

C0. Introduction

C0.1

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

Hacı Ömer Sabancı Holding A.Ş. (Sabancı Holding), Türkiye's leading conglomerate, is a strategic investment holding company engaged in a wide variety of business activities through its subsidiaries and affiliates, mainly in the banking, financial services, energy, industrials, building materials, digital and retail sectors. Sabancı Holding is domiciled in the Republic of Türkiye, with headquarters in İstanbul.

Sabancı Holding coordinates and supports the finance, strategy, business development, legal, human capital and sustainability functions of Group companies. The Holding aims to ensure that Group companies operate in a manner that is profitable and sustainable with favorable competitive conditions. In addition, Sabancı Holding sets and monitors the corporate governance practices that apply across Sabancı Group.

In 2022, Sabancı Group reported combined revenue of TL 404 billion and consolidated net income of TL 44 billion. Sabancı Holding's own shares, as well as the shares of its 11 subsidiaries, are listed on Borsa İstanbul (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 2022, 50% 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 Capital 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: Transform into an agile global / local footprint, Lead in digital, material and climate technologies, Commercialize innovation for a better life, Pioneer in "sustainability as a business", 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 2022, %58 of the actions were either commenced or completed. 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 2022 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 and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

January 1 2022

End date

December 31 2022

Indicate if you are providing emissions data for past reporting years

Yes

Select the number of past reporting years you will be providing Scope 1 emissions data for

1 year

Select the number of past reporting years you will be providing Scope 2 emissions data for

1 year

Select the number of past reporting years you will be providing Scope 3 emissions data for

1 year

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.

Equity share

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 or committee	Responsibilities for climate-related issues
Board-level committee	<p>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 and continued to convene in 2022.</p> <p>Sustainability Board Committee comprises of the independent board members in order to help the Board of Directors fulfill its duties and responsibilities regarding environmental and social issues in a healthy manner.</p> <p>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.</p> <p>The Committee discusses issues related to Sustainability Governance Structure of the Holding as well as local and global developments related the climate emergency such as IPCC Reports, SBTi targets, GHG performance, CBAM progress and EU directives on environment.</p> <p>Sustainability Board Committee approves the interim targets and KPIs of related business units in line with sustainability roadmap. For example, finalizing the Net-Zero road map is one of the KPIs that has been determined for Group companies.</p> <p>In 2022, The Committee was also responsible for monitoring the progress made towards the Net-Zero roadmap of Group Companies.</p>

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	<ul style="list-style-type: none"> Reviewing and guiding annual budgets Overseeing major capital expenditures Overseeing acquisitions, mergers, and divestitures Reviewing innovation/R&D priorities Overseeing and guiding employee incentives Reviewing and guiding strategy Overseeing and guiding the development of a transition plan Monitoring the implementation of a transition plan Overseeing and guiding scenario analysis Overseeing the setting of corporate targets Monitoring progress towards corporate targets Overseeing and guiding public policy engagement Reviewing and guiding the risk management process 	<ul style="list-style-type: none"> 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 	<p>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 Board-level Sustainability Committee.</p> <p>Also, risk study results including climate change 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.</p> <p>An example to such risks can be physical and transitional risks related to the climate emergency and their impact on our Group activities.</p> <p>Transition to a low carbon economy provides many opportunities for Group companies. These are assessed at Sustainable Business Models Thematic Task Force.</p> <p>In 2022, the Board monitored the Group companies’ strategy and progress for Net-Zero strategy and has overseen the determination of the related KPIs for investee companies, i.e. Group companies.</p>

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	<p>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. The Board evaluates 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.</p> <p>89% of our Board Members have ESG experience. The Skills Matrix can be seen in our Sustainability Report's Governance section.</p> <p>The Board also received sustainability and climate-related briefings in line with the Holding's strategy. Also, members of our Board of Directors are active members of several climate related foundations, associations and initiatives.</p> <ul style="list-style-type: none"> - The Chair of Sabancı Holding; was 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.

Position or committee

Chief Executive Officer (CEO)

Climate-related responsibilities of this position

- Developing a climate transition plan
- Integrating climate-related issues into the strategy
- Conducting climate-related scenario analysis
- Monitoring progress against climate-related corporate targets
- Managing climate-related risks and opportunities

Coverage of responsibilities

Risks and opportunities related to our investing activities

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

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 investees and suggests on actions to improve during the Risk Coordination Committee meetings. The Sustainability Leadership Committee reports to the CEO. The CEO takes part in the Committee's meetings when necessary. The Committee has scheduled meetings at least four times a year and can have additional meetings whenever necessary. The outcomes are reported to the Board.

The Sustainability Leadership Committee is responsible for the progress made toward the goals and actions included in the Group's Sustainability Roadmap, monitoring the efforts to manage risks and opportunities that affect Sabancı's reputation and operations in ESG areas. It monitors international developments, public regulations, and trends in sustainability for scenario analysis, and advises the Thematic Task Forces accordingly while encouraging the deployment of expertise and best practices among Group companies.

Sustainability Coordinators of Group companies provide input to the Sustainability Leadership Committee via Thematic Task Forces. The CEO, therefore, follows the sustainability practices of the Holding through this mechanism.

An example to such risks which the CEO commented on is the impact of Carbon Border Adjustment Mechanism (CBAM) on emission-intensive sectors. On top of these, the Investment Committee of the Holding is responsible for overseeing the contribution of new investments to SDGs, including climate action and their impact on our Net Zero emissions pathway, as indicated in our Capital Allocation Framework. The CEO is part of the Investment Committee and proactively pursues climate strategy alignment of portfolio from both a risk and opportunity perspective.

ESG performance, including but not limited to those that are related to climate issues, are embedded in executive management's performance goals at the rates of 10-20%.

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 Holding Group Presidents (also members of Sustainability Leadership Committee) and CEOs of Group companies at the rate of 10% - 20%. 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

Chief Financial Officer (CFO)

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Achievement of climate transition plan KPI
Progress towards a climate-related target
Reduction in emissions intensity

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

ESG performance, including but not limited to those that are related to climate issues, are embedded in executive management's performance goals including the Holding CEO, Holding Group Presidents (including the Holding CFO) and Group company CEOs.

