sustainability standards or expectations of investors on ESG performance. If climate-related issues are not properly managed by Sabancı Group, this may result in both loss of reputation and investor exit from Sabancı Holding shares.

Time horizon
Short-term

Likelihood
More likely than not

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
3903000000

Potential financial impact figure – maximum (currency)
5701000000

Explanation of financial impact figure
The figures represent the amount of potential exit from Sabancı Holding shares (the exchange rates of the Central Bank of the Republic of Turkey as of end of July 2022). It is calculated based on an assumption on the geographic distribution of foreign investors and the level of their sensitivity on ESG issues given the legal frameworks and market developments in their specific region.

Cost of response to risk
1000000

Description of response and explanation of cost calculation
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, including those coming from investors. 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. Our Sustainability Roadmap, which include climate-related actions, is implemented through the Thematic Task Forces, consisting of experts from the Group companies as well as the Sustainability Directorate . The Task Forces operate with an agile working model and ultimately report their work to the Sustainability Leadership Committee consisting of the Holding's Group Presidents. The cost of response to risk includes administrative costs of sustainability-related efforts at Sabancı Holding, including those that are related to consultancy costs and excluding staff remuneration.

Comment
As a Holding company, the most relevant impact related to mismanagement of climate issues would be loss of investors, since we do not have any production activities nor have direct customers. Therefore, the estimated cost of such risks is presented as the amount of investor exit.

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Investing (Asset owner) portfolio

Risk type & Primary climate-related risk driver

Current regulation	Enhanced emissions-reporting obligations

Primary potential financial impact
Other, please specify (Investor exit)

Climate risk type mapped to traditional financial services industry risk classification
Policy and legal risk

Company-specific description
Sectoral and regional context for Holding companies operating in Turkey: As of today, the only legal obligation directly related to GHG emissions in Turkey is the Regulation on Monitoring, Reporting and Verification (MRV) of GHG Emissions, which is in force since 2015 and applies to emission intensive sectors. The MRV regulation is expected to form the basis for a future legally-binding carbon pricing mechanism which has the potential to impact Sabancı Group companies in various ways, such as reduced revenues in energy intensive sectors in case of exceeding GHG thresholds/allocation. Compliance to MRV law and increasing the internal capacity to monitor and manage GHG emissions is crucial for Sabancı Group in terms of ability to adapt future obligations. Non-compliance to climate-related regulations may ultimately result in investor exit from Sabancı Holding shares alongside with other impacts such as reputational impacts and legal penalties.

Time horizon
Short-term

Likelihood
More likely than not

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
3903000000

Potential financial impact figure – maximum (currency)
5701000000

Explanation of financial impact figure
The figures represent the amount of potential exit from Sabancı Holding shares (the exchange rates of the Central Bank of the Republic of Turkey as of end of July 2022). It is calculated based on an assumption on the geographic distribution of foreign investors and the level of their sensitivity on ESG issues given the legal frameworks and market developments in their specific region.

Cost of response to risk
19952712

Description of response and explanation of cost calculation

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. In 2021, environmental expenditures related to legal compliance has been nearly TL 20 million across all the Group companies (non-bank expenditures).

Comment
As a Holding company, the most relevant impact related to mismanagement of climate issues would be loss of investors, since we do not have any production activities nor have direct customers. Therefore, the estimated cost of each risk is presented as the amount of investor exit. On the other hand, the cost of mitigating such risks may occur in downstream, i.e. Group companies, rather than at the Holding level.

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Investing (Asset owner) portfolio

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms

Primary potential financial impact
Other, please specify (Investor exit)

Climate risk type mapped to traditional financial services industry risk classification
Policy and legal risk

Company-specific description
Sectoral and regional context for Holding companies operating in Turkey: Turkey has not ratified Paris Agreement yet. However the Ministry of Environment and Urbanization has been working on PMR Project (Partnership for Market Readiness) to define the best mechanism for carbon pricing that fits Turkey's sustainable development agenda. Although a legally-binding carbon pricing mechanism is not launched yet and the PMR is still in pilot phase, Carbon Border Adjustment Mechanism (CBAM) is expected to trigger the implementation of a national pricing mechanism in the form of carbon tax or ETS, which will bring additional costs to sectors such as building materials and energy. Non-compliance to climate-related regulations or a portfolio not adequately managed according to GHG related regulatory risks may result in investor exit from Sabancı Holding shares alongside with other impacts such as reputational impacts and legal penalties.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
3903000000

Potential financial impact figure – maximum (currency)
5701000000

Explanation of financial impact figure
The figures represent the amount of potential exit from Sabancı Holding shares (the exchange rates of the Central Bank of the Republic of Turkey as of end of July 2022). It is calculated based on an assumption on the geographic distribution of foreign investors and the level of their sensitivity on ESG issues given the legal frameworks and market developments in their specific region.

Cost of response to risk
14407163

Description of response and explanation of cost calculation
In order to prepare for such scenarios, 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 carbon pricing before they occur. In 2021, environmental expenditures that are made voluntarily and beyond legal compliance has been TL 14 million across all the Group companies.

Comment
As a Holding company, the most relevant impact related to mismanagement of climate issues would be loss of investors, since we do not have any production activities nor have direct customers. Therefore, the estimated cost of each risk is presented as the amount of investor exit. On the other hand, the cost of mitigating such risks may occur in downstream, i.e. Group companies, rather than at the Holding level.

Identifier
Risk 4

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Legal	Exposure to litigation

Primary potential financial impact

Other, please specify (investor exit)

Climate risk type mapped to traditional financial services industry risk classification
Policy and legal risk

Company-specific description
Sectoral and regional context for Holding companies operating in Turkey: This risk type includes legal penalties, reputation loss or material damage that may arise in case of not complying with or violating applicable laws, 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, loss of investors, market share and customers beyond legal penalties. Non-compliance to climate-related regulations may ultimately result in investor exit from Sabancı Holding shares alongside with other impacts such as reputational impacts and legal penalties.

Time horizon
Short-term

Likelihood
More likely than not

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
3903000000

Potential financial impact figure – maximum (currency)
5701000000

Explanation of financial impact figure
The figures represent the amount of potential exit from Sabancı Holding shares (the exchange rates of the Central Bank of the Republic of Turkey as of end of July 2022). It is calculated based on an assumption on the geographic distribution of foreign investors and the level of their sensitivity on ESG issues given the legal frameworks and market developments in their specific region.

Cost of response to risk
34359875

Description of response and explanation of cost calculation
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. In 2021, environmental expenditures that are made voluntarily and for legal compliance has been TL 34 million across all the Group companies.

Comment
As a Holding company, the most relevant impact related to mismanagement of climate issues would be loss of investors, since we do not have any production activities nor have direct customers. Therefore, the estimated cost of each risk is presented as the amount of investor exit. On the other hand, the cost of mitigating such risks may occur in downstream, i.e. Group companies, rather than at the Holding level.

Identifier
Risk 5

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Technology	Unsuccessful investment in new technologies

Primary potential financial impact
Other, please specify (investor exit)

Climate risk type mapped to traditional financial services industry risk classification
Strategic risk

Company-specific description
Sectoral and regional context for Holding companies operating in Turkey: 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. On the other hand, 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. If not managed properly, technology risk may ultimately result in investor exit from Sabancı Holding shares alongside with other impacts such as loss of customers, revenues, market and competitional disadvantage at the Group companies level.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
3903000000

Potential financial impact figure – maximum (currency)
5701000000

Explanation of financial impact figure
The figures represent the amount of potential exit from Sabancı Holding shares (the exchange rates of the Central Bank of the Republic of Turkey as of end of July 2022). It is calculated based on an assumption on the geographic distribution of foreign investors and the level of their sensitivity on ESG issues given the legal frameworks and market developments in their specific region.

Cost of response to risk
151189402

Description of response and explanation of cost calculation
In 2021, %51 of R&D and innovation expenses, corresponding to TL 151 million, made by Group companies were focused on sustainable solutions.

Comment
As a Holding company, the only major impact related to mismanagement of climate issues would be loss of investors, since we do not have any production activities nor have direct customers. Therefore, the estimated cost of each risk is presented as the amount of investor exit. On the other hand, the cost of mitigating such risks may occur in downstream, i.e. Group companies, rather than at the Holding level.

Identifier
Risk 6

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Acute physical	Other, please specify (All extreme weather related events; cyclones, floods, storm, etc.))

Primary potential financial impact
Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification
Operational risk

Company-specific description
Sectoral and regional context for Conglomerates operating in Turkey and which have operations in the following sectors: building materials, energy, utilities, industrials: 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. Such risks are 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 physical risks vary among our Group companies given the nature of this risk and sectors that we operate in.

Time horizon
Short-term

Likelihood
More likely than not

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
90000000

Potential financial impact figure – maximum (currency)
310000000

Explanation of financial impact figure
Figure represents loss of 1/2 day of productive hours to one week of productive hours in our Group companies. Since we operate in diverse sectors, it is not feasible nor relevant to calculate the impact on facility/company level. Therefore, our estimation depends on an impact on ROC given in monetary terms. The figures correspond to a percentage impact on ROC (~0.1-0.7% ROC impact).

Cost of response to risk
297595297

Description of response and explanation of cost calculation
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 mitigate climate-related risks including those that are related to acute and chronic physical impacts. In order to protect from climate related risks and seize opportunities, we invest in green technologies and increase the efficiency of our facilities. In 2021, sustainable investments, environmental expenditures as well as R&D and innovation expenses have been nearly TL 298 million, across the Group companies.

Comment
Sustainable investments, environmental expenditures as well as R&D and innovation expenses have been nearly TL 298 million are provided for our Group company operations.

Identifier
Risk 7

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Chronic physical	Water scarcity

Primary potential financial impact
Reduced profitability of investment portfolios

Climate risk type mapped to traditional financial services industry risk classification
Operational risk

Company-specific description
Sectoral and Regional context for Conglomerates operating in Turkey and which operate in energy sector: 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. Such risks are 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 physical risks vary among our Group companies given the nature of this risk and sectors that we operate in. For instance our Energy Group company Enerjisa Enerji worked on a R&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.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
90000000

Potential financial impact figure – maximum (currency)
310000000

Explanation of financial impact figure
Figure represents loss of 1/2 day of productive hours to one week of productive hours in our Group companies. Since we operate in diverse sectors, it is not feasible nor relevant to calculate the impact on facility/company level. Therefore, our estimation depends on an impact on ROC given in monetary terms. The figures correspond to a percentage impact on ROC (~0.1-0.7% ROC impact).

Cost of response to risk
297595297

Description of response and explanation of cost calculation
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 mitigate climate-related risks including those that are related to acute and chronic physical impacts. In order to protect from climate related risks and seize opportunities, we invest in green technologies and increase the efficiency of our facilities. In 2021, sustainable investments, environmental expenditures as well as R&D and innovation expenses have been nearly TL 298 million, across the Group companies.

Comment
Sustainable investments, environmental expenditures as well as R&D and innovation expenses have been nearly TL 298 million are provided for our Group company operations.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Other, please specify (Increased shareholder value)

Primary potential financial impact
Increased portfolio value due to upward revaluation of assets

Company-specific description
Sectoral and regional context for Conglomerates operating in Turkey and which have operations in the following sectors: building materials, energy, utilities, industrials: In the transition to a low-carbon and inclusive economy, we continue to plan the steps that will carry the activities of our Group and customers into a sustainable future by focusing on areas such as electrification, renewable energy, adapting to the future of work, the circular economy, sustainable finance, technology, and digitalization. These efforts collectively are envisaged to result in investors increasing their ownership of Sabancı Holding shares.

Time horizon
Long-term

Likelihood
Likely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
789000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The financial impact takes into account the investors increasing their ownership of Sabancı Holding shares.

Cost to realize opportunity
1000000

Strategy to realize opportunity and explanation of cost calculation
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, including those coming from investors. 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. Our Sustainability Roadmap, which include climate-related actions, is implemented through the Thematic Task Forces, consisting of experts from the Group companies as well as the Sustainability Directorate . The Task Forces operate with an agile working model and ultimately report their work to the Sustainability Leadership Committee consisting of the Holding's Group Presidents. The cost of response to opportunity includes administrative costs of sustainability-related efforts at Sabancı Holding, including those that are related to consultancy costs and excluding staff remuneration.

Comment
The cost of response represents the Holding efforts to align companies with a sustainable growth strategy.

Identifier
Opp2

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Primary potential financial impact
Increased revenues through access to new and emerging markets

Company-specific description
Sectoral and regional context for Conglomerates operating in Turkey and which have operations in the following sectors: building materials, energy, utilities, industrials: Our Group companies invest in development of new products and services that promote sustainable business models. For instance; - 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. End-to-end solutions aimed at increasing the energy efficiency and reducing carbon emissions of corporate customers were restructured under Energy of My Business in October 2020. This portfolio includes many environmentally friendly and sustainable energy solutions, ranging from solar power plant installation services, energy efficiency applications, cogeneration and Trigeneration applications to electric vehicle charging station management and green energy certifications. - 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. - We contribute to the sustainability of our customers with solutions such as distributed renewable energy, energy efficiency and green energy certification. Enerji Üretim is fully capable to use public/private sector incentives to promote new, renewable electricity generation, the reduction of technology costs. From its own previous experience, the company is able to introduce the most advanced technologies, equipment and digitization, leading reducing costs and increasing green production. - With light material technologies, we reduce our customers' fuel consumption and emissions. - We carry out R&D studies on reducing the use of chemicals harmful to nature or improving recycling technologies for our industrial products. We monitor the total combined net sales revenues from more than 800 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, on an annual basis. We believe our continuous

efforts to diversify our sustainable products and services and tap into emerging green markets will lead to an increase in our revenues.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
650000000

Potential financial impact figure – maximum (currency)
1300000000

Explanation of financial impact figure
We launched "sustainable products & services taxonomy" for the entire Group in order to identify the growth potential for sustainable business areas and drive innovation for new business areas/markets. We monitor the share of revenues from products and services that contribute SDGs including those that are related to climate on an annual basis (TL 7.7 billion in 2021). We may expect an additional amount of revenues at the range of 8,5% - 17% of 2021 figures, i.e. TL 7.7 billion.

Cost to realize opportunity
297595297

Strategy to realize opportunity and explanation of cost calculation
In 2021, sustainable investments as well as R&D and innovation expenses in order to expand our sustainable businesses have been TL 298 million, across the Group companies.

Comment
TL 7.7 billion represents the combined net sales revenues from products and services that contribute SDGs of our Group companies. This KPI includes non-bank figures since we track the total amount of sustainable financing in banking operations.

Identifier
Opp3

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Use of more efficient production and distribution processes

Primary potential financial impact
Increased access to capital

Company-specific description
Sectoral and regional context for Conglomerates operating in Turkey and which have operations in the following sectors: building materials, energy, utilities, industrials: Our Group companies' continuous efforts to increase their environmental performance of operations result in financial savings due to an increase in efficiency, on top of resource and emission reductions.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
115724848

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The collective amount of financial savings made by our Group companies due to environmental projects resulted in a Group-wide savings of TL 115 million in 2021.

Cost to realize opportunity
34359875

Strategy to realize opportunity and explanation of cost calculation
In 2021, environmental expenditures that are made voluntarily and for legal compliance has been TL 34 million across all the Group companies. Part of these efforts resulted in financial savings.

Comment

The financial savings figure may include programs that fall out of the scope of the efforts under environmental expenditures (i.e. TL 34 million) or vice versa.

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan

No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a transition plan within two years

Publicly available transition plan

<Not Applicable>

Mechanism by which feedback is collected from shareholders on your transition plan

<Not Applicable>

Description of feedback mechanism

<Not Applicable>

Frequency of feedback collection

<Not Applicable>

Attach any relevant documents which detail your transition plan (optional)

<Not Applicable>

Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future

We have already committed to becoming net-zero by 2050. So, we are taking the steps towards a future that aligns with a 1.50C World. Our transition plan is still being developed and will be publicly disclosed within 2 years. 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 Group companies.