Sustainability KPIs make up 10%-20% of C-Level executives' bonus schemes including the CEOs and Group Presidents (incl. Holding CFO), who are also members of the Group company BoDs. Within this rate, they receive a premium according to the target progress.

The CEOs of Group companies and Group Presidents (incl. CFO) are also responsible of the management of the net-zero roadmap of Sabancı Group and this is a part of their performance targets. Such performance targets require Board approval of emission reduction targets and climate transition plans.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

Sabancı Holding determines KPIs for its executives and employees in order to incentivize achieving its climate-related business goals.

The realization of the performance targets by the C-level and Group companies ensures the continuity of progress and success in implementing sustainability programs.

In summary, continued progress on climate is supported by monetary rewards to the employees.

Entitled to incentive

Chief Executive Officer (CEO)

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Progress towards a climate-related target
Implementation of an emissions reduction initiative
Reduction in absolute emissions
Reduction in emissions intensity
Increased share of renewable energy in total energy consumption
Company performance against a climate-related sustainability index (e.g., DJSI, CDP Climate Change score etc.)

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

ESG performance, including but not limited to those that are related to climate issues, are embedded in executive management's performance goals including the Holding CEO, Holding Group Presidents and Group (i.e. investee) company CEOs.

Sustainability KPIs make up 10%-20% of C-Level executives' bonus schemes including the CEOs and Group Presidents, who are also members of the investee company BoDs. Within this rate, they receive a premium according to the target progress.

The CEOs of investee companies and Holding Group Presidents are also responsible of the management of the net-zero roadmap of Sabancı Group and this is a part of their performance targets. Such performance targets require Board approval of emission reduction targets and climate transition plans.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

Sabancı Holding determines KPIs for its executives and employees in order to incentivize achieving its climate-related business goals.

The realization of the performance targets by the C-level and Group companies ensures the continuity of progress and success in implementing sustainability programs.

In summary, continued progress on climate is supported by monetary rewards to the employees.

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	Sabanci 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 depository 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?

Quantifiable indicators: 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 reevaluate the residual risk level following the completion of mitigation actions.

Definition of substantive financial impact** (2022):

As per the financial impact, the threshold for the highest risk level is >TL 300 million.

Definition of substantive strategic impact (2022):

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.

Substantive financial or strategic impact :

*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".

All the key risk indicators under the pre-determined risk categories are shared with the EDRC in detail, even if no risk occurs.

** Financial impact scores for 2022 are as follows and are revised on an annual basis:

- 1- No loss
- 2- Up to TL 150 million
- 3- 150 million TL up to TL 300 million
- 4- 300 million TL up to TL 530 million
- 5- More than TL 530 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

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. Therefore, the board of directors, ERDC, senior management, managers of functional management units and all employees are responsible for monitoring the climate related risks in their area of responsibility and developing measures. 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 (medium and long term), assess their impact on business and determine the required mitigation actions. The risks faced by the Group companies are monitored via Key Risk Indicators (KRI) determined by Sabancı Holding and Group companies. These indicators are continuously monitored and periodically reported. Prioritized in terms of significance and impact, the risks are maintained within the tolerance limits under risk appetite determined by both modeling studies and qualitative assessments. These limits are reviewed by the Risk Management Unit and approved by the EDRC periodically. The necessary actions to manage the risks indicated by the Main Risk Indicators are taken by the Group companies under the coordination of Sabancı Holding. Risks determined by Group companies are reported to the Board of Directors according to their importance levels. If there is a risk of 300 million TRY financially, it is reported directly to the holding BoD, regardless of other criteria.

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 300 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 hydropower 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 License 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** (2022): As per the financial impact, the threshold for the highest risk level is > TL 300 million

Definition of substantive strategic impact (2022): 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".

All the key risk indicators under the pre-determined risk categories are shared with the EDRC in detail, even if no risk occurs.

** Financial impact scores are as follows:

- 1- No loss
- 2- Up to TL 150 million
- 3- 150 million TL up to TL 300 million
- 4- 300 million TL up to TL 530 million
- 5- More than TL 530 million

The EDRC convened 6 times in 2022 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

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	<p>As of 2022, the only legal obligation directly related to GHG emissions in Türkiye 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.</p> <p>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.</p>
Emerging regulation	Relevant, always included	<p>Türkiye has signed Paris Agreement and declared the country will be Net Zero by 2053.</p> <p>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 mechanisms that are planned to reduce GHG emissions are market-based mechanisms, with emission trading system (ETS) considered as the cornerstone. The draft Law also references strong and efficient financial incentives to in-crease 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.</p> <p>The Ministry also has been working on PMR Project (Partnership for Market Readiness) to define the best mechanism for carbon pricing that fits Türkiye'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. This risk is detailed in C2.3a. The subject has been included and emphasized in the "Green Deal Action Plan" published by the Ministry of Commerce in 2021.</p> <p>It is expected that carbon intensive sectors that export to EU will be facing market risks with the implementation of the new climate related regulations. Therefore, companies in Sabancı Holding's portfolio may face market share shifts in EU market. This would also create a financial risk for Sabancı Holding.</p> <p>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.</p> <p>The portfolio of Sabancı Holding includes heavy industries which may directly be affected from the emerging regulations in terms of a potential increase in OPEX and CAPEX.</p>
Technology	Relevant, always included	<p>We invest in digital, material and climate technologies as new growth platforms. We invest in start-ups and support entrepreneurs both within and outside the Group to gain early access to new technologies. Green hydrogen, fusion energy and deep-well geothermal energy are among the climate related technologies that we have invested in. On top of these, the ratio of SDG-linked R&D and innovation activities in Sabancı Group was 92% in 2022. We give ESG themes such as water, carbon removal and recycling technologies to our R&D and innovation teams in order to facilitate SDG-linked business development and innovation.</p> <p>We established the Corporate Venture Capital Fund Sabancı Ventures which actively evaluates opportunities with innovative business models and/or cutting-edge technologies in burgeoning areas such as the Internet of Things (IoT), artificial intelligence (AI) and big data, climatetech, insurtech, healthtech, fintech, mobility, advanced materials, and cloudbtech. Sabancı Group has made corporate venture capital investments in 10 companies and deployed up to USD 12 million in three countries. Seven of these companies received investments from Sabancı Ventures in 2022. Sabancı Ventures, which invests in companies with the ambition to support SDGs, discusses impact objectives and identifies at least one SDG and its relevant KPIs to monitor the impact of investment in pre-investment processes.</p> <p>2022 also marked a significant transformation for Sabancı Group's digital business. Dx Technology Services and Investment BV (Dx BV) was established in the Netherlands to create a global player in the digital world focused on business models based on next-generation technologies at Sabancı Group. Sabancı Holding is the sole and founding shareholder of this entity.</p> <p>Finally, Sabancı Holding has numerous upskilling-reskilling programs one of which is the Advanced- Data Analytics Academy (ADAA), supporting people with data science and translator technical expertise. Such programs, alongside with all the above-mentioned initiatives, allow the Holding to adapt to technology risks, stay ahead of technology & digitalization trends and leverage on technology & digitalization to mitigate its climate-related risks in the entire value chain.</p>
Legal	Relevant, always included	<p>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.</p> <p>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 inefficiently managing compliance risks within the determined framework, instructional activities are carried out by the Holding's Legal, Risk and Compliance Group.</p>
Market	Relevant, always included	<p>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.</p> <p>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 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.</p> <p>Of particular relevance to market related risks on climate, the building blocks of Sabancı Holding's capital allocation criteria is contribution to SDGs and the impact of carbon price on business. The Group is proactively working to align with green transition as part of its renewed 5-years strategic plan which includes investments in digital, material and climate technologies as new growth platforms. For instance, green hydrogen, fusion and deep-well geothermal energy technologies are among the climate related technologies that we have invested in recently. Simultaneously, our existing Group companies are also transforming their product portfolio in order to provide climate-friendly solutions to their customers such as electric buses, EV charging infrastructure, mobility solutions, distributed renewable energy, low-carbon building materials and the like. Thanks to all these efforts, Sabancı Holding is transforming its portfolio in line with its sustainability goals.</p> <p>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.</p> <p>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 87 billion since 2021. The volume of sustainability-themed funds, which enable savings holders to invest in environmentally and socially beneficial companies, reached TL 2.7 billion by the end of 2022. As of 2022, the bank's sustainable finance based borrowing ratio in total borrowing exceeded 45% of its total borrowing.</p>
Reputation	Relevant, always included	<p>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.</p> <p>As an example from our Group companies, Enerjisa Enerji conducted a series of climate-related videos and commercials to increase the awareness in Türkiye 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 the television channel CBS News that did extensive profiling on Enerjisa Enerji's management related to its future strategy, on green energy transition.</p> <p>The Group also initiated the Sabancı Republic Day Campaign. The mission of this effort is to support restoration and healing in the aftermath of environmental disasters while also serving as a pioneer and example for sustainable living.</p>

	Relevance & inclusion	Please explain
Acute physical	Relevant, always included	<p>Physical risks are diverse and are predominantly global risks. These include acute risks such as wild-fires, 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.</p> <p>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 ex-posed to the impacts of natural disasters compared to underground lines. To mitigate the impacts, the ratio of underground cables increased from 19% in 2015 to 27% in 2022 in Enerjisa distribution regions, mitigating the impact of external factors on the distribution network.</p> <p>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 unfavorable weather conditions.</p> <p>For direct operations, any extreme weather events 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.</p>
Chronic physical	Relevant, always included	<p>Physical risks are diverse and are predominantly global risks. These include acute risks such as wild-fires, 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.</p> <p>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. 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.</p> <p>Lastly, we are taking into consideration the impact of chronic physical risks in new investments where relevant. For instance in the U.S., Sabancı Renewables Inc. has reviewed the force majeure clauses in its relevant agreements signed with the third parties including power purchasing agreements (PPA) and EPC agreements in order to mitigate the risks incurred from the impact of extreme weather events on solar power plants. The Company also extended the coverage of the insurance agreement to include excess natural catastrophic event policies.</p>

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)	<p>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.</p> <p>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 reevaluate 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.</p> <p>Definition of substantive financial impact** (2022): As per the financial impact, the threshold for the highest risk level is > TL 300 million</p> <p>Definition of substantive strategic impact (2022): 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". **</p> <p>All the key risk indicators under the pre-determined risk categories are shared with the EDRC in detail, even if no risk occurs. Financial impact scores are as follows:</p> <p>1- No loss 2- Up to TL 150 million 3- 150 million TL up to TL 300 million 4- 300 million TL up to TL 530 million 5- More than TL 530 million.</p> <p>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 sustain-ability 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.</p> <p>Tools & methods used / Company specific risk management system and internal methods: The sustainability Committee of the Holding monitors the climate risks in the sectors of the investee companies. The related investee also monitors its risks in its own risk departments.</p> <p>The risks determined by the investees are shared with the holding at the thematic task forces meetings. After the assessment of the risks, a precautionary decision is taken against the risks at the Holding Board level and an action plan is created. Investee companies' 2050-net zero road map studies are an example for that. External technical support is provided by the third party consultancies to investee companies.</p>
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
Other, please specify (Contribution of business/technology to climate mitigation/adaptation)

Process through which information is obtained

Directly from the client/investee
From an intermediary or business partner
Public data sources

Industry sector(s) covered by due diligence and/or risk assessment process

Energy
Materials
Retailing
Software & Services
Utilities
Other, please specify (Banking, financial services, industrials, building materials)

State how this climate-related information influences your decision-making

Sabancı Holding recognizes the fact that majority of industries in which it operates comes with inherent risks and opps. in terms of the climate emergency and acknowledges sustainability as a fundamental criteria in its investment and divestment decisions. In 2022, the Holding further enhanced its strategic focus to accelerate its growth and transformation towards a sust. future with investments on new economy including energy and climate technologies such as fusion, green hydrogen and deep-well geothermal energy technologies. On the other hand, the Group assessed portfolio climate risks, made projections to understand long-term implications on business and prepared risk mitigation actions.