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative and quantitative	<Not Applicable>	<Not Applicable>

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios: IEA NZE 2050	Company-wide	<Not Applicable>	IEA NZE 2050 Scenario presents the type of transformation needed to achieve 2050 Net-Zero targets. As Sabancı Group has already committed publicly to reach Net Zero by 2050, this scenario is selected to assess the transitional risks and opportunities. Time horizon: The analysis was conducted for medium to long time horizons, to be able to grasp the possible transitional impacts of climate change on our operations. This scenario projects a major shift in the transport industry, using electric vehicles and other technologies like hydrogen power cells. Fuel efficiency becomes a major issue which would also require more technological tires with even lower rolling resistance. Carbon taxes and emission trading systems will be much more used globally, which means operational expenses will increase. EU has already announced the inclusion of Maritime emissions in EU-ETS. Our group companies Brisa and Kordsa use this scenario for areas where their facilities are located as well as where their customers are. (Our answers are business division or company specific; since Sabancı Group operates in many diverse sectors, in which different types scenario analyses may be needed depending on the risk and opportunity that is being analysed.)
Transition scenarios: IEA B2DS	Company-wide	<Not Applicable>	Çimsa, our building materials Group company with Net Zero Target by 2050, aimed to adapt to a more ambitious transition scenario - namely IEA B2Ds Scenario. Çimsa defined its decarbonization milestones and required transition actions in line with IEA B2Ds. In 2021, Çimsa started SBTi processes in order to design its decarbonization pathway and as outcome of ongoing processes. (Our answers are business division or company specific; since Sabancı Group operates in many diverse sectors, in which different types scenario analyses may be needed depending on the risk and opportunity that is being analysed.)
Transition scenarios: NGFS scenarios Framework	Portfolio	<Not Applicable>	Although a legally-binding carbon pricing mechanism is not launched in Turkey yet, the implementation of a national carbon pricing mechanism in the form of a carbon tax and/or an ETS is expected, bringing additional costs to sectors such as building materials, iron & steel and energy. Sabancı Holding developed scenarios based on the following assumptions to understand the potential financial impact of ETS on different sectors in Turkey. The model were based on the following scope and assumptions (1) only the share of production exported to EU countries were affected; (2) 100% of the production in all emission-intensive sectors were affected regardless of their exports to EU, assuming that Turkey becomes part of a wider carbon-tax/ETS mechanism, (3) Both scenarios cover Turkey operations.
Physical climate scenarios: RCP 4.5	Company-wide	<Not Applicable>	"Stabilization" scenario – radiative forcing is stabilized before 2100 by employment of a range of technologies and strategies for GHG reduction. For physical climate risks assessment, companies within building materials, industrials, retail sectors have assessed all their facilities under RCP 4.5 scenario. (Our answers are business division or company specific; since Sabancı Group operates in many diverse sectors, in which different types scenario analyses may be needed depending on the risk and opportunity that is being analysed.)
Physical climate scenarios: RCP 8.5	Company-wide	<Not Applicable>	"Pessimistic" scenario – radiative forcing is growing beyond 2100 due to missing adaptation of technologies and strategies for GHG reduction. For physical climate risks assessment, all facilities were assessed. For physical climate risks assessment, companies within building materials, industrials sectors have assessed all their facilities under RCP 8.5 scenario. (Our answers are business division or company specific; since Sabancı Group operates in many diverse sectors, in which different types scenario analyses may be needed depending on the risk and opportunity that is being analysed.)
Physical climate scenarios: RCP 6.0	Company-wide	<Not Applicable>	One of Group companies Brisa use RCP 6.0 scenario which is one of the worst case scenarios that has a high greenhouse gas emission rate and is a stabilization scenario where total radiative forcing is stabilized after 2100 by employment of a range of technologies and strategies for reducing greenhouse gas emissions. 6.0 W/m2 refers to the radiative forcing reached by 2100 Projections for temperature according to RCP 6.0 include continuous global warming through 2100 where CO2 levels rise to 670 ppm by 2100 making the global temperature rise by about 3–4 °C by 2100. Time horizon: The analysis is conducted for medium to long time horizons, to be able to grasp the possible physical impacts of climate change on the operations. The scenarios are used to identify the possible climate-related risks on the business. The focus is on chronic and acute physical risks when performing the scenario analysis. Brisa use the scenario analysis for its direct operations and supply chain (especially natural rubber as it is an agricultural product). Brisa uses the scenario analysis for its direct operations and supply chain (especially natural rubber as it is an agricultural product). (Our answers are business division or company specific; since Sabancı Group operates in many diverse sectors, in which different types scenario analyses may be needed depending on the risk and opportunity that is being analysed.)
Transition scenarios: IEA 450	Company-wide	<Not Applicable>	The IEA's sustainability scenarios are accepted as a benchmark due to the input data quality and modelling experience. For the purpose to map a transition which is consistent with the EU's decarbonation goals in keeping global warming below 2°C, Enerjisa Üretim studied important input parameters for the scenario development. The analyses extend to 2030 and then to 2050 by the assessment of long-term developments in energy sector. The strategic planning can be re-positioned due to market developments over the next consecutive five years. Sabancı Group's goal to reach the net zero emission by 2050, will change the businesses direction much earlier. Because it will require innovation with the rapid deployment of best available technologies economically achievable. The scenario analysis are studied by various business departments. The biggest innovation opportunities for Enerjisa Üretim concern, hydrogen electrolysis, advanced batteries and carbon capture and storage. In our pathway these technology areas will make real contributions to the reduction of CO2 emissions, between 2030 and 2050. Our first priority is to increase the share of renewable power plants in our portfolio. We adapt new technologies that will reduce emissions in the coal power plant in the short term. In addition, the hybrid system applications in thermal power plants have also been accelerated in 2020. In Tufanbeyli Coal Power Plant; as a result of the improvement works carried out in the units, the PFC holding capability ratio was increased from 60% to 98%. With the hybrid power plant investments made in 2020, the importance given to renewable power plants is supported. Test studies for wave and wind energy have also been initiated at the Bandırma Energy Base. Within the scope of the Bandırma Energy Base activities, innovative project studies have been initiated in order to follow the advancing technology and to ensure the application of appropriate technologies in our power plants within the framework of sustainability. In this framework, it is aimed that the activities of researching hydrogen technologies, establishing a pilot electrolysis facility, and conducting feasibility studies with domestic universities are aimed to continue increasingly in 2021. (Our answers are business division or company specific; since Sabancı Group operates in many diverse sectors, in which different types scenario analyses may be needed depending on the risk and opportunity that is being analysed.)
Transition scenarios: IRENA	Company-wide	<Not Applicable>	Enerjisa Enerji has been conducting qualitative climate-related impact assessments, including comprehensive identification of risks and opportunities. Scenario analyses are conducted based on Turkey's NDCs and several scenarios from BNEF NEO, IRENA and IEA. These scenarios are selected due to their detailed analysis of the energy sector specifically. As a distribution company, Enerjisa Enerji assesses the impact of extreme weather scenarios on both distribution grids from an operational perspective and customer payment behavior from a financial perspective. The projections are fed into the company's sustainability strategy & roadmap. Mid-term scenarios are developed for a 5 -year timeline, in line with Enerjisa Enerji's investment and financial plans. In 2021, we started working with 3rd party consultants on our Net-Zero Project in order to develop a decarbonization roadmap that is aligned with globally acknowledged initiatives such as the Paris Agreement and SBTi. We are assessing and improving data quality, increasing organizational awareness of the climate change risks, recalculating our historical emissions. We aim to finalize this project, which includes a comprehensive quantitative and qualitative climate-related scenario analysis, in 2022, and determine our targets for limiting global warming with 1.5°C based on these scenario analyses. We are also working on an impact map that will be prepared along with relevant scenario and stress test analysis on Enerjisa Enerji's electricity distribution network and retail operations. (Our answers are business division or company specific; since Sabancı Group operates in many diverse sectors, in which different types scenario analyses may be needed depending on the risk and opportunity that is being analysed.)

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

The purpose of Sabancı Group is “We unite Turkey and the World, for a sustainable life with leading enterprises”. The motivation of our group companies is to find an answer to the question of how we can contribute to the low carbon transition that is quite urgent, how our companies can meet changing needs of customers driven by this transition while mitigating risks and make sure they tap into new markets to sustain business growth.

Results of the climate-related scenario analysis with respect to the focal questions

It is essential to carry out scenario and impact analysis to inform our investment decisions. Scenario analysis guide us in our strategic planning in terms of protecting and growing our existing businesses and investing in new growth platforms. It also guides our product development/diversification processes. The following sectoral examples illustrate how we shape our business operations making use of climate-related assessments including scenario analyses. Energy/bus manufacturing: We are investing in renewable energy generation and green hydrogen. We are expanding our charging station network with Eşarj while producing electric bus and battery technologies for the electrification of public transportation. 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. Industrials: 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. Financial services: Our financial services (bank, insurance, pension funds) develop and offer new sustainable financial services. Building materials: 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.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Sabancı Group considers sustainability as an integral part of its mission and strategy. In 2020, we changed our Group’s purpose to “We unite Turkey and the World for a sustainable life with leading enterprises”. Accordingly, as Sabancı Group, we see sustainability as a goal, not a tool. In addition to this, we have prepared a 5-year strategy plan in which we have introduced 5 strategic directions that we believe will lead us to our Group’s purpose: Provide wider customer experience, Transform into an agile/global footprint, Pioneer in sustainability, Lead in digital & material technologies, Adapt to Future of Work. We steadily support and strengthen these 5 strategic directions with our investments in technology and digital. Within the scope of these 5 strategic directions, we shape our business areas and future objectives on the basis of the sustainable growth. We position sustainable business areas such as e-mobility, advanced material technologies, renewable energy generation in our core business lines such as energy, industry and financial services as the next generation growth area of Sabancı Group. Accordingly, one of the key drivers of our asset allocation strategy is ESG performance. We also developed our Sustainability Roadmap which applies across all the Group companies for a 5 years time horizon with actions distributed to different time-scales, i.e. <12 months, 1-3 years, >3 years. The Roadmap is created (1) to better identify climate-related opportunities and risks and (2) to address them in all our business lines. In line with that, in order to determine the Group's position in terms of seizing climate-related opportunities, we conducted a group-wide study to understand key parameters of performance such as the share of sustainability-oriented R&D and the share of revenues from products and services that contribute SDGs. For instance, 51% of our all R&D investments during the reporting period was sustainability oriented. Also, we created a sustainable product & services taxonomy and identified that TL 7.7 billion of our combined net sales revenues during the reporting year were related to products and services that contribute SDGs. TL 2.6 billion is related with mitigation while TL 3.0 billion is related with transition. Sustainable products and services account for 5% of the total revenue.
Supply chain and/or value chain	Yes	The 5-year strategy plan introduced 5 strategic directions that we believe will lead us to our Group’s purpose: Provide wider customer experience, Transform into an agile/global footprint, Pioneer in sustainability, Lead in digital & material technologies, Adapt to Future of Work. We steadily support and strengthen these 5 strategic directions with our investments in technology and digital. As Sabancı Group, we divide our sustainability-related investments and products & services into categories such as (1) mitigation, (2) transition, (3) enablers and (4) positive social impact. The 3rd category called 'enablers' cover products and services that create a positive environmental impact on customer operations or serve as inputs to sustainable industries, i.e. downstream of our value chain. On top of that, our Roadmap includes actions to better identify and manage the impact of our supply chain. One of the Group company Enerjisa, expects its suppliers to meet minimum standards of good ESG performance, carefully select the business partners and monitor their compliance with its principles and policies. The company is willing to work with our suppliers to ensure that they comply with “Enerjisa Supplier Compliance Declaration” and their Environmental Policy, which includes combatting climate change and reducing environmental impacts. Another Group Company Kordsa prepared a Kralij Matrix through which assess suppliers with purchasing volume over 500,000 USD and these suppliers are classified using this matrix. In 2021 suppliers from various sectors (i.e. raw materials, service, transport, energy, packaging) were included in this assessment. They assess these suppliers on a global scale based on economic, social and environmental aspects such as energy and emissions management. The magnitude of this strategic impact is considered to be high as sustainable supply chain is a critical element of our business success.
Investment in R&D	Yes	Within the scope of our 5 strategic directions, we shape our business areas and future objectives on the basis of the sustainable growth. We position sustainable business areas such as e-mobility, advanced material technologies, renewable energy generation in our core business lines such as energy, industry and financial services as the next generation growth area of Sabancı Group. Accordingly, one of the key drivers of our asset allocation strategy is ESG performance. We also developed our Sustainability Roadmap which applies across all the Group companies for a 5 years time horizon with actions distributed to different time-scales, i.e. <12 months, 1-3 years, >3 years. The Roadmap is created (1) to better identify climate-related opportunities and risks and (2) to address them in all our business lines. In line with that, in order to determine the Group's position in terms of seizing climate-related opportunities, we conducted a group-wide study to understand key parameters of performance such as the share of sustainability-oriented R&D and the share of revenues from products and services that contribute SDGs. For instance 51% of our all R&D investments during the reporting period was sustainability oriented. Also, we established a corporate venture capital fund, i.e. Sabancı Ventures (fund size USD 30 million), to gain early access to technological innovations and developments, as well as to create agile and technology-based growth platforms. We focus on investments in areas such as the Internet of Things, artificial intelligence, new material technologies, sustainability, energy, mobility, and cyber security. All of our Group Companies have accelerated their efforts on innovation. For instance; 60% of the R&D and innovation expenditures of Brisa are related to SDGs.
Operations	Yes	The 5-year strategy plan in which we have introduced 5 strategic directions that we believe will lead us to our Group’s purpose: Provide wider customer experience, Transform into an agile/global footprint, Pioneer in sustainability, Lead in digital & material technologies, Adapt to Future of Work. We steadily support and strengthen these 5 strategic directions with our investments in technology and digital. Within the scope of these 5 strategic directions, we shape our business areas and future objectives on the basis of the sustainable growth. We position sustainable business areas such as e-mobility, advanced material technologies, renewable energy generation in our core business lines such as energy, industry and financial services as the next generation growth area of Sabancı Group. Accordingly, one of the key drivers of our asset allocation strategy is ESG performance. We also developed our Sustainability Roadmap which applies across all the Group companies for a 5 years time horizon with actions distributed to different time-scales, i.e. <12 months, 1-3 years, >3 years. The Roadmap is created (1) to better identify climate-related opportunities and risks and (2) to address them in all our business lines. In line with that, in order to determine the Group's position in terms of seizing climate-related opportunities, we conducted a group-wide study to understand key parameters of performance such as the share of sustainability-oriented R&D and the share of revenues from products and services that contribute SDGs. 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. The environmental expenditures related to our existing operations were TL 34 million during the reporting year. On the other hand, environmental investments were TL 476 million across all Sabancı Group operations.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Capital expenditures Capital allocation Access to capital	Capital Allocation: At the Holding level, it affects our capital allocation decisions as one of the key drivers of our strategy is ESG performance, including climate-related risks and opportunities. In line with that, in our 2021-2025 Strategic Plan, we defined our growth areas in sustainable businesses such as e-mobility, renewable energy and advanced material technologies, and our capital allocation is determined accordingly. This approach is also embedded in investment decisions of our Group companies. For instance, Akbank commits to provide sustainable loan financing of TL 200 billion (in 2021 realized TL 27 billiion) and to increase the sustainable investment funds to TL15 billion by 2030. Akbank has introduced Green Foreign Trade, Transition to Low Carbon Economy and Roof Solar Investment Credits for transition to low carbon economy. In the long term (2021-2050), we also set ourselves a Group-wide Net Zero Emissions and Zero Waste goals. Therefore, our capital allocation decisions will continue to focus on ESG performance, especially to GHG-intensity, in the long run (2021-2050). CAPEX: At the Group level, in addition to KPIs to monitor progress on long-term goals such as GHG intensity and the rate of waste recovery, we monitor CAPEX and OPEX under (1) sustainable investments in our growth areas,(including mitigation, transition and enabler investments) (2) environmental expenditures and (3) sustainability-related R&D expenditures. During the reporting year, the total amount of all three categories were TL 662 million. Revenues: On top of that, our combined total net sales revenues from products and services that contribute to SDGs have been TL 7.7 billion during the reporting year (non-bank figures). Direct & Indirect costs: Due to investments related with our circular economy and low carbon technology investments we have saved nearly TL 116 million in 2021; utilizing alternative fuels, energy efficiency measures, using less or alternative resources leads to increase in profit. Access to capital: Integration of climate-related risks and opportunities into business brings advantage to different Group companies in terms of diversifying sources of finance, ensuring lower cost of debt (green loans, similar funding opportunities like Horizon Europe) and lower cost of capital.

C-FS3.6

(C-FS3.6) Does the policy framework for your portfolio activities include climate-related requirements for clients/investees, and/or exclusion policies?

Yes, our framework includes both policies with client/investee requirements and exclusion policies

C-FS3.6a

(C-FS3.6a) Provide details of the policies which include climate-related requirements that clients/investees need to meet.