To monitor progress, Sabancı Holding collects information from its investee companies as a cross-check on their alignment with its own goals. These include energy and emission data, emission reduction targets and climate transition plans. In cases where the companies significantly deviate from the Holding's ambitions, the Holding brings extra measures such as inclusion of climate goals in performance targets.

Influence on decision making: In 2022, the Holding took into account the contribution to SDGs, climate transition plans and emission intensity of the new investments in accordance with the Responsible Investment Policy* and the Capital Allocation Framework. When the new investment was not in compliance with these frameworks which include climate-related criteria such as the impact of carbon price on business or lack of technologies available to decarbonize operations, it was rejected. The decision that was taken within the last two years timeframe was the rejection of a building materials investment which was technologically difficult to decarbonize. The rejection occurred in the Investment Committee level.

(*The Responsible Investment Policy guides the capital allocation decisions of Sabancı Holding and to ensure the sustainability of the Group's value chain. 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. Due diligence policy supports the prioritization of sustainability in the activities of group companies. Based on this policy, each company in the portfolio expands its practices in its sector and creates a more responsible and sustainable value chain.)

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?

Investing (Asset owner) portfolio

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms
---------------------	---------------------------

Primary potential financial impact

Reduced profitability of investment portfolios

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 Türkiye: 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.

It is expected that the MRV system in Türkiye will evolve into an ETS due to factors such as the Carbon Border Adjustment Mechanism included in the European Union's Green Deal.

It is anticipated that an additional ETS cost will arise for Sabancı Holding's investee companies that are subject to MRV when ETS implementations start in Turkey. The additional financial costs here will be reflected to Sabancı Holding as a financial risk.

The assessment of this emerging regulation risk has also been given in C2.2a.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

3291865183

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

5 of Sabancı Holding investee companies are subjected to MRV in Turkey as of 2022. These companies report their emissions due to stationary combustion in their operations to government annually. When MRV evolves into an ETS, it is expected that these companies will face a carbon cost in their operations that fall under the MRV reporting boundaries.

The financial impact calculation method: Stationary combustion emissions have been gathered from each of the MRV reporting companies. It is assumed that in medium term, 50% of ETS allowances would be allocated through the benchmark approach and 50% via auctions, in line with International Energy Agency's ETS sources.

To forecast future Türkiye ETS, carbon prices in the absence of the market and historical data, Sabancı Holding has undertaken several analysis with the support of a consultant relying on considerations from current Türkiye context, lessons learned from other ETS launched globally potential linkage to EU CBAM and input from carbon pricing databases of the NFGS, IEA, IIASA for below 2 degree scenario. Based on analyses, CO2 pricing corridor is use for 2022-2030 between USD 20 and USD 30. We used 2025 value for the following calculation.

GHG values*: 17,603,557.13 tCO2eq

Assumed auction rate: 50%

Carbon price: USD 20 /ton carbon

Exchange Rate as of December 31st, 2022: 18.7 TRY/USD

Assumed ETS risk: $17,603,557.13 * 50\% * 20 * 18.7 = 3,291,865,183$ TRY

*includes operations outside Türkiye.

Cost of response to risk

58423754

Description of response and explanation of cost calculation

In order to mitigate the risk of ETS and the cost of carbon, Sabancı Group companies are implementing emission reduction initiatives, investing in climate related R&D, optimizing their product portfolio and developing low carbon product alternatives. For example, the Group companies are engaged in green hydrogen R&D studies and investing in green hydrogen value chain. These initiatives collectively reduce the cost of carbon risk.

The cost of response to risk has been calculated with the these 5 companies' environmental expenditure in 2022. The data has been gathered from the companies directly and summed to find the total investment value.

The cost of response is therefore found to be 58,423,754 TRY.

Comment

N/A

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?

Investing (Asset owner) portfolio

Opportunity type

Markets

Primary climate-related opportunity driver

Access to new markets

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description

As a part of its commitment to dynamic portfolio management strategy and its climate transition plan, Sabancı Group has successfully executed its transformation process in 2022 by completing investments in various businesses. Sabancı Group allocated TL 4.9 billion throughout 2022 specifically to energy and climate technologies, advanced material technologies and digital technologies, which are defined as 'new economy' investments by the Group. As part of Sabancı Group's strategies for new economy-oriented growth, reinforcing the global footprint and developing the technologies of the future, a new company named Sabancı İklim Teknolojileri A.Ş. (Sabancı Climate Technologies) was incorporated, of which Sabancı Holding is the sole and founding shareholder, to invest in renewable energy and climate technologies. Sabancı İklim Teknolojileri A.Ş. aims to undertake renewable energy power plant investments and strategic investments in various venture capital funds and start-ups, primarily in the USA and Europe. In line with the above; - A long-term strategic partnership between Sabancı İklim Teknolojileri A.Ş. and Safar Partners, one of the leading venture capital fund management companies in the US, has been established. With this strategic partnership, Sabancı İklim Teknolojileri A.Ş., alongside investing in various funds managed by Safar Partners, is entitled to directly invest in start-ups that are a part of Safar Partners' network. At the initial stage, investments were made in funds and start-ups aiming to provide sustainable and clean energy solutions such as Commonwealth Fusion Systems, an initiative that is capable of bringing fusion technology to life, and Quaise Energy, a company developing deep geothermal energy technologies. A company named Sabancı Renewables Inc. was incorporated with its headquarters in Delaware by Sabancı İklim Teknolojileri A.Ş. as the sole and founding shareholder for the purpose of creating a renewable energy portfolio in the USA. Sabancı Renewables Inc., whose shares are fully and indirectly owned by Sabancı Holding, has completed the acquisition of a project license for the establishment of a 272 MW solar power plant in the USA. An Engineering, Procurement and Construction Agreement (EPC) has been signed for the investment of power plant. The project is expected to be completed in the first half of 2024. This investment creates an opportunity for Sabancı Holding in terms of investing in new markets.

Time horizon

Long-term

Likelihood

Virtually certain

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)

650000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The estimation on annual revenues equals to USD 25 million. The figure is converted to TL using an indicative exchange rate dated 1st of July, 2023 (26 TRY/USD). This makes TRY 650 million as of July 2023. The calculation of annual revenues takes into account the prices included in the Power Purchasing Agreement which is valid for 10 years following the commissioning of the power plant and which covers 70% of the electricity produced. The market price is taken into account for the rest of the electricity produced throughout the plant's lifetime.

Cost to realize opportunity

8840000000

Strategy to realize opportunity and explanation of cost calculation

As part of Sabancı Group's strategies for new economy-oriented growth, reinforcing the global footprint and developing the technologies of the future, a new company named Sabancı İklim Teknolojileri A.Ş. was incorporated, of which Sabancı Holding is the sole and founding shareholder, to invest in renewable energy and climate technologies. A company named Sabancı Renewables Inc. was incorporated with its headquarters in Delaware by Sabancı İklim Teknolojileri A.Ş. as the sole and founding shareholder for the purpose of creating a renewable energy portfolio in the USA. Sabancı Renewables Inc., whose shares are fully and indirectly owned by Sabancı Holding, has completed the acquisition of a project license for the establishment of a 272 MW solar power plant in the USA. The project is expected to be completed in the first half of 2024.

In the U.S., Sabancı Renewables Inc. has reviewed the force majeure clauses in its relevant agreements signed with the third parties including power purchasing agreements (PPA) and EPC agreements in order to mitigate the risks incurred from the impact of extreme weather events on solar power plants. The Company also extended the coverage of the insurance agreement to include excess natural catastrophic event policies.

The calculation takes into account a maximum average unit cost of 1.25 million USD/MW. The unit cost is multiplied with 272 MW, i.e. the total installed capacity of the solar power plant, in order to calculate the maximum cost including the CapEX and OpEX during construction. This makes USD 340 million. The figure is then converted to TL using an indicative exchange rate dated 1st of July, 2023 (26 TRY/USD), reaching TRY 8.84 billion as of July 2023.

Comment

N/A

C3. Business Strategy

C3.1

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

Row 1

Climate transition plan

Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan

Yes

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

We do not have a feedback mechanism in place, but we plan to introduce one within the next two years

Description of feedback mechanism

<Not Applicable>

Frequency of feedback collection

<Not Applicable>

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

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

<Not Applicable>

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 investees operate in many diverse sectors, in which different types scenario analyses may be needed depending on the risk and opportunity that is being analyzed.)
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. In early 2023, Çimsa has committed its science based emission reduction target to SBTi. (Our answers are business division or company specific; since Sabancı investees operate in many diverse sectors, in which different types scenario analyses may be needed depending on the risk and opportunity that is being analyzed.)
Transition scenarios	NGFS scenarios framework	Portfolio	<Not Applicable>	Although a legally-binding carbon pricing mechanism is not launched in Türkiye 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 Türkiye. 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 Türkiye becomes part of a wider carbon-tax/ETS mechanism, (3) Both scenarios cover Türkiye 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 investees operate in many diverse sectors, in which different types scenario analyses may be needed depending on the risk and opportunity that is being analyzed.)
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 investees operate in many diverse sectors, in which different types scenario analyses may be needed depending on the risk and opportunity that is being analyzed.)
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 analyzed.)
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. (Our answers are business division or company specific; since Sabancı investees operate in many diverse sectors, in which different types scenario analyses may be needed depending on the risk and opportunity that is being analyzed.)
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 Türkiye'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 investees operate in many diverse sectors, in which different types scenario analyses may be needed depending on the risk and opportunity that is being analyzed.)

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". Our motivation is to find an answer to the following focal questions:

How can Sabancı Holding contribute to the low carbon transition that is highly urgent?

How our investee companies can meet changing needs of customers driven by this transition while mitigating risks and making sure they tap into new markets to sustain business growth?

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

Description of the results of the conducted scenario analysis: It is essential to carry out scenario and impact analysis to inform our investment decisions. Scenario analysis guides us in our 5-year strategic planning in terms of protecting and growing our existing businesses and investing in new growth platforms. It also guides our investee companies' product development/diversification processes. The following sectoral examples illustrate how we shape our business operations making use of climate-related assessments including scenario analyses.

Decisions informed by the results:

Energy/transport: We are investing in renewable energy generation, green hydrogen and disruptive climate technologies like fusion and deep-well geothermal energy. We are expanding our charging station network with Eşarj while producing electric bus and battery technologies for the electrification of public transportation. We are making grid modernization investments to support electrification of Turkish economy. We are ramping up our efforts to expand renewable generation portfolio and investing in solar power plants in the US. To sum up, 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 substances to nature or improving recycling technologies for our industrial products. We invest in energy efficiency and renewable energy plants to operate our facilities with low-carbon energy.

Financial services: Our financial services (bank, insurance, pension funds) investee companies develop and offer new sustainable financial services. For instance Akbank made significant progress in achieving its sustainable financing targets in 2022, providing a total of TL 60 billion in sustainable financing.

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. In 2022, the Building Materials Group companies exceeded their targets in raising their usage of alternative fuels, alternative raw materials and in decreasing their clinker usage ratio to drive decarbonization. For instance in early 2023, Çimsa has committed its science based emission reduction target to SBTi in line with the Holding's decarbonization approach.

The process of setting SBTi aligned targets has been encouraged by Sabancı Holding as a result of the climate related scenario analysis. The number of investee companies setting SBTi targets increased from 1 to 5, and continue to increase.