Portfolio
Investing (Asset owner)

Type of policy
Risk policy
Engagement policy
Sustainable/Responsible Investment Policy
Investment policy/strategy

Portfolio coverage of policy
100

Policy availability
Publicly available

Attach documents relevant to your policy
2021-esg-day-presentation.pdf

Criteria required of clients/investees
Disclosure of Scope 1 emissions
Disclosure of Scope 2 emissions
Disclosure of Scope 3 emissions
Set a science-based emissions reduction target
Set an emissions reduction target
Develop a climate transition plan

Value chain stages of client/investee covered by criteria
Direct operations only

Timeframe for compliance with policy criteria
Complying with criteria is a pre-requisite for business

Industry sectors covered by the policy
Energy
Retailing
Software & Services
Utilities
Other, please specify (Financial services, industrials, building materials)

Exceptions to policy based on
<Not Applicable>

Explain how criteria coverage and/or exceptions have been determined
Sabancı Holding's investment portfolio covers industries such as banking, financial services, building materials, energy, retail and digital. As a result of a variety of analyses (incl. peer, regulation and trends analysis, etc.) made in 2020 in order to determine the scope of climate-related policies and actions, it was decided that all of these sectors will directly be impacted from climate emergency in terms of risks, opportunities or both. Sustainability Roadmap: In 2021, Sabancı Holding published its Sustainability Roadmap which includes actions for companies to align with Net Zero Emissions target by 2050 . The actions include topics such as wider disclosure of emissions (e.g. Scope 3) or analysis of alignment with SBTI.

Portfolio
Investing (Asset owner)

Type of policy
Sustainable/Responsible Investment Policy

Portfolio coverage of policy
100

Policy availability
Publicly available

Attach documents relevant to your policy
Sabancı Group Responsible Investment Policy_clean.pdf

Criteria required of clients/investees
Disclosure of Scope 1 emissions
Disclosure of Scope 2 emissions
Disclosure of Scope 3 emissions
Set an emissions reduction target
Other, please specify (Exclusions on carbon-intensive sectors)

Value chain stages of client/investee covered by criteria
Please select

Timeframe for compliance with policy criteria
Complying with criteria is a pre-requisite for business

Industry sectors covered by the policy
Energy
Retailing
Software & Services
Utilities
Other, please specify (Financial services, building materials, industrials)

Exceptions to policy based on
<Not Applicable>

Explain how criteria coverage and/or exceptions have been determined
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 and includes exclusions on carbon-intensive sectors such as coal to power or coal mining. The Policy also includes provisions on incentivizing suppliers with better climate disclosures and net zero emissions targets. ● Environmental ● Social ● Ethics ● Governance ● Human rights For more information, please visit: https://yatirimciiliskileri.sabanci.com/en/sustainability/policies/Policies/184/0/0

C-FS3.6b

(C-FS3.6b) Provide details of your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.

Portfolio
Investing (Asset owner)

Type of exclusion policy
Coal mining
Power from coal

Year of exclusion implementation
2021

Timeframe for complete phase-out
Already phased out

Application
New business/investment for new projects

Country/Region the exclusion policy applies to
Other, please specify (All countries)

Description
In Sabancı Holding's 2021-2025 Strategy, energy and utilities business is focusing on renewable electricity generation growth, which is also in line with our Group-wide Net Zero Emission Target. Our Responsible Investment Policy also excludes coal to electricity and coal mining. Also please see below an excerpt from Akbank's ESG presentation, dated July 2022 and available on https://www.akbankinvestorrelations.com/tr/images/pdf/akbank_esg_presentation.pdf: "Non-financing activities (1) scope expanded to include: - New coal (thermal) power plant projects - Coal mining, coal transportation and power plants operating with coal for SMEs." Since these policies include all new business/investment for new projects related to coal power plants, the threshold for revenues, capacity, etc. is zero. In addition, please see the Group's environmental exclusion list which includes coal mining and new coal power plants and which is disclosed in Sabancı Group's Responsible Investment Policy available at https://yatirimciiliskileri.sabanci.com/en/sustainability/policies/Policies/184/0/0.

C-FS3.7

(C-FS3.7) Does your organization include climate-related requirements in your selection process and engagement with external asset managers?

	Climate-related requirements included in selection process and engagement with external asset managers	Primary reason for not including climate-related requirements in selection process and engagement with external asset managers	Explain why climate-related requirements are not included in selection process and engagement with external asset managers and your plans for the future
Row 1	Not applicable, because we do not have externally managed assets	Other, please specify (Sabancı Group is a conglomerate which operates in many diverse sectors. Given the nature of its operations, Sabancı Holding does not use external asset managers. Therefore this question is not applicable to Sabancı Holding.)	Sabancı Group is a conglomerate which operates in many diverse sectors. Given the nature of its operations, Sabancı Holding does not use external asset managers. Therefore, this question is not applicable to Sabancı Holding.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

Intensity target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2021

Target coverage

Business division

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

<Not Applicable>

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

128175.84

Base year Scope 2 emissions covered by target (metric tons CO2e)

294806.25

Base year Scope 3 emissions covered by target (metric tons CO2e)

<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

423652.78

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

46.2

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

227925.19564

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

134159.86

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
268469.67

Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
402629.53

% of target achieved relative to base year [auto-calculated]
10.7410767208633

Target status in reporting year
New

Is this a science-based target?
Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

Target ambition
1.5°C aligned

Please explain target coverage and identify any exclusions
This target is relates to our Group company Kordsa and is a new target which is developed after we have committed to SBTi. This target was developed using SBTi Tool and we commit to a reduction of 46.2% from a 2019 base year until 2030. We are still working on a transition plan but the initial plan relies mainly on renewable energy investments and PPA's with bundled energy attribute certificates. We are investigating renewable energy purchase options in the countries where we operate in.

Plan for achieving target, and progress made to the end of the reporting year
We have ongoing renewable energy investments in our facilities in Thailand and Indonesia. We have a dedicated budget for purchasing renewable energy attribute certificates.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 2

Year target was set
2021

Target coverage
Business division

Scope(s)
Scope 3

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)
Category 10: Processing of sold products

Base year
2021

Base year Scope 1 emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3 emissions covered by target (metric tons CO2e)
498729.76

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
498729.76

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
<Not Applicable>

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
24.46

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2030

Targeted reduction from base year (%)
22.5

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
386515.564

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3 emissions in reporting year covered by target (metric tons CO2e)
498729.76

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
498729.76

% of target achieved relative to base year [auto-calculated]
0

Target status in reporting year
New

Is this a science-based target?
Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition
Well-below 2°C aligned

Please explain target coverage and identify any exclusions
This target is related Group company Kordsa. This is a new target which replaces our previously announced Scope 3 target. As we have extended the scope of our scope 3 inventory we have also stopped monitoring the previous year's target. This target covers all GHG emissions from fuel and energy related activities and processing of sold products. This target will be included in our SBTi submission. We are also working on a supplier engagement target for our Category 1 emissions from purchased goods and services.

Plan for achieving target, and progress made to the end of the reporting year
Category 3 emissions will be automatically reduced when we reduce our Scope 1 and Scope 2 GHG emissions. Our clients are tire companies who are constantly working on reducing their GHG emissions, their efforts will help reduce our GHG emissions as well. We are also working on a roadmap to further reduce these GHG emissions.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 3

Year target was set
2020

Target coverage
Business division

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Market-based

Scope 3 category(ies)
<Not Applicable>

Base year
2020

Base year Scope 1 emissions covered by target (metric tons CO2e)
47989.64

Base year Scope 2 emissions covered by target (metric tons CO2e)
82098.79

Base year Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
130088.43

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2030

Targeted reduction from base year (%)
56

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
57238.9092

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
54069.98

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
63429.57

Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
117499.55

% of target achieved relative to base year [auto-calculated]
17.2806627439065

Target status in reporting year
Underway

Is this a science-based target?
Yes, and this target has been approved by the Science Based Targets initiative

Target ambition
1.5°C aligned

Please explain target coverage and identify any exclusions
This target covers 100% of Brisa's Scope 1 and Scope 2 GHG emissions. The target was set in 2020, and aim to achieve 56% reduction from a 2020 base year until 2030. This is equal to 5.6% annual linear reduction. In 2021 we have exceeded this linear reduction target and reduced our GHG emissions by 9.68%. This target was submitted to and approved by SBTi. However, during the submission process, the Scope 2 accounting method was accidentally submitted as Location-based. We are currently revising this target as market-based as we are planning to achieve some of this target using renewable energy attribute certificates. Bridgestone set a new Mid-term Targets; Milestone 2030. Focused target: Reduce our absolute CO2 emissions (Scope 1 and 2) by 30% by 2023 and aspire to reduce by 56% by 2030. Brisa has set targets above Bridgestone's global targets.

Plan for achieving target, and progress made to the end of the reporting year
We are planning to increase the share of renewable energy in our consumption. We will install our own 154 KV substation until the end of 2023. Between 2024 and 2029 we have we have investment plans for Land and rooftop solar panels with a total capacity of 21.5 MW. Also an 8MW new cogen facility until 2030. We also plan to build a solar based steam production facility in both of our plants until 2028. In 2021 we have exceeded this linear reduction target and reduced our GHG emissions by 9.68%. We achieved this success through implementation of energy efficiency measures and purchasing of renewable energy attribute certificates.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 4

Year target was set
2020

Target coverage
Business division

Scope(s)
Scope 3

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
Category 1: Purchased goods and services
Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)
Category 4: Upstream transportation and distribution
Category 14: Franchises

Base year
2020

Base year Scope 1 emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3 emissions covered by target (metric tons CO2e)
421830.94

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
421830.94

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
<Not Applicable>

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
94.48

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2030

Targeted reduction from base year (%)

14.2

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
361930.94652

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3 emissions in reporting year covered by target (metric tons CO2e)
541284.96

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
541284.96

% of target achieved relative to base year [auto-calculated]
-199.422425713426

Target status in reporting year
Underway

Is this a science-based target?
Yes, and this target has been approved by the Science Based Targets initiative

Target ambition
2°C aligned

Please explain target coverage and identify any exclusions
This target covers Brisa (İzmit Plant, Aksaray Plant, Altunizade sales office, Esenler and Profilo technical service) Facilities Scope 3 emissions as base year 2020 and target year 2030. Brisa commits to reduce absolute scope 3 GHG emissions from purchased goods and services, fuel and energy related activities, upstream transportation and distribution and franchises 14.2%. The scope 3 GHG emissions from use of sold products which make up 75.76% of our total scope 3 emissions for the reporting year (and 88.21% of our base-year) was omitted from the scope of our target with the recommendation of SBTi as the use of tyres are part of indirect use phase emissions and is optional to include in Scope 3 inventories. Therefore the given % and total values showing the target coverage in all Scope 3 categories are calculated using the Scope 3 emissions for all the non-optional Scope 3 categories.

Plan for achieving target, and progress made to the end of the reporting year
To reduce Scope 3 Category 4 emissions we have ongoing localization projects. To reduce Scope 3 Category 14 GHG emissions from franchises we have a plan to install solar panels on 1 of the 18 locations. Scope 3 Category 3 emissions from fuel and energy related activities will be reduced via renewable investments planned which will also reduce our Scope 2 GHG emissions. We are still working on the roadmap for reduction of our Category 1 GHG emissions

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 5

Year target was set
2021

Target coverage
Business division

Scope(s)
Scope 1
Scope 2
Scope 3

Scope 2 accounting method
Location-based

Scope 3 category(ies)
Category 1: Purchased goods and services
Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)
Category 4: Upstream transportation and distribution
Category 9: Downstream transportation and distribution

Base year
2020

Base year Scope 1 emissions covered by target (metric tons CO2e)
5642232

Base year Scope 2 emissions covered by target (metric tons CO2e)
309829

Base year Scope 3 emissions covered by target (metric tons CO2e)
343294

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
6295985

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

95.4

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
99.7

Target year
2050

Targeted reduction from base year (%)
100

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
0

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
6090290

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
347228

Scope 3 emissions in reporting year covered by target (metric tons CO2e)
343924

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
6781442

% of target achieved relative to base year [auto-calculated]
-7.71058063194242

Target status in reporting year
New

Is this a science-based target?
No, but we anticipate setting one in the next 2 years

Target ambition
<Not Applicable>

Please explain target coverage and identify any exclusions
Sabancı Group, which Çimsa is a member of, has committed to expanding its circular business model practices on an end-to-end basis and reaching “Net Zero” greenhouse gas emissions by 2050. This target covers all our Scope 1, Scope 2, and Scope 3 emissions. The baseline year for Scope 3 is defined as 2021 which is the first year the Scope 3 emissions were verified by an independent third party. The following categories are calculated under Scope 3 emissions: Purchased goods and services, Fuel-and-energy-related activities, Upstream transportation and distribution, and Downstream transportation and distribution.

Plan for achieving target, and progress made to the end of the reporting year
Çimsa considers the management of Scope 1, Scope 2 and Scope 3 greenhouse gas emissions as a whole throughout the value chain as its main strategy. The methodology developed by the World Business Council for Sustainable Development (WBCSD) and the Global Cement and Concrete Association (GCCA) is used to calculate our greenhouse gas emissions from production processes. While planning our carbon neutral journey, we determine the main levers at our disposal to cut all types of emissions and we create our investment and action plans according to their potential to contribute to our targets. Alternative Fuel and Raw Materials: Çimsa contributes to its environmental and carbon neutral targets by prioritizing the use of alternative fuels and alternative raw materials in its production processes. By replacing carbon-intensive fuels with carbon-free biomass and non-fossil fuels, it also supports the waste management processes of various industries and reduces the environmental impact of the waste. The rate of alternative fuel use at Çimsa reached 12.4% in 2021, marking an increase of 71% compared to the previous year. Energy Management and Use of Green Energy: Increasing energy efficiency in production processes and reducing energy consumption is an area open to continuous improvement. Çimsa closely follows technological developments in this regard. In 2021, energy efficiency projects brought savings of 34,764 TJ of thermal energy and 4,126 MWh of electricity for Çimsa. Work on Decarbonized Raw Materials: One of the important issues in our journey to being carbon neutral is the reduction of CO2 emissions generated during calcination, by using decarbonized raw materials. Our plan includes the testing of alternative raw materials through our raw material supply network along with R&D activities. Carbon Capture, Utilization and Storage (CCUS) Technologies: It is thought that carbon capture, use and storage technologies will reach a share of 30-50% in the process of reaching the carbon neutral target. With the contribution of the Global Cement and Concrete Association (GCCA), which we are a member of, and Çimsa’s other collaborations, we follow CCUS technologies and start-up projects around the world. We are working on joint projects within the Sabancı Group. Our R&D Unit develops designs in our products which will allow carbon storage, by working on alternatives for capturing carbon dioxide in concrete with the “C-World” project.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 6

Year target was set
2020

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Location-based

Scope 3 category(ies)
<Not Applicable>

Base year
2020

Base year Scope 1 emissions covered by target (metric tons CO2e)
18601123

Base year Scope 2 emissions covered by target (metric tons CO2e)
2719438

Base year Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
21320561

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2050

Targeted reduction from base year (%)
95

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
1066028.05

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
19976890

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
2822957

Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
100

% of target achieved relative to base year [auto-calculated]
105.262664178095

Target status in reporting year
Underway

Is this a science-based target?
No, but we anticipate setting one in the next 2 years

Target ambition
<Not Applicable>

Please explain target coverage and identify any exclusions
In 2020, we set a net zero emissions target by 2050 at the latest. In the coming 2 years, we will conduct a detailed assessment including those that are related to technology gaps and residual emission management strategies and set our interim targets accordingly, based on international methodologies. After this assessment we will launch a transition pathway towards our net zero emissions goal.

Plan for achieving target, and progress made to the end of the reporting year
Sabancı Group contributes to its environmental and carbon neutral targets by prioritizing the use of renewable energy, energy efficiency, low carbon production implementations, alternative fuels and alternative raw materials in its production and service processes.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 7

Year target was set
2020

Target coverage
Business division

Scope(s)
Scope 2

Scope 2 accounting method
Location-based

Scope 3 category(ies)
<Not Applicable>

Base year
2020

Base year Scope 1 emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)

3191

Base year Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
100

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2050

Targeted reduction from base year (%)
95

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
5

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
2672

Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
2672

% of target achieved relative to base year [auto-calculated]
-2707.36842105263

Target status in reporting year
Underway

Is this a science-based target?
No, but we are reporting another target that is science-based

Target ambition
<Not Applicable>

Please explain target coverage and identify any exclusions
As Sabancı Holding, we aim to supply all of our electricity from renewable sources by the end of 2022. In this way, we aim to contribute to the net zero emission target by 2050 and reduce our carbon emissions by reducing the scope 2 emissions from electricity. The target covers Holding (business) activities only. Consuming renewable energy was one of our mid-term targets, but with our pledge to conducting sustainable business, we decided to achieve this target as soon as possible and planned it to meet in 2022.