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	<p>Sabancı Group considers sustainability as an integral part of its purpose 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. 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: Transform into an agile global / local footprint, Lead in digital, material and climate technologies, Commercialize innovation for a better life, Pioneer in "sustainability as a business", 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, industrials and financial services as the next generation growth area of Sabancı Group. Accordingly, one of the key drivers of our Capital Allocation Framework 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.</p> <p>For instance, 92% 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 18.7 billion of our combined net sales revenues (non-bank) during the reporting year were related to products and services that contribute SDGs. TL 8.1 billion is related with mitigation while TL 6.9 billion is related with transition. Sustainable products and services account for 7% of the non-bank revenue.</p>
Supply chain and/or value chain	Yes	<p>The 5-year strategy plan introduced 5 strategic directions that we believe will lead us to our Group's purpose: Transform into an agile global / local footprint, Lead in digital, material and climate technologies, Commercialize innovation for a better life, Pioneer in "sustainability as a business", Adapt to "Future of Work". We steadily support and strengthen these 5 strategic directions with our investments in technology and digital.</p> <p>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 Sustainability Roadmap and Responsible Investment Policy include actions and mechanisms to better identify and manage the impact of our supply chain as well as downstream operations.</p> <p>One of the investee companies Enerjisa, expects its suppliers to meet minimum standards of good ESG performance, carefully selects the business partners and monitors 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.</p> <p>Another investee company Kordsa prepared a Kralij Matrix through which assess suppliers with purchasing volume over USD 500,000 and these suppliers are classified using this matrix. 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.</p>
Investment in R&D	Yes	<p>Within the scope of our 5 strategic directions, we shape our business lines 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 Capital Allocation Framework is ESG performance.</p> <p>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.</p> <p>For instance 92% 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, to gain early access to technological innovations and developments, as well as to create agile and technology-based growth platforms (Sabancı Group has made corporate venture capital investments in 10 companies and deployed up to USD 12 million in three countries. 7 of these companies received investments from Sabancı Ventures in 2022). We focus on investments in areas such as the climate technologies, Internet of Things, artificial intelligence, advanced material technologies, energy, mobility, and cyber security.</p>
Operations	Yes	<p>The 5-year strategy plan in which we have introduced 5 strategic directions that we believe will lead us to our Group's purpose: Transform into an agile global / local footprint, Lead in digital, material and climate technologies, Commercialize innovation for a better life, Pioneer in "sustainability as a business", Adapt to "Future of Work". We steadily support and strengthen these 5 strategic directions with our investments in technology and digital.</p> <p>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 Capital Allocation Framework is ESG performance.</p> <p>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.</p> <p>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.</p> <p>The environmental expenditures related to our existing operations were TL 103 million during the reporting year. On the other hand, environmental investments were TL 2.1 billion across all Sabancı Group operations.</p>

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 Acquisitions and divestments Access to capital	<p>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 (e.g. impact of cost of carbon on financial metrics) and opportunities (contribution to SDGs, new economy and markets). In line with that, in our 2022-2026 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. The Sustainability Director is a member of Investment Committee to ensure integration of ESG criteria in new investments and divestments. 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 2022 realized TL 60 billion) and to increase the sustainable investment funds to TL15 billion by 2030 (in 2022 realized TL 2.7 billion). 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. For 2030, Sabancı Holding's target is to reduce Scope 1&2 against 2021 by 42%. Sabancı Group is also committed to allocate USD 5 billion CAPEX & OPEX in SDG-related areas, majority of which are related to climate, between 2022-2027. Therefore, our capital allocation decisions will continue to focus on ESG performance, especially to GHG trend, in the long run (2021-2050).</p> <p>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 5.5 billion.</p> <p>Revenues: On top of that, our combined total net sales revenues from products and services that contribute to SDGs have been TL 18.6 billion during the reporting year (non-bank figures).</p> <p>Direct & Indirect costs: Due to investments related with our circular economy and low carbon technology investments we have saved nearly TL 348 million in 2022; utilizing alternative fuels, energy efficiency measures, using less or alternative resources leads to increase in profit.</p> <p>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.</p>

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	Yes, we identify alignment with our climate transition plan	<Not Applicable>

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's climate transition.

Financial Metric

CAPEX

Type of alignment being reported for this financial metric

Alignment with our climate transition plan

Taxonomy under which information is being reported

<Not Applicable>

Objective under which alignment is being reported

<Not Applicable>

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)

2900000000

Percentage share of selected financial metric aligned in the reporting year (%)

81

Percentage share of selected financial metric planned to align in 2025 (%)

70

Percentage share of selected financial metric planned to align in 2030 (%)

70

Describe the methodology used to identify spending/revenue that is aligned

Sabancı Holding has a planned budget of USD 5 Billion for SDG related Capex & Opex investments, majority of which are directly related to climate-related areas, between 2022 and 2027. In 2022, the Holding's climate-related investments were 2.9 billion TL, which makes 81% of the total SDG-related investments made as part of the 5 year strategic plan of the Holding. By the end of 2027, at least 70% of the SDG-related investment amount will be allocated to climate-related investments. This ratio has also been shared in the above cell for 2025 and 2030 (Investee companies' initiatives are excluded from this calculation, although they are as part of our USD 5 billion SDG related Capex & Opex commitment. If included, the total number would be much higher than TL 2.9 billion).

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?

	Policy framework for portfolio activities that include climate-related requirements for clients/investees, and/or exclusion policies	Explain why the policy framework for your portfolio activities do not include climate-related requirements for clients/investees, and/or exclusion policies
Row 1	Yes, our framework includes both policies with climate-related client/investee requirements and climate-related exclusion policies	<Not Applicable>

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

Sustainable/Responsible Investment Policy
Investment policy/strategy

Portfolio coverage of policy

100

Policy availability

Publicly available

Attach documents relevant to your policy

Our Sustainability Roadmap (Page 9).pdf
SAHOL-Investment-Policy-ENG.pdf
2022-annual-report Page 9 - Investment Criteria - Capital Allocation Criteria.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
Be on track to achieving a science-based emissions reduction target
Develop a climate transition plan
Other, please specify (Exclusions on carbon-intensive sectors)

Value chain stages of client/investee covered by criteria

Direct operations and supply chain

Timeframe for compliance with policy criteria

Complying with criteria is a pre-requisite for business

Industry sectors covered by the policy

Energy
Materials
Automobiles & Components
Retailing
Software & Services
Utilities
Other, please specify (Building materials, industrials)

Exceptions to policy based on

<Not Applicable>

Explain how criteria required, 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.