Plan for achieving target, and progress made to the end of the reporting year
Sabancı Group contributes to its environmental and carbon neutral targets by prioritizing the use of renewable energy, energy efficiency, low carbon production implementations, alternative fuels and alternative raw materials in its production and service processes.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number
Int 1

Year target was set
2020

Target coverage
Business activity

Scope(s)
Scope 1

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
<Not Applicable>

Intensity metric
Other, please specify (NET Kg of CO2 per metric tons of Cementitious Product)

Base year
2019

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)
770

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)
770

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure
100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure
<Not Applicable>

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure
<Not Applicable>

% of total base year emissions in all selected Scopes covered by this intensity figure
100

Target year
2030

Targeted reduction from base year (%)
15.71

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]
649.033

% change anticipated in absolute Scope 1+2 emissions
4

% change anticipated in absolute Scope 3 emissions
0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)
753

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)
753

% of target achieved relative to base year [auto-calculated]
14.0534195276398

Target status in reporting year
Underway

Is this a science-based target?
No, but we are reporting another target that is science-based

Target ambition
<Not Applicable>

Please explain target coverage and identify any exclusions
Akcansa, in 2020, targeted of 2030 has taken place as NET Kg of CO2 per metric tons of Cementitious Product. 2030 Ambition is to reduce NET kg CO2 emitted by approx. 15.7% and to reach 649 kg CO2/Cementitious Products.

Plan for achieving target, and progress made to the end of the reporting year
This target is specific for Akçansa. As a part of 2030 Sustainability Targets we aim to reduce specific net CO2 emissions to 649 kg per metric tons of cementitious material. In order to achieve this target during the reporting year we have developed a CO2 Roadmap to achieve the emission target by 2030. The roadmap includes all investment plans, production figures, alternative fuel usage, product switching and clinker usage ratio. Alternative fuel usage rates were increased with the investments made in the reporting period. We are moving towards achieving our goal. The progress of the target is closely followed by the Board of Directors.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Int 2

Year target was set
2021

Target coverage
Business division

Scope(s)
Scope 1

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
<Not Applicable>

Intensity metric
Other, please specify (metric tons CO2e per metric ton of cementitious)

Base year
2020

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)
0.792

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)
0.792

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure
99

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure
<Not Applicable>

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure
<Not Applicable>

% of total base year emissions in all selected Scopes covered by this intensity figure
99

Target year
2030

Targeted reduction from base year (%)
22

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]
0.61776

% change anticipated in absolute Scope 1+2 emissions
21

% change anticipated in absolute Scope 3 emissions
0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)
0.774

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)
0.774

% of target achieved relative to base year [auto-calculated]
10.3305785123967

Target status in reporting year
New

Is this a science-based target?
No, but we anticipate setting one in the next 2 years

Target ambition
<Not Applicable>

Please explain target coverage and identify any exclusions
This target is specific for Çimsa. The target cover Scope 1 emissions of grey and white cement production which covers 99% of Cimsa's total Scope 1 emissions in the base year. The intensity figure is defined as metric tons CO2e per metric ton of cementitious. The intensity is 0.792 tCO2e/ton cementitious for the base year defined as 2020 and it is aimed to decrease it to 0.618 tCO2e/ton cementitious by 2030. The intensity figure for the reporting year is 0.774 tCO2e/ton cementitious.

Plan for achieving target, and progress made to the end of the reporting year
It views 2025 and 2030 as key milestones on the road towards meeting 2050 targets in the most precise way; Çimsa created the action and investment plans with the participation of internal and external stakeholders. During 2021, Çimsa continued to support the efforts taken to tackle the climate crisis, one of its priority issues, with planned and target-based studies. Çimsa contributes to its environmental and carbon neutral targets by prioritizing the use of alternative fuels and alternative raw materials in its production processes. By replacing carbon-intensive fuels with carbon-free biomass and non-fossil fuels, it also supports the waste management processes of various industries and reduces the environmental impact of the waste. The rate of alternative fuel use reached 12.4% in 2021, marking an increase of 71% compared to the previous year.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Int 3

Year target was set
2021

Target coverage
Business division

Scope(s)
Scope 2

Scope 2 accounting method
Location-based

Scope 3 category(ies)
<Not Applicable>

Intensity metric
Metric tons CO2e per megawatt hour (MWh)

Base year
2021

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)
0.0405

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)
0.0405

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure
<Not Applicable>

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure
100

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure
<Not Applicable>

% of total base year emissions in all selected Scopes covered by this intensity figure
100

Target year
2021

Targeted reduction from base year (%)
12

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]
0.03564

% change anticipated in absolute Scope 1+2 emissions
12

% change anticipated in absolute Scope 3 emissions
0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)
0

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)
0.0405

% of target achieved relative to base year [auto-calculated]
0

Target status in reporting year
New

Is this a science-based target?
No, but we anticipate setting one in the next 2 years

Target ambition
<Not Applicable>

Please explain target coverage and identify any exclusions

Enerjisa Enerji targets to reduce the impacts from theft/loss emissions. Our investment program for improving the reliability and modernization of our grid network directly impacts our Scope 2 emissions as we are responsible for emissions of grid losses as a distribution company. Previously, we have set our base emission figure based on our financial reporting numbers, but we assessed setting the targets in line with EMRA (the regulator) reporting would be a better indicator as the actual EMRA numbers sets a base for our long term planning. Therefore, we now set our target based on our 2021 EMRA reporting. We expect a 12% reduction in intensity of our emissions due to the losses and theft in our power distribution by the end of our tariff period in 2025 compared to 2021.

Plan for achieving target, and progress made to the end of the reporting year
Enerjisa Enerji invests in its grid to deal with theft and loss. Enerjisa utilizes significant amount of its CAPEX on monitoring and controlling systems such as SCADA and power equipment renovations.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Target(s) to increase low-carbon energy consumption or production
Net-zero target(s)
Other climate-related target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number
Low 1

Year target was set
2020

Target coverage
Business activity

Target type: energy carrier
Other, please specify (Alternative Fuel Rate)

Target type: activity
Consumption

Target type: energy source
Low-carbon energy source(s)

Base year
2019

Consumption or production of selected energy carrier in base year (MWh)
962642

% share of low-carbon or renewable energy in base year
14.1

Target year
2030

% share of low-carbon or renewable energy in target year
35

% share of low-carbon or renewable energy in reporting year
19.1

% of target achieved relative to base year [auto-calculated]
23.9234449760766

Target status in reporting year
Underway

Is this target part of an emissions target?
Yes

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions
This target covers all Akcansa's clinker and cement integrated production facilities (Akçansa Büyükçekmece, Çanakkale and Ladik Plants)

Plan for achieving target, and progress made to the end of the reporting year
As part of our 2030 Sustainability Targets, we aim to increase the use of alternative fuels, one of our most important levers for emission reduction, from 14.1% in 2019 to 35% by 2030. In this context, we have created a comprehensive CO2 Roadmap that includes investments that will provide more alternative fuel to the rotary kilns, as well as optimization, digitalization and modernization investments that will provide more efficient process conditions, and we are building our business strategy according to this roadmap.

List the actions which contributed most to achieving this target
<Not Applicable>

Target reference number
Low 2

Year target was set
2019

Target coverage
Company-wide

Target type: energy carrier
Electricity

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Base year
2019

Consumption or production of selected energy carrier in base year (MWh)
0

% share of low-carbon or renewable energy in base year
0

Target year
2021

% share of low-carbon or renewable energy in target year
75

% share of low-carbon or renewable energy in reporting year
12.5

% of target achieved relative to base year [auto-calculated]
16.6666666666667

Target status in reporting year
Underway

Is this target part of an emissions target?
Yes, it is part of Kordsa's emission reduction targets and Sabancı Group Companies' emission reduction targets.

Is this target part of an overarching initiative?
No, it’s not part of an overarching initiative

Please explain target coverage and identify any exclusions
This target covers all of Kordsa's operations. Kordsa has a target to consume 75% of our electricity from renewable resources in all of our plants by the year 2030. This target is also part of our emission reduction targets Abs 1,Abs 2 and Abs 3 because we see it as a way to achieve our targets. In 2021 we have sourced 75,912 MWh of our electricity use in Turkey Izmit plant from renewable sources and we have also generated 52.64 MWh from rooftop solar panels in our CTCE plant in İstanbul. This amount equals to 12.5% of our global electricity consumption and 38.91% of our electricity consumption in our Izmit plant.

Plan for achieving target, and progress made to the end of the reporting year
Sourcing a considerable part of our electricity from renewable sources via i-REC certificates was the major action that contributed to over-achieving this target.

List the actions which contributed most to achieving this target
<Not Applicable>

Target reference number
Low 3

Year target was set
2019

Target coverage
Company-wide

Target type: energy carrier
Electricity

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Base year
2019

Consumption or production of selected energy carrier in base year (MWh)

% share of low-carbon or renewable energy in base year
7

Target year
2021

% share of low-carbon or renewable energy in target year

100

% share of low-carbon or renewable energy in reporting year
96.5

% of target achieved relative to base year [auto-calculated]
96.2365591397849

Target status in reporting year
Achieved

Is this target part of an emissions target?
No, it's not part of an overarching initiative

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions
Enerjisa Enerji has set a target to use 100% renewable electricity in its operations. This target was set in 2019 and first achieved in 2020. As part of our goal to reduce energy indirect Scope 2 emissions, we procured 96.5% of electricity consumption from green energy for all Enerjisa through renewable energy certificates (I-REC) in 2021. Total of 176 service buildings in the Başkent, İstanbul Anadolu Yakası and Toroslar regions now also use green energy via renewable energy certifications. Due to unprecedented natural disasters in 2021, which interrupted the power supplies of some villages, Enerjisa had to use electricity that was not in its IREC scope in several temporary office/mobilization areas established in those locations. Thus, Enerjisa's target on achieving 100% renewable energy couldn't be fully accomplished. Enerjisa Enerji will continue to use 100% green energy in the future for its electricity consumption.

Plan for achieving target, and progress made to the end of the reporting year
<Not Applicable>

List the actions which contributed most to achieving this target
Purchase of green energy through renewable energy certificates (I-REC)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number
Oth 1

Year target was set
2019

Target coverage
Product level

Target type: absolute or intensity
Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Resource consumption or efficiency	Other, please specify (Tons of clinker consumed in concrete products, Target denominator (intensity targets only))

Target denominator (intensity targets only)
<Not Applicable>

Base year
2019

Figure or percentage in base year
257.1

Target year
2030

Figure or percentage in target year
200

Figure or percentage in reporting year
247

% of target achieved relative to base year [auto-calculated]
17.6882661996498

Target status in reporting year
Underway

Is this target part of an emissions target?
This target is specific for Akçansa. Main emission source in cement production is clinker production. Group Company Akçansa, decreased the amount of clinker used in cement and concrete products, total emissions caused by clinker production decreased. With this target the aim is to reduce cement usage in concrete products resulting in decreased amount of clinker in concrete. By this way, the aim is to reduce our production rates and total emissions caused by cement clinker production.

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions
Target covers all concrete products.

Plan for achieving target, and progress made to the end of the reporting year
By using mineral additives, chemical additives, alternative materials (such as waste) and other recycled materials in concrete production, the aim is to decrease cement usage in concrete products. By decreasing amount of cement used in concrete products, total usage of clinker decreases.

List the actions which contributed most to achieving this target
<Not Applicable>

Target reference number
Oth 2

Year target was set
2020

Target coverage
Site/facility

Target type: absolute or intensity
Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Waste management	Percentage of sites operating at zero-waste to landfill

Target denominator (intensity targets only)
<Not Applicable>

Base year
2020

Figure or percentage in base year
0

Target year
2021

Figure or percentage in target year
100

Figure or percentage in reporting year
100

% of target achieved relative to base year [auto-calculated]
100

Target status in reporting year
Achieved

Is this target part of an emissions target?
No

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions
In 2020, as a Group we set the target "Sıfır Atık" ("Zero Waste"), to increase the number of facilities with "zero waste" policy in the upcoming years. Enerjisa Enerji's 2021 target was to obtain "Sıfır Atık" certificate at least for one office building. We achieved this target, and we will continue each year to increase the number of "Sıfır Atık" offices.

Plan for achieving target, and progress made to the end of the reporting year
<Not Applicable>

List the actions which contributed most to achieving this target
Activities include reducing waste, awareness increasing, reusing and the like.

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number
NZ1

Target coverage
Company-wide

Absolute/intensity emission target(s) linked to this net-zero target
Abs1
Abs2
Abs3
Abs4

Target year for achieving net zero
2050

Is this a science-based target?
Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next 2 years

Please explain target coverage and identify any exclusions
As Sabancı Group, we have set Net Zero Emissions target in all operations until 2050.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?
Unsure

Planned milestones and/or near-term investments for neutralization at target year
<Not Applicable>

Planned actions to mitigate emissions beyond your value chain (optional)
To achieve Net Zero targets Group companies have ongoing renewable energy investments (solar, co gen, etc.) in their facilities. They have dedicated budgets for purchasing renewable energy attribute certificates. They have on going investments on energy efficiency and process optimization. Our Group companies are working with their clients, increasing the share of local suppliers and like to decrease Scope 3 emissions

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Target reference number
NZ2

Target coverage
Company-wide

Absolute/intensity emission target(s) linked to this net-zero target
Abs5
Abs6
Abs7
Int1
Int2
Int3

Target year for achieving net zero
2050

Is this a science-based target?
No, but we anticipate setting one in the next 2 years

Please explain target coverage and identify any exclusions
As Sabancı Group, we have set Net Zero Emissions target in all operations until 2050.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?
Unsure

Planned milestones and/or near-term investments for neutralization at target year
<Not Applicable>

Planned actions to mitigate emissions beyond your value chain (optional)
Sabancı Group contributes to its environmental and carbon neutral targets by prioritizing the use of renewable energy, energy efficiency, low carbon production implementations, alternative fuels and alternative raw materials in its production and service processes. Energy management and renewable energy use are the primary actions taken by companies. To be specific, the companies within cement sector there are efforts to use alternative fuels and decarbonized raw materials,

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C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	27	117570
Implemented*	0	0
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Other, please specify	Other, please specify (A wide range of emission reduction initiatives ranging from energy efficiency to circular economy practices.)

Estimated annual CO2e savings (metric tonnes CO2e)
117570

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
115724849

Investment required (unit currency – as specified in C0.4)
70211151

Payback period
<1 year

Estimated lifetime of the initiative
16-20 years

Comment
Retail companies invested in, HVAC automation, cooling system replacements, lighting replacements (LED), energy management systems. Energy efficiency measures in building materials and industry sector companies. The investment amount consists of all environment related items.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for low-carbon product R&D	As Sabancı Group, we develop new products and services that reduce resource use and GHG emissions, enable transition to more sustainable technologies, facilitate the spread of these technologies, and create a positive social impact. The ratio of sustainability-focused R&D expenditures across all Sabancı Group companies was 51% in 2020. As an example from our Group companies, through Enerjisa Enerji's Ivme Entrepreneurship Acceleration Program, Enerjisa R&D Department partner with start-ups and independent innovators in developing low-carbon technologies and products. We dedicated TL 3 million CAPEX for R&D projects in 2021, and we forecast TL 17 million CAPEX until 2025. We currently provide 13 low carbon services through Müşteri Çözümleri and we aim to improve in mid-term future.
Employee engagement	In 2021, a total of 18,476 sustainability training hours were delivered. As an example, to such trainings, we implemented the X-TEND Online Development Program to analyse potential scenarios and prepare the business and all Group employees both for today and the future. Within the scope of X-TEND, all employees received training for an hour under many subjects including The Pandemic's Impact on Sustainability. As an example to our Group companies, Enerjisa Enerji have a Sustainability section in our mobile application for employees (IKON), in which sustainability ideas from our employees are collected. We use awareness boosting posters for our employees in the bathrooms, around light switches, trashcans etc. to encourage them for saving energy. We design our advertisements highlighting climate change and share it with our employees before presenting it to the public. We also aim to increase coverage Eşarj electric vehicle charging stations in our office locations which also increases employee motivation, awareness and therefore engagement in emission reduction activities.
Dedicated budget for other emissions reduction activities	We monitor sustainability investments in the following 3 categories: Mitigation Investments: Investments that reduce direct resource use or carbon emissions. The investment amount for this area is approximately TL 149 million across all companies at Sabancı Group. Transition Investments: It refers to investments in products and services that can be considered as a transition to more sustainable technologies, such as cement and rubber products produced using alternative raw materials and/or fuels. The investment amount for this area is approximately TL 72 million across all companies at Sabancı Group. Enabler Investments: Refers to products that are not considered as direct resource/carbon emission reduction activities, but that facilitate the dissemination of related technologies. The investment amount for this area is approximately TL 255 million across all companies at Sabancı Group. On top of these, Sabancı Group companies implemented emission reduction programs that resulted in GHG savings of 120.168 tCO2e in 2021.
Compliance with regulatory requirements/standards	We conduct our operations in accordance with international standards such as the ISO14001:2015 Environmental Management System. We define our annual energy and natural source consumption reduction targets based on the location-specific ISO 14001 Environmental Management System by effectively monitoring the electricity, water and fuel consumption in the buildings. We have 100% coverage for ISO14001 certification at all Enerjisa Enerji locations. In 2021, Sabancı Group companies made an environmental expenditure of approximately TL 34 million. 42% of this amount is beyond legal compliance.
Dedicated budget for energy efficiency	In 2021, Sabancı Group companies implemented energy efficiency programs which resulted in approximately 4.567 MWh of energy savings.
Internal incentives/recognition programs	Sabancı Holding holds Sabancı Golden Collar Awards, one of the most critical components of Recognition and Appreciation systems, with live broadcast to all Group companies. For instance in 2021, a total of 153 projects competed in the Sabancı of New Generation: Innovation, Customer Experience, Lean Transformation & Continuous Development and Digitalization. Best practices were rewarded with the votes of Group employees. In 2021, one of the categories is directly related to sustainability.
Internal price on carbon	Sabancı Holding takes into account the price on carbon for risk management purposes in its new and existing investments. This method drives capital allocation decisions at the Holding level as well as the mitigation measures across Group companies.
Partnering with governments on technology development	We collaborate with and are in constant communication with the Ministry of Energy and Natural Resources as well as EMRA (Energy Market Regulatory Authority) on developing new technologies. The main funding source of our R&D projects is the EMRA's R&D Fund, while other sources include the European Union Framework Programs, ITEA, Horizon Europe, and EUROGIA.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

The EU Taxonomy for environmentally sustainable economic activities

Type of product(s) or service(s)

Please select

Description of product(s) or service(s)

KraTos Macro PP is a high-performance polymer-based monofilament synthetic fiber reinforcement that can be utilized in concrete by directly replacing steel mesh or steel wire applications in infrastructure projects requiring high structural strength in concrete.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Other, please specify (Environmental Product Declaration In accordance with ISO 14025 and EN 15804:2012+A2:2019)

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Cradle-to-gate

Functional unit used

1 kg of KraTos Synthetic Fibre Concrete Reinforcement

Reference product/service or baseline scenario used

According to the product life cycle evaluation made within the framework of ISO 14040/44 standards, the carbon footprint of 1 kg of KraTos Synthetic Fiber Concrete Reinforcement is equivalent to 2.9 kg of CO2 eq. Considering the amount of KraTos used to prepare 1 m3 of concrete, the following conclusion is reached. 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%.

Life cycle stage(s) covered for the reference product/service or baseline scenario

Cradle-to-gate

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

0.00205

Explain your calculation of avoided emissions, including any assumptions

The carbon footprint of 1 m2 slab with steel mesh reinforcement is 2.92 kg CO2e which is equal to 0.00292 tCO2e/functional unit, The carbon footprint of 1 m2 slab with

Kratos Synthetic Fiber Concrete reinforcement is 0.87 kg CO2eq, which is equal to 0.00087 tCO2e/functional unit. Therefore, the avoided emissions are equal to: 0.00292-0.00087=0.00205 tCO2e/functional unit

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year
1

Level of aggregation
Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon
The EU Taxonomy for environmentally sustainable economic activities

Type of product(s) or service(s)

Other	Other, please specify (Ceramix Matrix Composite)

Description of product(s) or service(s)
Lightweight composites are a key element for the development of electric vehicles and sustainable transport solutions. Kordsa's Ceramix Matrix Composite products carbon fiber fabrics are being used in the manufacture of fuel cells that can generate combustion-free, emission-free and carbon-free electricity from hydrogen. Also it is used instead of metal parts in aircraft engines

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)
No

Methodology used to calculate avoided emissions
<Not Applicable>

Life cycle stage(s) covered for the low-carbon product(s) or services(s)
<Not Applicable>

Functional unit used
<Not Applicable>

Reference product/service or baseline scenario used
<Not Applicable>

Life cycle stage(s) covered for the reference product/service or baseline scenario
<Not Applicable>

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario
<Not Applicable>

Explain your calculation of avoided emissions, including any assumptions
<Not Applicable>

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year
1

Level of aggregation
Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon
The EU Taxonomy for environmentally sustainable economic activities

Type of product(s) or service(s)

Other	Other, please specify (%20 Recycled Nylon Tire Cord Fabric with Recycled PA66 Flake)

Description of product(s) or service(s)
Kordsa transforms its production scraps through a recycle machine into chips and reuse them in the production as recycled input. Production of cord fabric with recycled material, reducing the carbon footprint of the product.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)
Yes

Methodology used to calculate avoided emissions
Other, please specify (Life Cycle Assessment)

Life cycle stage(s) covered for the low-carbon product(s) or services(s)
Cradle-to-gate

Functional unit used
1 kg of Recycled PA Flake material

Reference product/service or baseline scenario used
Reference product is 100% Virgin raw material product

Life cycle stage(s) covered for the reference product/service or baseline scenario
Cradle-to-gate

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario
0.00184

Explain your calculation of avoided emissions, including any assumptions
According LCA results, %100 virgin raw material product GWP of Raw Material Stage is 9.46 kgCO2e/functional unit = 0.00946 tCO2e/functional unit, our %20 recycled content product's GWP of Raw Material Stage is 7.62 kgCO2e/ functional unit = 0.00762 tCO2e/functional unit. Therefore the avoided emissions are equal to: 0.00946-

0.00762=0.00184 tCO2e/functional unit.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year
0

C-FS4.5

(C-FS4.5) Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of climate change?
Yes

C-FS4.5a

(C-FS4.5a) Provide details of your existing products and services that enable clients to mitigate and/or adapt to climate change, including any taxonomy used to classify the products(s).

Product type/Asset class/Line of business

Investing	Other, please specify (As we are a conglomerate, we refer to our Group companies' products in this question. The % in portfolio represents the net sales revenue share in our total non-bank combined revenues.)

Taxonomy or methodology used to classify product
Internally classified

Description of product
1. Mitigation: products and services that provide benefits for the direct mitigation of environmental resource use and carbon emissions. 2. Transition: 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. 3. Enabler: Covers products and services that create a positive environmental impact on customer operations or serve as inputs to sustainable industries. Please refer to our 2021 Sustainability Report for further details.

Product enables clients to mitigate and/or adapt to climate change
Mitigation
Adaptation

Portfolio value (unit currency – as specified in C0.4)
5921585423

% of total portfolio value
6.1

Type of activity financed/insured or provided
Green buildings and equipment
Low-emission transport
Renewable energy
Other, please specify (The products include a wide range of technologies given the diverse sectors that we operate in.)

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?
No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?
Yes, an acquisition

Name of organization(s) acquired, divested from, or merged with
Buñol Factory

Details of structural change(s), including completion dates
Cimsa Sabancı Cement BV, a subsidiary of Sabancı Holding and Çimsa, completed the takeover process of the white cement factory Buñol in Spain, the most technologically advanced white cement factory in Europe, for 155.2 million USD. With the addition of the Buñol Factory to its production and distribution network, Çimsa expanded its export network in Europe, North Africa and South America. The acquisition of the Buñol Factory in Spain was made on 9 July 2021.

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in boundary	Cimsa Sabancı Cement BV, a subsidiary of Sabancı Holding and Çimsa, bought Buñol, the white cement factory in Spain.

C5.1c

(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	No, because the impact does not meet our significance threshold	Çimsa Bunol gross emisssions, which are approximately %2 of our total scope 1 and 2 emissions, are below our significance threshold of %5. Therefore, there is no need to recalculate our base year of 2020.

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
18601122.96

Comment
In 2020, we started to report Scope 1&2 emissions of our Group companies, i.e. investees, as part of the Holding's own Scope 1&2 based on operational control approach. Therefore, the boundary enlarged from Sabancı Holding to Sabancı Holding and its 13 group companies. Consequently, we restated our 2019 emissions where relevant.

Scope 2 (location-based)

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
2719438.5

Comment
In 2020, we started to report Scope 1&2 emissions of our Group companies, i.e. investees, as part of the Holding's own Scope 1&2 based on operational control approach. Therefore, the boundary enlarged from Sabancı Holding to Sabancı Holding and its 13 group companies. Consequently, we restated our 2019 emissions where relevant.

Scope 2 (market-based)

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
2719438.5

Comment
We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure. Since market-based Scope 2 is not applicable to Turkey, we reported our location based Scope 2 in this question.

Scope 3 category 1: Purchased goods and services

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
52575.6

Comment
We have started to calculate our scope 3 GHG emissions in 2020. We consider single use plastic consumption and water use as mainstream parameters for the environmental performance of our Group companies (i.e. investments) which is relatively feasible to track compared to other indirect emission sources. For that reason, we collect water and plastic data from all Group companies (i.e. Sabancı Holding and its 13 group companies) and receive verification from a third party. The verified amount of single use plastic consumption in 2020 is 15,762 tons which equals to 49,117.9 tCO2e. The verified amount of water use in 2020 is 10,051,448 m3 of water which equals to 3,457.7 tCO2e.

Scope 3 category 2: Capital goods

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
0

Comment
This report is drafted on behalf of Hacı Ömer Sabancı Holding A.Ş., the parent company of Sabancı Group. As a Holding company, our business activity can be defined as the management of Group companies (i.e. investees) with a strategic approach. Since there is no manufacturing activities nor a large-scale service/operation at the Holding, calculating capital goods-related Scope 3 is not relevant nor feasible for us, instead of the case for our investees.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
0

Comment
We consider all the fuel-and-energy-related activities under our Scope 1 and Scope 2 emissions. Therefore, fuel-and-energy-related activities (not included in Scope 1 or 2) is not relevant for us.

Scope 3 category 4: Upstream transportation and distribution

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
0

Comment
This report is drafted on behalf of Hacı Ömer Sabancı Holding A.Ş., the parent company of Sabancı Group. As a Holding company, our business activity can be defined as the management of Group companies (i.e. investees) with a strategic approach. Since there is no manufacturing activities nor a large-scale service/operation at the Holding, calculating upstream transportation and distribution related Scope 3 is not relevant nor feasible for us, instead of the case for our investees.

Scope 3 category 5: Waste generated in operations

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
7639

Comment
We have started to calculate our scope 3 GHG emissions in 2020. We consider waste generation as a mainstream parameter for the environmental performance of our Group companies (i.e. investees) which is relatively feasible to track compared to other indirect emission sources. In the calculation of emissions arising from waste generation, recycling and disposal of hazardous and non-hazardous waste as well as wastewater treatment are taken into account. The total Group-wide amount of non-hazardous and hazardous waste are 23,465 and 8,109 tons, respectively. GHG emissions originating from our non-hazardous and hazardous waste are calculated as 4,676 and 493 tCO2e, respectively. In addition to those, our emissions resulting from waste water is calculated as 2,470 tCO2e. The sum of emissions in this category is 7,639 tCO2e. As part of our circular economy efforts, the rate of water we recovered/reused in 2020 was 19% , while the rate of waste we recycled/reused/recovered was 87%.

Scope 3 category 6: Business travel

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
5877

Comment
We have started to calculate our scope 3 GHG emissions in 2020. We consider business travel as an important indicator of efficiency within our Group companies (i.e. investees) which is relatively feasible to track compared to other indirect emission sources. Sabancı Holding's business air travel emissions are very low due to pandemic. For the sake of our employees' health, almost no business travel took place. In 2020, a total flight distance of 12,512,206 passenger*km is travelled by Sabancı Group Companies' employees.

Scope 3 category 7: Employee commuting

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
7705.32

Comment
We have started to calculate our scope 3 GHG emissions in 2020. We consider employee commuting as an important indicator of Scope 3 emissions within our Group companies (i.e. investees) which is relatively feasible to track compared to other indirect emission sources. Among all companies in the Sabancı Group, we provide employee commuting for the wellbeing of our employees and also to decrease the overall GHG emissions according to travel by car to business facilities. The amount of emissions originating from employee commuting (personnel service use by employees) have been covered. In 2020, a total distance of 13,672,580 km is travelled in terms of employee commuting.

Scope 3 category 8: Upstream leased assets

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
0

Comment
This report is drafted on behalf of Hacı Ömer Sabancı Holding A.Ş., the parent company of Sabancı Group. As a Holding company, our business activity can be defined as the management of Group companies (i.e. investees) with a strategic approach. Since there is no manufacturing activities nor a large-scale service/operation at the Holding, calculating downstream transportation and distribution-related Scope 3 is not relevant nor feasible for us, instead of the case for our investees.

Scope 3 category 9: Downstream transportation and distribution

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
0

Comment
This report is drafted on behalf of Hacı Ömer Sabancı Holding A.Ş., the parent company of Sabancı Group. As a Holding company, our business activity can be defined as the management of Group companies (i.e. investees) with a strategic approach. Since there is no manufacturing activities nor a large-scale service/operation at the Holding, calculating downstream transportation and distribution-related Scope 3 is not relevant nor feasible for us, instead of the case for our investees.

Scope 3 category 10: Processing of sold products

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
0

Comment
This report is drafted on behalf of Hacı Ömer Sabancı Holding A.Ş., the parent company of Sabancı Group. As a Holding company, our business activity can be defined as the management of Group companies (i.e. investees) with a strategic approach. Since there is no manufacturing activities nor a large-scale service/operation at the Holding, calculating processing of sold products-related Scope 3 is not relevant nor feasible for us, instead of the case for our investees.

Scope 3 category 11: Use of sold products

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
0

Comment
This report is drafted on behalf of Hacı Ömer Sabancı Holding A.Ş., the parent company of Sabancı Group. As a Holding company, our business activity can be defined as the management of Group companies (i.e. investees) with a strategic approach. Since there is no manufacturing activities nor a large-scale service/operation at the Holding, calculating processing of use of sold products-related Scope 3 is not relevant nor feasible for us, instead of the case for our investees.

Scope 3 category 12: End of life treatment of sold products

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
0

Comment
This report is drafted on behalf of Hacı Ömer Sabancı Holding A.Ş., the parent company of Sabancı Group. As a Holding company, our business activity can be defined as the management of Group companies (i.e. investees) with a strategic approach. Since there is no manufacturing activities nor a large-scale service/operation at the Holding, calculating end of life treatment of sold products-related Scope 3 is not relevant nor feasible for us, instead of the case for our investees.

Scope 3 category 13: Downstream leased assets

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
0

Comment
This report is drafted on behalf of Hacı Ömer Sabancı Holding A.Ş., the parent company of Sabancı Group. As a Holding company, our business activity can be defined as the management of Group companies (i.e. investees) with a strategic approach. Since there is no manufacturing activities nor a large-scale service/operation at the Holding, calculating downstream leased assets-related Scope 3 is not relevant nor feasible for us, instead of the case for our investees.

Scope 3 category 14: Franchises

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
0

Comment
This report is drafted on behalf of Hacı Ömer Sabancı Holding A.Ş., the parent company of Sabancı Group. As a Holding company, our business activity can be defined as the management of Group companies (i.e. investees) with a strategic approach. Since there is no manufacturing activities nor franchises at the Holding level, this category is not applicable to us.

Scope 3 category 15: Investments

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
0

Comment

Scope 3: Other (upstream)

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
0

Comment
No additional Scope 3 emission sources are identified. This report is drafted on behalf of Hacı Ömer Sabancı Holding A.Ş., the parent company of Sabancı Group. As a Holding company, our business activity can be defined as the management of Group companies (i.e. investees) with a strategic approach. Since there is no manufacturing activities nor a large-scale service/operation at the Holding, calculating other upstream-related Scope 3 is not relevant nor feasible for us.

Scope 3: Other (downstream)

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
0

Comment
No additional Scope 3 emission sources are identified. This report is drafted on behalf of Hacı Ömer Sabancı Holding A.Ş., the parent company of Sabancı Group. As a Holding company, our business activity can be defined as the management of Group companies (i.e. investees) with a strategic approach. Since there is no manufacturing activities nor a large-scale service/operation at the Holding, calculating other downstream-related Scope 3 is not relevant nor feasible for us.