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. To be able to monitor the companies impacts, Sabancı Holding request scope 1-2-3 GHG emissions data, emission reduction targets and climate related business plan from the investee companies. The Holding takes into account the climate transition plan and emission intensity of the new investments in accordance with the Responsible Investment Policy when making a new investment decision. In this context, there are cases where the investment decision has not been approved by the Board of Directors due to investments' carbon-intensive activities. Therefore complying with these criteria are required from portfolio companies.

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.

Finally, Sabancı Holding Investment and Capital Allocation criteria includes 1) increasing the share of new economy in non-bank combined revenue (new economy refers to energy&climate technologies, advanced materials, digital technologies); 2) requires alignment of the existing and new businesses with Sabancı Holding's interim and long term GHG emissions reduction targets 3) Consistency with Sabancı Group's Responsible Investment Policy 4) Decarbonization potential of the investment to align 1.5 degree 5) Contribution to SDGs

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

By 2050

Application

New business/investment for new projects
New business/investment for existing projects
Existing business/investment for existing projects

Country/Area/Region the exclusion policy applies to

Other, please specify (All countries)

Description

New investments: In Sabancı Holding's 2022-2026 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 and Akbank's Sustainable Finance Framework excludes coal mining, coal transportation, coal-fired power plants, or infrastructure services exclusively dedicated to support any of these activities. 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>. The timeframe for implementing the exclusions for new investments is 2021 onwards.

Existing investments: By 2045 at the latest, we will not have any unabated carbon intensive fuel based power generation activities in the direct operations of our investee portfolio.

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 strategic holding company which manages its own investee portfolio with in-house teams. Given the nature of its operations, Sabancı Holding does not use external asset managers. Therefore this question is not applicable.)	Sabancı Group is a strategic holding company which manages its own investee portfolio with in-house teams. 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
Portfolio target

C4.1a

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

Target reference number

Abs 1

Is this a science-based target?

Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

Target ambition

1.5°C aligned

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 1
Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

<Not Applicable>

Base year

2021

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

9977578

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

1227675

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

<Not Applicable>

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

<Not Applicable>

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

<Not Applicable>

Base year total 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)

11205253

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, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

<Not Applicable>

Base year total 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 (%)

42

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

6499046.74

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

9065147

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

887826

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total 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)

9952973

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

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

26.6091184877222

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

This target covers scope 1 and scope 2 market based emissions of Sabancı Holding and no emissions sources were excluded.

Target doesn't include FLAG emissions.

The base year has been chosen as 2021 since this year better represents the business activities compared to 2020 (due to pandemic) and compared to 2022 (due to energy crisis, etc.).

The targeted reduction rate is aligned with SBTi's 1.5 degrees scenario. The annual linear reduction corresponds to 4.2% at a minimum.

In 2022, Sabancı Holding's total scope 1 and 2 emissions has decreased by 11% and this leads to more than 26% of target to be achieved.

Plan for achieving target, and progress made to the end of the reporting year

Sabancı Holding will implement several initiatives to achieve its emission reduction targets in line with its climate transition plan.

The increased use of renewable electricity, transformation of vehicle fleet with electric alternatives, grid decarbonization / theft& loss reduction and SF6 Recovery in electric utilities business, shifting from carbon intensive fossil fuels to low carbon alternatives, raw material substitution, clinker substitution, furnace/boiler electrification, blending renewable natural gas (RNG), using heat pumps and bio diesel blend, optimization of product and network will support the achievement of targets.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Abs 2

Is this a science-based target?

Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

Target ambition

1.5°C aligned

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

<Not Applicable>

Base year

2021

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

9977578

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

1227675

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

<Not Applicable>

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

<Not Applicable>

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

<Not Applicable>

Base year total 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)

11205253

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, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

<Not Applicable>

Base year total 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 (%)

90

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

1120525.3

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

9065147

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

887826

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total 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)

9952973

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

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

12.4175886276037

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

This target covers scope 1 and scope 2 market based emissions of Sabancı Holding and no emissions sources were excluded.

Target doesn't include FLAG emissions.

The base year has been chosen as 2021 since this year better represents the business activities compared to 2020 (due to pandemic) and compared to 2022 (due to energy crisis, etc.).

The targeted reduction rate is aligned with SBTi's 1.5 degrees scenario. The annual linear reduction corresponds to 4.2% at a minimum.

In 2022, Sabancı Holding's total scope 1 and 2 emissions has decreased by 11% and this lead to more than 12% of target to be achieved.

Plan for achieving target, and progress made to the end of the reporting year

Sabancı Holding will implement several initiatives to achieve its emission reduction targets in line with its climate transition plan.

The increased use of renewable electricity, transformation of vehicle fleet with electric alternatives, grid decarbonization / theft& loss reduction and SF6 Recovery in electric utilities business, shifting from carbon intensive fossil fuels to low carbon alternatives, raw material substitution, clinker substitution, furnace/boiler electrification, blending renewable natural gas (RNG), using heat pumps and bio diesel blend, optimization of product and network will support the achievement of targets.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

C-FS4.1d

(C-FS4.1d) Provide details of the climate-related targets for your portfolio.