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019
IPCC Guidelines for National Greenhouse Gas Inventories, 2006
ISO 14064-1
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
US EPA Center for Corporate Climate Leadership: Indirect Emissions From Events and Conferences
US EPA Emissions & Generation Resource Integrated Database (eGRID)
WBCSD: The Cement CO2 and Energy Protocol

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
19976889.72

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
Scope 1 emissions represents combined emissions of Sabancı Holding and its 13 Group companies. These companies operate in a wide range of sectors such as building materials, energy, industrials, retail, digital, banking and financial services. Scope 1 emissions are mainly originating from combustion of fossil fuel for a wide range of purposes varying from heating and electricity generation purposes to company-owned vehicles. Fugitive emissions are also included. Our Scope 1 emissions were 18601122.96 tCO2e in 2020 and 19976889.72 tCO2e in 2021, indicating a 7.4% increase, i.e 1375766.74 tCO2e in absolute terms. The main reason of increase in our Scope 1 emissions is the change in production in 2021, particularly in energy and building materials.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

Comment
We are reporting a location-based Scope 2 emissions figure, resulting from the use of electricity from the grid. We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
2822956.53

Scope 2, market-based (if applicable)
<Not Applicable>

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
Scope 2 emissions represents combined emissions of Sabancı Holding and its 13 Group companies. These companies operate in a wide range of sectors such as building materials, energy, industrials, retail, digital, banking and financial services. Scope 2 emissions are mainly originating from electricity purchase from the grid. Our Scope 2 emissions were 2,719,438.5 tCO2e in 2020 and 2,822,956.53 tCO2e in 2021. It corresponds to an increase of 3,8%, i.e. 103,518.03 tCO2e, compared to last year. The main reason of increase in our Scope 2 emissions is the increase in the electricity use of our energy group from the grid.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
10067.1

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
We consider single use plastic consumption and water use as mainstream parameters for the environmental performance of our Group companies (i.e. investments) which is relatively feasible to track compared to other indirect emission sources. For that reason, we collect water and plastic data from all Group companies (i.e. Sabancı Holding and its 13 group companies) and receive verification from a third party. The verified amount of single use plastic consumption in 2020 was 3,420 tons which equals to 10,657.7 tCO2e (DEFRA 2020 - Primary plastic use emission factor multiplied by weight of plastic). The verified amount of water use in 2020 is 10,051,448 m3 of water which equals to 3,457.7 tCO2e (DEFRA 2020 - Tap water use emission factor multiplied by volume of water used). The sum of these 2 emission sources in this category is 14115.42 tCO2e. In 2021, the consumption of single-use plastics in 2021 is 2,724 tonnes, which equals 8,489.8 tCO2e (DEFRA 2021 - Primary plastic use emission factor times the weight of the plastic). The amount of water usage confirmed in 2021 is 10.585.542,27 m3 of water. Equivalent to 1,577.2 tCO2e (DEFRA 2021 - Tap water use emission factor times the volume of water used). The sum of these 2 emission sources in this category is 10,067.1 tCO2e. Compared to 2020, the total emission value decreased by 28.7%. Last year, the amount of plastic tons was entered incorrectly. It has been revised this year and compared with the correct value.

Capital goods

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This report is drafted on behalf of Hacı Ömer Sabancı Holding A.Ş., the parent company of Sabancı Group. As a Holding company, our business activity can be defined as the management of Group companies (i.e. investees) with a strategic approach. Since there is no manufacturing activities nor a large-scale service/operation at the Holding, calculating capital goods-related Scope 3 is not relevant nor feasible for us, instead of the case for our investees.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We consider all the fuel-and-energy-related activities under our Scope 1 and Scope 2 emissions. Therefore, fuel-and-energy-related activities (not included in Scope 1 or 2) is not relevant for us.

Upstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This report is drafted on behalf of Hacı Ömer Sabancı Holding A.Ş., the parent company of Sabancı Group. As a Holding company, our business activity can be defined as the management of Group companies (i.e. investees) with a strategic approach. Since there is no manufacturing activities nor a large-scale service/operation at the Holding, calculating upstream transportation and distribution-related Scope 3 is not relevant nor feasible for us, instead of the case for our investees.

Waste generated in operations

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
6187

Emissions calculation methodology
Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
We consider waste generation as a mainstream parameter for the environmental performance of our Group companies (i.e. investees) which is relatively feasible to track compared to other indirect emission sources. In the calculation of emissions arising from waste generation, recycling and disposal of hazardous and non-hazardous waste as well as wastewater treatment are taken into account. The total Group-wide amount of non-hazardous and hazardous waste are 35,035 and 8,214 tons, respectively. GHG emissions originating from our non-hazardous and hazardous waste are calculated as 3,836 and 746 tCO2e, respectively. In addition to those, our emissions resulting from waste water is calculated as 1.605 tCO2e. The sum of emissions in this category is 6,187 tCO2e. As part of our circular economy efforts, the rate of water we recovered/reused in 2021 was 22%, while the rate of waste we recycled/reused/recovered was 79%. Compared to 2020, the total emission value decreased by 19%.

Business travel

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
11288.66

Emissions calculation methodology
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
We consider business travel as an important indicator of efficiency within our Group companies (i.e. investees) which is relatively feasible to track compared to other indirect emission sources. In 2021, a total flight distance of 8,071,417 passenger*km is travelled by Sabancı Group Companies' employees. The sum of emissions in business travel is 11288.66 tons of CO2e. Compared to 2020, the total emission value decreased by 92.08%.

Employee commuting

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
13567.85

Emissions calculation methodology
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
We consider employee commuting as an important indicator of Scope 3 emissions within our Group companies (i.e. investees) which is relatively feasible to track compared to other indirect emission sources. Among all companies in the Sabancı Group, we provide employee commuting for the wellbeing of our employees and also to decrease the overall GHG emissions according to travel by car to business facilities. The amount of emissions originating from employee commuting (personnel service use by employees) have been covered. In 2021, a total distance of 13,782,929 km is travelled in terms of employee commuting. The sum of emissions in business travel is 13567.85 tons of CO2e. Compared to 2020, the total emission value decreased by 76.08%.

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This report is drafted on behalf of Hacı Ömer Sabancı Holding A.Ş., the parent company of Sabancı Group. As a Holding company, our business activity can be defined as the management of Group companies (i.e. investees) with a strategic approach. Since there is no manufacturing activities nor a large-scale service/operation at the Holding, calculating capital goods-related Scope 3 is not relevant nor feasible for us, instead of the case for our investees.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This report is drafted on behalf of Hacı Ömer Sabancı Holding A.Ş., the parent company of Sabancı Group. As a Holding company, our business activity can be defined as the management of Group companies (i.e. investees) with a strategic approach. Since there is no manufacturing activities nor a large-scale service/operation at the Holding, calculating downstream transportation and distribution-related Scope 3 is not relevant nor feasible for us, instead of the case for our investees.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This report is drafted on behalf of Hacı Ömer Sabancı Holding A.Ş., the parent company of Sabancı Group. As a Holding company, our business activity can be defined as the management of Group companies (i.e. investees) with a strategic approach. Since there is no manufacturing activities nor a large-scale service/operation at the Holding, calculating processing of sold products -related Scope 3 is not relevant nor feasible for us, instead of the case for our investees.

Use of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This report is drafted on behalf of Hacı Ömer Sabancı Holding A.Ş., the parent company of Sabancı Group. As a Holding company, our business activity can be defined as the management of Group companies (i.e. investees) with a strategic approach. Since there is no manufacturing activities nor a large-scale service/operation at the Holding, calculating use of sold products-related Scope 3 is not relevant nor feasible for us, instead of the case for our investees.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This report is drafted on behalf of Hacı Ömer Sabancı Holding A.Ş., the parent company of Sabancı Group. As a Holding company, our business activity can be defined as the management of Group companies (i.e. investees) with a strategic approach. Since there is no manufacturing activities nor a large-scale service/operation at the Holding, calculating end of life treatment of sold products-related Scope 3 is not relevant nor feasible for us, instead of the case for our investees.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This report is drafted on behalf of Hacı Ömer Sabancı Holding A.Ş., the parent company of Sabancı Group. As a Holding company, our business activity can be defined as the management of Group companies (i.e. investees) with a strategic approach. Since there is no manufacturing activities nor a large-scale service/operation at the Holding, calculating downstream leased assets-related Scope 3 is not relevant nor feasible for us, instead of the case for our investees.

Franchises

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This report is drafted on behalf of Hacı Ömer Sabancı Holding A.Ş., the parent company of Sabancı Group. As a Holding company, our business activity can be defined as the management of Group companies (i.e. investees) with a strategic approach. Since there is no manufacturing activities nor a large-scale service/operation at the Holding, calculating franchises-related Scope 3 is not relevant nor feasible for us, instead of the case for our investees.

Investments

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This report is drafted on behalf of Hacı Ömer Sabancı Holding A.Ş., the parent company of Sabancı Group. As a Holding company, our business activity can be defined as the management of Group companies (i.e. investees) with a strategic approach. We predict that the full inclusion to this Scope 3 category will be in the long term time period because we can focus on Scope 3 emissions where our impacts are larger and where we can affect more the transaction. We focus on scope 3 emission categories that we can have influence more on emission reductions.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This report is drafted on behalf of Hacı Ömer Sabancı Holding A.Ş., the parent company of Sabancı Group. As a Holding company, our business activity can be defined as the management of Group companies (i.e. investees) with a strategic approach. Since there is no manufacturing activities nor a large-scale service/operation at the Holding, calculating other (upstream)-related Scope 3 is not relevant nor feasible for us, instead of the case for our investees.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This report is drafted on behalf of Hacı Ömer Sabancı Holding A.Ş., the parent company of Sabancı Group. As a Holding company, our business activity can be defined as the management of Group companies (i.e. investees) with a strategic approach. Since there is no manufacturing activities nor a large-scale service/operation at the Holding, calculating other (downstream)-related Scope 3 is not relevant nor feasible for us, instead of the case for our investees.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?
Yes

C6.7a

(C6.7a) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO2.

	CO2 emissions from biogenic carbon (metric tons CO2)	Comment
Row 1	175313.61	In 2021, in building material group emitted biogenic carbon emissions due to the burning alternative fuel which has biomass content such as, dried sewage sludge, solid biomass waste, industrial wastes, end of life disposal of tires etc.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.0001498

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
22799846.25

Metric denominator
unit total revenue

Metric denominator: Unit total
152112502913

Scope 2 figure used
Location-based

% change from previous year
27.2

Direction of change
Decreased

Reason for change
In 2021, our Scope 1 + 2 emissions are 22,799,846 tCO2e and net sales revenues were 152,112,502,913 TL. As a result, our Scope 1 + 2 emissions per TL revenue intensity was 0.000150 tCO2e/TL. In 2020 our scope1+2 emissions are 21,320,561 tCO2e and our combined net sales revenues were 103,532,685,696 TL. As a result, our Scope 1 + 2 emissions per TL revenue intensity was 0.0002059 tCO2e/TL. This means a decrease of 27.2 % in this metric, which is due to increase in the net sales revenues by 46.92 % while increase in the scope 1+2 emissions by 6.93 %. Overall, as the increase in the net sales revenue is higher than the increase in GHG emissions, emissions/revenue figure has decreased.

Intensity figure
477.344

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
22799846.25

Metric denominator
full time equivalent (FTE) employee

Metric denominator: Unit total
47764

Scope 2 figure used
Location-based

% change from previous year
4.41

Direction of change
Increased

Reason for change
In 2021, our Scope 1 + 2 emissions are 22,799,846 tCO2e and the number of Full Time Equivalent (FTE) employee was 47,764. As a result, our Scope 1 + 2 emissions per FTE employee intensity in 2021 is 477.344 tCO2e/FTE employee. In 2020, our Scope 1 + 2 emissions are 21,320,561 tCO2e and the number of Full Time Equivalent (FTE) employee was 46,635. As a result, our Scope 1 + 2 emissions per FTE employee intensity in 2020 is 457.179 tCO2e/FTE employee. This means an increase of 4.41 % in this metric, which is mainly due to the increased Scope 1 emissions in our building materials and energy group because of the change in production amount.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
No

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Turkey	19769764.72
Spain	207125

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

By activity

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Holding	710.64
Banking	18187
Building Materials	12062681.67
Financial Services	802.29
Industry	108855.95
Retail and Digital	153018.88
Energy & Utilities	7632633.29

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Stationary Combustions	12071710.3
Mobile Combustions	41320.56
Fugitive Emissions	7706875.77
Process Emissions	156983.1

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Turkey	2822956.53	

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Holding	2672.64	
Banking	24300	
Building Materials	624101.32	
Financial Services	561.9	
Industry	118666.43	
Retail and Digital Businesses	96258.4	
Energy & Utilities	1956395.83	

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	90785	Decreased	0.43	Our previous year gross Scope1&2 emissions are 21,320,561 tCO2e. Sabancı Group increased the amount of renewable energy usage in 2021 compared to 2020 from 164,781 MWh to 355,920 MWh. In other words, renewable energy usage increased by 116%, i.e. 191,139 MWh. In 2021, we purchased 191,795 MWh of renewable energy which resulted in a 87,458 tCO2e, generated 49,976 MWh of renewable electricity which equals to 22,789 tCO2e, and we harvested 114,148 MWh of waste heat which equals to 27,194 tCO2e. In 2020, we purchased renewable electricity which equals to 12,311 tCO2e reduction, generated 6,982 MWh renewable energy which equals 3,183 tCO2e and 130,801 MWh used waste heat which equals to 31,162 tCO2e. The GHG emissions change due to usage of renewable electricity purchase, generation and waste heat = (87,458+22,789+27,194) - (12,311+3,183+31,162) = 90,785 tCO2e. The decrease of emission percentage (%) = 90,785 / 21,320,561 x 100 = 0.43%
Other emissions reduction activities	117570	Decreased	0.55	Thanks to our climate change mitigation activities a total of 117,570 tCO2e emission reductions were achieved in 2021. These reduction figures are verified by an independent verifier. The decrease of emission percentage (%) = 117,570 / 21,320,561 x 100 = 0.55%
Divestment	0	No change	0	There is no change in emissions that are identified due to divestment in 2021.
Acquisitions	207125	Increased	0.97	In 2021, Çimsa Bunol was included in the inventory with its 207,125 tCO2e GHG emissions. The increase of emission percentage (%) = 207,125 / 21,320,561 x 100 = 0.97%
Mergers	0	No change	0	There is no change in emissions that are identified due to mergers in 2021.
Change in output	1480484	Increased	6.93	Our Group companies kept their growth in 2021 and almost all of the increase in GHG emissions are due to increase in production. For instance, our overall energy consumption in Energy, Building Materials Group and others increased. The increase in the GHG emissions by these Group companies are 806,353tCO2e, 504,483 tCO2e and 169,648 tCO2e respectively, corresponding to a total increase of 1,480,484 tCO2e. The increase of emission percentage (%) = 1,480,484 / 21,320,561 x 100 = 6.93%
Change in methodology	0	No change	0	There is no considerable change in emissions that are identified due to changes in methodology in 2021.
Change in boundary	0	No change	0	There is no considerable change in emissions that are identified due to changes in boundary in 2021.
Change in physical operating conditions	0	No change	0	We assume that there is no significant change in physical operating conditions in 2021 compared to 2020.
Unidentified	0	No change	0	The reason for almost all the changes are explained in other sections. Therefore, we report unidentified reasons as zero.
Other	0	No change	0	The reason for almost all the changes are explained in other sections. Therefore, we report other reasons as zero.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	41095021	41095021
Consumption of purchased or acquired electricity	<Not Applicable>	191795	1891107	2082902
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	164125	<Not Applicable>	164125
Total energy consumption	<Not Applicable>	355920	42986128	43342048

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value
LHV

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
Our holding company and its group companies do not use any sustainable biomass in our operations. Our Building Material group uses alternative fuel which has biomass content such as, dried sewage sludge, solid biomass waste, industrial wastes, end of life disposal of tires etc

Other biomass

Heating value
LHV

Total fuel MWh consumed by the organization
539021

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
539021

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
Our Building Material group uses alternative fuel which has biomass content such as, dried sewage sludge, solid biomass waste, industrial wastes, end of life disposal of tires etc.

Other renewable fuels (e.g. renewable hydrogen)

Heating value
LHV

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
Our holding company and its group companies do not use any other renewable fuel in our operations.

Coal

Heating value
LHV

Total fuel MWh consumed by the organization
20855899

MWh fuel consumed for self-generation of electricity
8556497

MWh fuel consumed for self-generation of heat
12299402

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
Our Energy group uses coal to generate electricity and Building materials group uses coal in the kiln and other processes to produce heat.

Oil

Heating value
LHV

Total fuel MWh consumed by the organization
194884

MWh fuel consumed for self-generation of electricity
23266

MWh fuel consumed for self-generation of heat
171619

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
Our Grroup companies use Diesel oil, Gasoline and Fuel-oil in our operations. Diesel oil is used both in generators to generate electricity and in our vehicles (trucks, company cars etc.), gasoline is used in our company cars and fuel-oil is used for both electricity generation and heat production.

Gas

Heating value
LHV

Total fuel MWh consumed by the organization
18006598

MWh fuel consumed for self-generation of electricity
17441723

MWh fuel consumed for self-generation of heat
564875

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
Our Group companies use Natural gas and LPG in our operations. Natural gas is mainly used to generate electricity, to produce steam and heat for the processes and heating purposes. LPG is used to produce heat for the industrial processes.

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value
LHV

Total fuel MWh consumed by the organization
1612767

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
1612767

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
Our Building Materials group uses other non-renewable fuels such as, dried sewage sludge, solid biomass waste, industrial wastes, end of life disposal of tires, waste oil etc. in kilns.

Total fuel

Heating value
LHV

Total fuel MWh consumed by the organization
41209169

MWh fuel consumed for self-generation of electricity
26021486

MWh fuel consumed for self-generation of heat
15187683

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	16595310	750719	3016044	3688
Heat	15187683	15187683	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area
Turkey

Consumption of electricity (MWh)
2132878.85

Consumption of heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
2132878.85

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

Country/area
Spain

Consumption of electricity (MWh)
42749.72

Consumption of heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
42749.72

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description
Energy usage

Metric value
0.28

Metric numerator
Energy Use in MWh

Metric denominator (intensity metric only)
Revenue in Thousand Turkish Liras

% change from previous year
25.27

Direction of change
Decreased

Please explain
The total energy use for 2021 was reported as 43,342,048.42 MWh and the combined net sales revenues of Sabancı Holding is 152,112,502,913.00TL. In 2020 the combined net sales revenues and the energy use of Sabancı Holding were 103,532,685,696 TL. And 39,474,981.26 MWh respectively, indicating an decrease of 25.27% in intensity figure. This decrease is due to the higher rate of increase in combined net sales revenues (i.e. 46.92%) than the rate of increase in our energy use.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Sabancı Holding_Assurance.pdf

Page/ section reference
Reference Document: Sabancı Holding Limited Assurance Report Page Numbers: 1, 2

Relevant standard
ISAE 3410

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Sabancı Holding_Assurance.pdf

Page/ section reference
Reference Document: Sabancı Holding Limited Assurance Report Page Numbers: 1, 2

Relevant standard
ISAE 3410

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Business travel

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Sabancı Holding_Assurance.pdf

Page/section reference
Reference Document: Sabancı Holding Limited Assurance Report Page Numbers: 1, 2

Relevant standard
ISAE 3410

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Employee commuting

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Sabancı Holding_Assurance.pdf

Page/section reference
Reference Document: Sabancı Holding Limited Assurance Report Page Numbers: 1, 2

Relevant standard
ISAE 3410

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C5. Emissions performance	Year on year change in emissions (Scope 1 and 2)	ISAE 3000(Revised) ISAE 3410	In addition to our emission figures, our full-time equivalent employee figures used in C4. Targets and performance section of this report are verified by external assurance provider PWC for the year 2021. As our emission intensity per FTE employee figure is just a ratio between these two verified figures, this intensity figure has been also verified.
C5. Emissions performance	Year on year change in emissions (Scope 3)	ISAE 3000(Revised) ISAE 3410	In addition to our emission figures, our full-time equivalent employee figures used in C4. Targets and performance section of this report are verified by external assurance provider PWC for the year 2021. As our emission intensity per FTE employee figure is just a ratio between these two verified figures, this intensity figure has been also verified.
C6. Emissions data	Year on year change in emissions (Scope 1 and 2)	ISAE 3000(Revised) ISAE 3410	All emission figures of the Group companies have been verified by external assurance provider PWC in accordance with ISAE 3410 and ISAE 3000(Revised) standard.
C6. Emissions data	Year on year change in emissions (Scope 3)	ISAE 3000(Revised) ISAE 3410	All emission figures of the Group companies have been verified by external assurance provider PWC in accordance with ISAE 3410 and ISAE 3000(Revised) standard.
C8. Energy	Energy consumption	ISAE 3000(Revised) ISAE 3410	Our all direct and indirect energy consumptions have been verified by external assurance provider PWC in accordance with ISAE 3410 and ISAE 3000(Revised) standard.
C8. Energy	Other, please specify (Renewable Energy Generation)	ISAE 3000(Revised) ISAE 3410	All energy generation figures by production type (i.e. source) have been verified by external assurance provider PWC in accordance with ISAE 3410 and ISAE 3000(Revised) standard. Consequently, our renewable energy generation is also verified.
C9. Additional metrics	Other, please specify (Emission intensity per revenue (tCO2e/million TL))	ISAE 3000(Revised) ISAE 3410	In addition to our emission figures, our consolidated revenue has been verified by our statutory auditor for the year 2021. As our emission intensity per revenue figure is just a ratio between these two verified figures, this intensity figure has been also verified by external assurance provider PWC.

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, but we anticipate being regulated in the next three years

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Turkey pursues to establish a regulated emission trading system similar to EU-ETS and has been developing and adapting its regulatory framework towards adoption of an Emission Trading System. Within 2012 Climate Change Department of the MoECCC has published the regulation on the Monitoring of Greenhouse Gas Emissions, which is very similar to EU-ETS MRV (Monitoring Report and Verification) system. Since 2018, more than 600 facilites representing 47% of Turkey's total greenhouse gas emissions submit their emission reports periodically to the MoECC, covering activities such as the combustion of fossil fuels, oil refining, iron and steel, ferrous and non-ferrous metal production, primary aluminum production, mining industry, pulp and paper production, chemical industry and acid production.

Within the scope of the process accelerated by Turkey's becoming a party to the Paris Agreement as of October 6, 2021, the 2053 net zero emission target has been set. It is of great importance that the carbon pricing implementation, which is an important instrument in greenhouse gas reduction and implemented in many countries around the world, will be developed as a continuation of the preparatory activities carried out in our country regarding the matter by receiving the opinions and suggestions of all relevant stakeholders. It is believed that the national emissions trading system, which will be designed in the light of the data in the infrastructure of the Monitoring, Reporting and Verification (MRV) system, which has been maintained in our country since 2015, will be the most important part of the carbon pricing practice to be implemented in our country.

In line with the Border Carbon Adjustment Mechanism to be initiated by the European Union by 2023, it is essential for Turkey to use appropriate carbon pricing instruments. Among the actions within the scope of the EU Green Deal Action Plan, which was prepared on a national scale within the framework of the Presidential Circular No. 2021/15, there are activities for Turkey's transition to an appropriate carbon pricing mechanism and identifying our country's position on carbon pricing.

2022 has been a year with announced strong commitments towards establishment of a Turkish Emission Trading System. The Final Declaration of Climate Council 2022 (The Climate Council is organized within the framework of the provisions of the Regulation on the Establishment of the Environment and Urbanization Council and Working Groups and the Working Procedures and Principles, which entered into force once published in the Official Gazette dated 05/09/2012 and numbered 28402) concludes finalization of Emission Trading System by 2024 (https://iklimsurasi.gov.tr/public/images/sonucbildirgesi.pdf).

Sabancı Holding and its subsidiaries comply with the periodic monitoring reporting and verification obligations and is taking part and responsibility and involved and contributed to the council process as part of the technical working groups and supports all activities towards establishment of a full trading system, which will help to reduce carbon emissions within the holding group and nation-wide.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?
Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase
Credit origination

Project type
Other, please specify (Wind, Hydro, Solar)

Project identification
Although it varies according to the type of certificate, the price of the emission reduction units in voluntary markets are around 4 Euro ton CO2. This price is multiplied with the amount of verified emission reductions.

Verified to which standard
Other, please specify (VCS (Verified Carbon Standard), Gold Standard, IREC, GCC, YEK-G)

Number of credits (metric tonnes CO2e)
481986

Number of credits (metric tonnes CO2e): Risk adjusted volume
195935

Credits cancelled
Not relevant

Purpose, e.g. compliance
Voluntary Offsetting

C11.3

(C11.3) Does your organization use an internal price on carbon?
Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price
Navigate GHG regulations
Stress test investments

GHG Scope
Scope 1

Application
There is carbon intensive sectors in our group companies such as energy and building materials. In order not to be adversely affected from the CBAM (Carbon Border Adjusted Mechanism), that is expected to get into force, we took counter measures and perform stress tests.

Actual price(s) used (Currency /metric ton)
870.52

Variance of price(s) used
We determined the price as a price that develops over time, which is known as evolutionary pricing. Please hence that above mentioned Actual Price is in TL and highest estimate made by our analysis for 2022 is converted by the rate stated by Central Bank of The Republic of Turkey (CBRT) as of 30.06.2021 2022: Low 34 USD/ton Mid: 80 USD/ton, High: 100 USD/ton 2023: Low 34 USD /ton Mid: 88,75 USD/ton, High: 131.75 USD/ton, 2024: Low 34 USD /ton Mid: 97.5 USD/ton, High: 163.5 USD /ton, 2025: Low 34 USD /ton Mid: 106,25 USD/ton, High: 195.25 USD/ton,

Type of internal carbon price
Shadow price

Impact & implication
The risk assessment is used to inform our capital allocation decisions and the determination of interim climate targets, which will ultimately lead to our Group-wide Net Zero Emissions Goal by 2050 at the latest.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
Yes, our customers/clients
Yes, our investees
Yes, other partners in the value chain

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Collaboration & innovation	Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number

86

% of customer - related Scope 3 emissions as reported in C6.5

85

Please explain the rationale for selecting this group of customers and scope of engagement

86 % of Kordsa's customers by sales volume are tire manufacturers with targets to reduce the rolling resistance of their products, which in turn will reduce the fossil fuel consumption of vehicles and reduce their GHG emissions. Our products are one of the three main components of tires, and in order to reduce the rolling resistance of the final product, our customers also need to have lighter fabrics in their tires. We constantly invest on R&D projects to contribute to the targets of our customers, with the aim of developing products that will reduce the rolling resistance of the final product. Customer related Scope 3 emissions % are estimated according to share of tire-reinforcement clients in our production volumes.

Impact of engagement, including measures of success

These engagement activities are seen as a major success, as we are able to reach our main tire customers and share the technologies and developments with them. We are also receiving positive feedback from our customers regarding these innovation and R&D projects. Every year we run innovation meetings to discuss about emission reduction technologies, with approximately % 86 of our customers; both tire manufacturers and composite customers.

Type of engagement & Details of engagement

Collaboration & innovation	Other, please specify (Procurement of electricity from renewable sources for consumers)

% of customers by number

1

% of customer - related Scope 3 emissions as reported in C6.5

19

Please explain the rationale for selecting this group of customers and scope of engagement

Enerjisa Enerji, one of Group companies is aware of our role in combating climate change, which is increasingly impacting our lives. The international and national regulatory framework is also urging companies to take bold steps. Our goal is to decrease our direct and indirect GHG emissions in all processes. Hence, we track our Scope 1-2-3 emissions and take actions to reduce our environmental impact. In addition to this, we are undertaking important steps in the procurement and sale of green energy. In our retail business, electricity purchased and resold accounts for the largest share of our indirect emissions. Thus, we focus on reducing the carbon emissions related with the electricity we buy and sell to our customers. We have started to use renewable energy in our direct operations and also to make Power Purchase Agreements (PPAs) for direct renewable energy sourcing. In December 2020, for the first time, we signed a PPA in order to supply electricity directly from power plants that generate electricity from renewable energy resources. As a result, we aim to provide green energy to our eligible customers. Additionally, our current PPA contracts are only a year long. We are working on extending their horizon. We hope to attract more customers and direct more revenue to renewable energy investments by extending the term of PPA contracts.

Impact of engagement, including measures of success

Enerjisa Enerji believes that renewable PPAs will be critical in supporting the shift from incentive based renewable investments to market driven renewable investments. In 2021, 962 GWh PPA were realized. We target to double the renewable PPA volume for electricity sold in liberalized market for 2022. Our reported customer related Scope 3 emissions constitute almost all of our Scope 3 emissions. In 2021, we target to secure volumes through PPAs for at least 3% of our liberalized sales for 2022. We are currently planning the timeline for blockchain renewable energy certificates as a customer solution service.

C-FS12.1c

(C-FS12.1c) Give details of your climate-related engagement strategy with your investees.

Type of engagement
Engagement & incentivization (changing investee behavior)

Details of engagement
Initiate and support dialogue with investee boards to set Paris-aligned strategies

% scope 3 emissions as reported in C-FS14.1a/C-FS14.1b
100

Investing (Asset managers) portfolio coverage
<Not Applicable>

Investing (Asset owners) portfolio coverage
100

Rationale for the coverage of your engagement
Engagement targeted at investees with increased climate-related risks

Impact of engagement, including measures of success
Climate-related issues are among the top priority tasks in sustainability management at Sabancı Holding. The CEO of Sabancı Holding holds the ultimate responsibility for the execution of Sustainability Roadmap. ESG performance, including but not limited to those that are related to climate issues, are embedded in senior management's performance goals at the rates of 10-15% across our Group (10% for Group Presidents at the Holding; 15% for CEOs of the Holding and Group companies). Therefore, we incentivize our Group companies to better manage climate-related issues through the remuneration of senior management. On top of that, Sustainability Leadership Committee, chaired by the Human Capital and Sustainability Group President in the Executive Board, ensures the alignment of the Holding and Group companies on sustainability goals, targets and actions. The Committee consists of the Holding's Group Presidents, who are at the BoDs of our Group companies. The Committee is responsible for monitoring the progress in the goals and actions included in the Group's Sustainability Roadmap, and monitoring the efforts to manage risks that may adversely affect Sabancı's reputation and operations in ESG areas. Through this Committee and its members, we engage with the BoDs of our Group companies, i.e. investees. Kindly note that, as per the operational control approach, we include 100% of Scope 1&2 emissions of our Group companies, i.e. investees, in Sabancı Holdings's Scope 1&2, while covering their Scope 3 under our Scope 3. 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. Examples to the impact of our engagement in 2021 are as follows: - 100% of Group companies (i.e. investees) have adopted Net Zero Emissions goal by 2050, - 100% of Group companies (i.e. investees) have adopted Zero Waste goal by 2050, - In 2021, more companies in our Group committed to respond CDP Climate Change and/or Water questionnaire, - More companies in our Group have established dedicated teams on sustainability.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Business Associations: TUSIAD is a voluntary business organization formed by Turkey's leading entrepreneurs and business world managers. TUSIAD, as the organizations represented by its members, has an important representation ability in the Turkish economy in areas such as production, added value, registered employment and foreign trade.

TUSIAD has been a member of the European Business Confederation (BusinessEurope), the umbrella organization considered as the representative of the European private sector. Its members represent nearly 4,500 companies. Sabancı Holding Industry Group President Cevdet Alemdar is the Head of the Energy and Environment Roundtable at TUSIAD. Sabancı Group has a leading position on climate and environmental pillars.

We are supporting the actions in favorite of developing low-carbon economy in Turkey. Until the first phases of PMR, which is known as MRV 1 and MRV 2 phases; both the Sabancı Group companies and their experienced experts voluntarily contributes to the projects by attending numerous meeting, developing countless presentations and providing feedbacks to the authorities.

Government organized a Climate Council and Sabancı Holding and its companies were involved in the high level decisions taken for the Roadmap of the Country in terms of low carbon and climate resilient economy. Before the meetings took place the Group companies had the chance to send their opinions and recommendations to the Secreteriat. The results of these series of meetings will be used for Climate Law and other strategies towards a low carbon country.

Our Group Companies within Energy sector has participated in several meetings held by different regulatory bodies and relevant NGO’s such as Energy Market Regulatory Authority, Ministry of Energy and Natural Resources, Ministry of Environment, Urbanisation and Climate Change, Energy Exchange İstanbul, Natural Gas Distribution Companies Association of Turkey, Electricity Distribution Services Association and Turkish Electricity Distribution Corporation. These meetings topics included implementing blockchain technologies in the energy sector and developing the infrastructure for e-vehicle charging stations. Building Materials Companies are involved in ESG related working groups (namely Environment and Climate Change and Sustainability WGs) of their sectoral associations like Turkish Cement Manufacturers Association, Association of Construction Material Producers, etc.

Sabancı University; with its research activities, 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 with collaborations it established. Sabancı Group companies are also collaborating with Sabancı University along with other Universities and Knowledge Institutions. For example; 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. Another Center within the University; Istanbul International Center for Energy and Climate (IICEC) which is a future-oriented independent research and policy center designed to conduct objective, high-quality economic and policy studies in energy and climate. Sabancı Group companies collaborate with IICEC. The Centre published Outlook for Turkey’s Electric Vehicles in 2021. In 2021 they also organised Global Energy andClimate Trends and Implications in Turkey conference.

Energy Group President of Sabancı Group attended and contributed to discussions on recent developments in climate and energy from the perspective of energy sector and energy companies. He also attended a webinar "Future of Net Zero Emission in the World & Europe and Implications for Turkey" in 2021.

Companies within the Sabancı Group contributed and participated in the development of research/white papers lie “Grid and Market Integration of Renewable Distributed Energy Generation" published by knowledge institution Shura-Energy Transition Centre.

With our group companies we also support the start up ecosystem with our intiatives like Sabancı Ventures program, IVME project (Enerjisa Enerji’s program to support start ups).

Investors and ESG rating agencies: Sabancı Holding continuously engages with its investors and ESG rating agencies through a variety of channels, including surveys and one-to-one meetings. Topics include climate-related issues such as GHG targets, TCFD reporting and climate-related major initiatives.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization’s purchasing process?

Yes, suppliers have to meet climate-related requirements, but they are not included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement
Climate-related disclosure through a public platform

Description of this climate related requirement
Sustainability and Supply Chain Departments conducted a CSR risk mapping of Kordsa's suppliers based on criteria such as procurement category and total spend. The results of the Kralic Matrix analysis conducted by the supply chain department were also used in this study which allows Kordsa to establish priorities for its supply chain strategy on CSR issues. As a result the scope of this procedure was established as follows; Suppliers in the - Raw Material - Energy - Service - Transport - Packaging Material - Spare Parts categories within Kordsa's supply chain with an annual spent volume of $500,000 or more are within the scope of the sustainability assessment. Kordsa evaluates its suppliers in line with the following sustainability criterias; - Governance - Social Issues - Environmental Issues (Including energy and carbon management) - Sustainable Supply Chain Raw material suppliers with an annual spending volume of $500,000 or more are expected to conduct "Ecovadis Sustainability Assessment". Energy, Service, Transport, Packaging Materials, Spare Parts suppliers with an annual spent volume of $500,000 or more are required to participate in the "Kordsa Supplier Annual Sustainability Survey". Sustainability audit of raw material suppliers are carried out by Kordsa's authorized personnel within the scope of the "Annual Supplier Audit Plan" created by the Quality Department. Sustainability results have a weight of 15% in the total audit scoring.

% suppliers by procurement spend that have to comply with this climate-related requirement
86

% suppliers by procurement spend in compliance with this climate-related requirement
72.5

Mechanisms for monitoring compliance with this climate-related requirement
First-party verification
Supplier scorecard or rating

Response to supplier non-compliance with this climate-related requirement
Retain and engage

C-FS12.2

(C-FS12.2) Does your organization exercise voting rights as a shareholder on climate-related issues?

	Exercise voting rights as a shareholder on climate-related issues	Primary reason for not exercising voting rights as a shareholder on climate-related issues	Explain why you do not exercise voting rights on climate-related issues
Row 1	No, and we do not plan to in the next two years	Other, please specify ("Say on Climate" is exercised in ways other than voting)	Our Group companies open the annual report for negotiation at ordinary general meetings every year and get the opinions of their shareholders including Sabancı Holding. The annual report also includes an important section on sustainability. The sustainability compliance report of the CMB is also included in the annual report. Therefore, we use our right to "say on climate" as Sabancı Holding in the agenda item related to the negotiation of the annual report in the agenda of the ordinary general assembly meeting every year. On the other hand, there is no voting on this agenda item, only information and discussion.

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate
Yes, we engage directly with policy makers
Yes, we engage indirectly through trade associations
Yes, we engage indirectly by funding other organizations whose activities may influence policy, law, or regulation that may significantly impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?
Yes

Attach commitment or position statement(s)
Net Zero Target

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy
Sabancı Holding is one of the leading groups in driving sustainability initiatives in the sectors in which it is involved. Sabancı Holding and Group companies are actively engaging with policy makers, trade associations and other organizations. We participate in meetings and conferences organized by the ministry, business platforms, NGOs and knowledge institutions to share our expertise and recommendations. Our Board Members, Group company CEOs as well as Holding Group Presidents are working actively as Chairs of different business platforms and working groups of relevant international and national NGOs (e.g. Chair of Energy Working Group of TUSİAD, Advisory Council Members of SHURA; Chair of EUREKA Cluster for low carbon technologies, Chair of TUSIAD Climate and Energy Roundtable).

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
<Not Applicable>

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Focus of policy, law, or regulation that may impact the climate

Mandatory climate-related reporting

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Sustainability disclosures in financial filings.

Policy, law, or regulation geographic coverage
National

Country/region the policy, law, or regulation applies to
Turkey

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
The Capital Markets Board (CMB) published a regulation for public companies to disclose sustainability information in annual reports, including CO2 emissions and climate-related strategies. While the implementation of the sustainability principles is not currently mandatory (either implement or disclose principle), it is still a major step for increased transparency for stakeholders. We have provided comments and support for the regulation.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate
Renewable energy generation

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Adding new clauses to the second section of law #5346 (Use of Renewable Energy Resources for Electricity Generation) to promote the national energy storage technologies

Policy, law, or regulation geographic coverage
National

Country/region the policy, law, or regulation applies to
Turkey

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
This item was proposed when the Ministry of Environment, Urbanisation and Climate Change contacted Sabancı Holding for policy recommendations towards the end of 2021. To accelerate the clean energy transition, Turkey needs to conduct extensive research on subjects that include energy storage technologies, PHES and hydrogen energy. Parallel to this, Turkey should revise laws regarding electricity generation through renewable energy technologies to support the growth of the national energy storage (battery) manufacturing industry.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate
Climate-related targets

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Emission reduction incentives and emissions related policies

Policy, law, or regulation geographic coverage
National

Country/region the policy, law, or regulation applies to
Turkey

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
In 2022 February, Sabancı Group and its companies participated in Turkey's first Climate Council. The Ministry of Environment, Urbanization and Climate Change held meetings with the private sector, NGOs and universities before determining he prioritized agenda. Sabancı Group has contributed to all commissions during these discussions, during and before the council, on the topic of Greenhouse Gas Emission Reductions and Climate Change Adaptation.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate
Emissions trading schemes

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Climate Law and Carbon Pricing Regulations

Policy, law, or regulation geographic coverage
National

Country/region the policy, law, or regulation applies to

Turkey

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
Turkey had been implementing Partnership for Market Readiness (PMR) project with the funding of World Bank until 2021 which aimed at supporting Turkey's transition to a carbon pricing mechanism such as emissions trading system (ETS). Sabancı Group and its companies have actively participated to all round table meetings and workshops and supported the Ministry of Environment, Urbanization and Climate Change during the program. The Partnership for Market Implementation (PMI) project that covers the studies for the implementation of ETS, continues. It also provides opinions to institutions and organizations such as the Ministry of Commerce and the Ministry of Industry and Technology within the scope of the European Green Deal regulations that will have an impact on Turkey's climate policies. MoEUCC organised the first Climate Council of Turkey at the beginning of 2022. Sabancı Group participated and shared the ideas and recommendations on ETS. The high level decisions of the Council will be an input to the Climate Law of the country.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

C12.3b

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association
Other, please specify (TUSIAD)

Is your organization's position on climate change consistent with theirs?
Consistent

Has your organization influenced, or is your organization attempting to influence their position?
We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)
TÜSIAD (Turkish Industry and Business Association) is one of the leading organizations that represents the Turkish business world. We actively participate in TÜSİAD's working groups on matters that overlap with the sectors we are involved in. By doing so, we monitor sectoral changes, contribute to the industry and share our insights. One of the roundtables within TUSİAD is the Energy and Environment Roundtable, which one of our Holding Group Presidents serves as its chair. Energy and Environment Roundtable proposes innovative, technology and efficiency-focused and environment-friendly solutions for a competitive and predictable energy market. The Roundtable also carries out studies for combating climate change, development of low carbon economy, circular economy, resource-efficiency, and waste management in the environment area. Our Group companies are taking part in several working groups of TÜSİAD: Energy working group, Environment and Climate Change working group, Sustainable Finance sub-working group and Circular Economy sub-working group. TÜSİAD has provided inputs which were prepared by the Roundtable to many ministries and government institutions . Some of the contribution topics include: Green Deal and Circular Economy Action Plan, Data Management, Access to Capital for Cities and Natural Disaster Management.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)
0

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

C12.3c

(C12.3c) Provide details of the funding you provided to other organizations in the reporting year whose activities could influence policy, law, or regulation that may impact the climate.

Type of organization
Non-Governmental Organization (NGO) or charitable organization

State the organization to which you provided funding
Business Council for Sustainable Development Turkey (BCSD Turkey)

Funding figure your organization provided to this organization in the reporting year (currency as selected in C0.4)
30000

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate
Sabancı Holding and some of the companies are members of Business Council for Sustainable Development Turkey (BCSD Turkey) The Council shares knowledge on sustainability with its members and stakeholders through the activities of its working groups. BCSD Turkey focuses its activities on the following five areas within the framework of the UN's Sustainable Development Goals, and we work with the leader companies of Turkey on sustainability: Transition to Low Carbon Economy and Efficiency, Sustainable Agriculture and Access to Food, Sustainable Industry and Circular Economy, Social Inclusion and The Sustainable Finance Forums.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Type of organization
Non-Governmental Organization (NGO) or charitable organization

State the organization to which you provided funding
International Sustainability Standards Board

Funding figure your organization provided to this organization in the reporting year (currency as selected in C0.4)
1172296

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate
We provide our initial feedbacks to the global reporting frameworks, regulations through WBCSD which engaged with members, executives from business and elsewhere. The funding figure represents annual membership fee of WBCSD based on 31 December 2021 TCMB forex selling rates.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In voluntary sustainability report

Status
Complete

Attach the document
SAHOL21-Sustainability-29.07.22_final.pdf

Page/Section reference
Climate-related issues are mentioned in many parts of the Report, primarily in a dedicated section called 'Act on Climate Emergency' between pages 37 and 48.

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment
As Sabancı Holding, we have been transparently sharing our sustainability performance in economic, social and environmental issues and the value we create with our activities every year since 2014 with our stakeholders through sustainability reports.

Publication
In mainstream reports

Status
Complete

Attach the document
Sabancı-2021-annual-report.pdf

Page/Section reference
Climate change related performance and targets are provided primarily on pages 6, 26, 27,48 and 51 alongside with other sections in our annual report.

Content elements
Governance
Strategy
Risks & opportunities
Emission targets
Other metrics

Comment
As Sabancı Holding, we have been transparently sharing our sustainability performance in economic, social and environmental issues and the value we create with our activities every year since 2014 with our stakeholders through annual reports.

C-FS12.5

(C-FS12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	CDP Signatory Science Based Targets Network (SBTN) Task Force on Climate-related Financial Disclosures (TCFD) UN Global Compact UNEP FI Principles for Responsible Banking Other, please specify (World Business Council of Sustainable Development (Member), The World Energy Council (Board Member), The Prince of Wales's Corporate Leaders Group on Climate Change-CLG)	Sabancı Group Board Members and executives actively participate in meetings, workshops to mentioned frameworks and initiatives as member. Sabancı Holding and most of the group companies are disclosing to CDP, TCFD started working with SBTN. Our Group is represented at The World Energy Council as Board Member.

C14. Portfolio Impact

C-FS14.0

(C-FS14.0) For each portfolio activity, state the value of your financing and insurance of carbon-related assets in the reporting year.

Investing all carbon-related assets (Asset owner)

Are you able to report a value for the carbon-related assets?
Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
1334637791

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
0.9

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
<Not Applicable>

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
<Not Applicable>

Investing in coal (Asset owner)

Are you able to report a value for the carbon-related assets?
Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
1334637791

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
0.9

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
<Not Applicable>

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
<Not Applicable>

Investing in oil and gas (Asset owner)

Are you able to report a value for the carbon-related assets?
Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
0

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
0

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
<Not Applicable>

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
<Not Applicable>

C-FS14.1

(C-FS14.1) Does your organization measure its portfolio impact on the climate?

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Please explain why you do not measure the impact of your portfolio on the climate
Banking (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	Portfolio emissions	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS14.1a

(C-FS14.1a) Provide details of your organization's portfolio emissions in the reporting year.

Investing (Asset owner)

Portfolio emissions (metric unit tons CO2e) in the reporting year
4012609.69

Portfolio coverage
100

Percentage calculated using data obtained from clients/investees
17.6

Emissions calculation methodology
Other, please specify (The Global GHG Accounting and Reporting Standard)

Please explain the details and assumptions used in your calculation
This report is drafted on behalf of Hacı Ömer Sabancı Holding A.Ş., the parent company of Sabancı Group, a conglomerate operating in many diverse sectors. As a Holding company, our business activity can be defined as the management of Group companies (i.e. investees) with a strategic approach. In this question, we provided the Scope 1 emissions of our investee company's thermal power plant under 'Portfolio emissions' column. Since we selected the operational control approach and this asset falls under operational control boundaries, the Scope 1 emissions of this asset (i.e. thermal power plant) are also reported within our Scope 1 emissions.

C-FS14.2

(C-FS14.2) Are you able to provide a breakdown of your organization's portfolio impact?

	Portfolio breakdown	Please explain why you do not provide a breakdown of your portfolio impact
Row 1	Yes, by industry Yes, by scope	<Not Applicable>

C-FS14.2b

(C-FS14.2b) Break down your organization's portfolio impact by industry.

Portfolio	Industry	Portolio metric	Portfolio emissions or alternative metric
Investing (Asset owner)	Energy	Absolute portfolio emissions (tCO2e)	7587877.52
Investing (Asset owner)	Retailing	Absolute portfolio emissions (tCO2e)	249277.28
Investing (Asset owner)	Other, please specify (Diversified financial services)	Absolute portfolio emissions (tCO2e)	43851.19
Investing (Asset owner)	Other, please specify (Industry, building materials)	Absolute portfolio emissions (tCO2e)	12914305.38
Investing (Asset owner)	Utilities	Absolute portfolio emissions (tCO2e)	2001151.6

C-FS14.2d

(C-FS14.2d) Break down your organization's portfolio impact by scope.

Portfolio	Clients'/investees' scope	Portfolio emissions (metric tons CO2e)
Investing (Asset owner)	Scope 1	19976179.08
Please select	Scope 2 (location-based)	282028388

C-FS14.3

(C-FS14.3) Did your organization take any actions in the reporting year to align your portfolio with a 1.5°C world?

	Actions taken to align our portfolio with a 1.5°C world	Please explain why you have not taken any action to align your portfolio with a 1.5°C world
Banking (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

C-FS14.3a

(C-FS14.3a) Does your organization assess if your clients/investees' business strategies are aligned with a 1.5°C world?

	Assessment of alignment of clients/investees' strategies with a 1.5°C world	Please explain why you are not assessing if your clients/investees' business strategies are aligned with a 1.5°C world
Banking (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes, for all	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, both board-level oversight and executive management-level responsibility	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. Board Level Sustainability Committee was established, which is formed and governed by independent Board Members of Sabancı Holding. in order to help the Board of Directors fulfil its duties and responsibilities regarding environmental and social issues in a healthy manner, guide Sustainable Leadership Committee 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.	Risks and opportunities to our own operations Risks and opportunities to our bank lending activities Risks and opportunities to our investment activities Risks and opportunities to our insurance underwriting activities The impact of our own operations on biodiversity

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Commitment to not explore or develop in legally designated protected areas Commitment to respect legally designated protected areas Commitment to avoidance of negative impacts on threatened and protected species Commitment to no conversion of High Conservation Value areas	SDG CITES Other, please specify (Our exclusion list refers to RAMSAR, CITES, AZE, Categories 1-4 within the scope of the International Union for the Conservation of Nature-(IUCN). We additionally implement IFC PS/EBRD PR where required as per our Responsible Investment Policy.)

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

	Does your organization assess the impact of its value chain on biodiversity?	Portfolio
Row 1	Yes, we assess impacts on biodiversity in both our upstream and downstream value chain	Investing portfolio (Asset owner)

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Land/water management Species management Education & awareness

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No, we do not use indicators, but plan to within the next two years	Other, please specify (Sabancı Group companies monitor qualitative biodiversity indicators in investments in which IFC PS/EBRD PR are applied.)

C15.6

(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Biodiversity strategy	Content on biodiversity related policies and commitments: Governance Risks and opportunities Biodiversity Strategy SAHOL21-Sustainability-29.07.22_final.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

With the launch of our 2021 Sustainability Report with KPIs that represent not only the Holding itself but also our value chain (i.e. investments/Group companies) and which are assured by a third party, we significantly increased our transparency on water and climate-related issues. As Sabancı Holding, we are committed to enhance the scope and depth of our climate and water-related disclosure in the coming years.

More information on our sustainability performance can be found in 2021 Sabancı Sustainability Report, publicly available at https://yatirimciiliskileri.sabanci.com/en/

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	CEO	Chief Executive Officer (CEO)

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below
I have read and accept the applicable Terms