Target reference number

Por1

Year target was set

2021

Portfolio

Investing (Asset owner)

Product type/Asset class/Line of business

All asset classes

Sectors covered by the target

Energy

Materials

Transportation

Retailing

Software and services

Utilities

Other, please specify (Building materials, Industrials)

Target type

Portfolio emissions

Target type: Absolute or intensity

Absolute

Scopes included in temperature alignment

<Not Applicable>

Metric (or target numerator if intensity)

tCO₂e

Target denominator

<Not Applicable>

Base year

2021

Figure in base year

11594593

Percentage of portfolio emissions covered by the target

100

Monetary metric for portfolio coverage (unit currency as reported in C0.4)

Other, please specify (100% of consolidated net income)

Percentage of portfolio covered by the target, using a monetary metric

100

Frequency of target reviews

Quarterly

Interim target year

2030

Figure in interim target year

6724864

Target year

2050

Figure in target year

1159459

Figure in reporting year

10290896

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

12.493342203368

Aggregation weighting used

<Not Applicable>

Proportion of portfolio emissions calculated in the reporting year based on asset level data

100

Proportion of the temperature score calculated in the reporting year based on company targets

<Not Applicable>

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

Portfolio emissions are calculated as follows: [Scope 1 and 2 emissions of portfolio companies] - [Scope 1 and 2 emissions of portfolio companies x equity share of Sabancı Holding in portfolio companies] = [Scope 1 and 2 emissions of portfolio companies x (1 - Holding's equity share)]

Excerpt from : CDP Technical Note: Portfolio Impact Metrics for Financial Services Sector Companies

"The GHG Protocol classifies these emissions in Scope 3 Category 15 Investments. They are also known as portfolio emissions or financed emissions. Put simply, they are emissions that occur at sources owned or controlled by other companies, but which are made possible because those companies are financed by the investment and lending (and insurance underwriting) of financial institutions; therefore, they can be thought of as caused indirectly by the financial institution and should be included in the financial institutions Scope 3 inventory"

Target doesn't include FLAG emissions.

The base year has been chosen as 2021 since this year better represents the business activities compared to 2020 (due to pandemic) and compared to 2022 (due to energy crisis, etc.).

The targeted reduction rate is aligned with SBTi's 1.5 degrees scenario. The annual linear reduction corresponds to 4.2% at a minimum.

In 2022, Sabancı Holding's total scope 3 emissions has decreased by 11% and this lead to more than 25% of target to be achieved.

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

2021

Target coverage

Company-wide

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Base year

2021

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

95106

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

44

Target year

2025

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

100

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

66

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

39.2857142857143

Target status in reporting year

Underway

Is this target part of an emissions target?

ABS1

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 electricity use of Akbank, one of the Sabancı Group companies. The base year is 2021. Total renewable electricity use in 2021 by Akbank is 41.401 MWh. In 2021, this value was 62.104 MWh. That shows that in 2021, the renewable electricity use ratio to total was 44% and in 2022 this ratio rose to 66%.

Plan for achieving target, and progress made to the end of the reporting year

Akbank has increased the use of renewable electricity use in 2022 through the purchase of IRECs.

List the actions which contributed most to achieving this target

<Not Applicable>

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

2021

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

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

Resource consumption or efficiency	Other, please specify (Water withdrawals)
------------------------------------	---

Target denominator (intensity targets only)

<Not Applicable>

Base year

2021

Figure or percentage in base year

5390035.89

Target year

2022

Figure or percentage in target year

5120534.1

Figure or percentage in reporting year

5111852.69

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

103.221281016352

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

This target covers Sabancı Holding group companies activities. All water withdrawals of group companies is included in target in line with equity share approach.

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

Sabancı Holding has set a target to decrease its water withdrawals by 5% from 2021 to 2022. With the help of process optimizations and improvements on water withdrawals and consumption, the water withdrawal has been decreased by more than 5%. Therefore the target has been achieved.

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

Target year for achieving net zero

2050

Is this a science-based target?

Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

Please explain target coverage and identify any exclusions

As Sabancı Group, we have set Net Zero Emissions target in all operations until 2050. This target covers all operations of Sabancı Holding's investee companies.

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

Yes

Planned milestones and/or near-term investments for neutralization at target year

Sabancı Holding and its investee companies are seeking for carbon removal technologies through a variety of business development and innovation programs. The Holding is also looking into merging its biodiversity ambitions with nature-based carbon removal solutions. In 2023, a project was started to explore the potential synergies between those two initiatives.

Planned actions to mitigate emissions beyond your value chain (optional)

Sabancı Holding is investing/exploring investment opportunities in technologies such as fusion energy, green hydrogen and carbon removal technologies. Such businesses enable their clients to decarbonize their operations. The areas of investments are published in our Annual Report and Sustainability Report.

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*	0	0
Implemented*	1	4033409
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)

4033409

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)

347992917

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

102918780

Payback period

1-3 years

Estimated lifetime of the initiative

16-20 years

Comment

Sabancı Holding and its investee companies are realizing a wide range of environmental investments mainly in the field of energy savings. The Holding collects data on such projects on a consolidated basis given the diverse structure of our portfolio and it is not feasible not practical to collect separately.

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	<p>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.</p> <p>The ratio of sustainability-focused R&D expenditures across all Sabancı Group companies was 92% in 2022.</p> <p>As an example from our investee companies, through Enerjisa Enerji's İvme Entrepreneurship Acceleration Program, Enerjisa R&D Department partner with start-ups and independent innovators in developing low-carbon technologies and products. They dedicated TL 3 million CAPEX for R&D projects in 2021, and forecast TL 17 million CAPEX until 2025. They currently provide 13 low carbon services through Müşteri Çözümleri and we aim to improve in mid-term future.</p>
Employee engagement	<p>In 2022, 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 analyze 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.</p> <p>As an example to our investee companies, Enerjisa Enerji have a Sustainability section in their mobile application for employees (İKON), in which sustainability ideas from employees are collected. They use awareness boosting posters for employees in the bathrooms, around light switches, trashcans etc. to encourage them for saving energy. They design our advertisements highlighting climate change and share it with employees before presenting it to the public. They also aim to increase coverage of Eşarj electric vehicle charging stations in office locations which also increases employee motivation, awareness and therefore engagement in emission reduction activities.</p>
Dedicated budget for other emissions reduction activities	<p>We monitor sustainability investments in the following 3 categories:</p> <p>Mitigation Investments: Investments that reduce direct resource use or carbon emissions. The investment amount for this area is approximately TL 526 million across all companies at Sabancı Holding's investee companies.</p> <p>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 298 million across all companies at Sabancı Holding's investee companies.</p> <p>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 1.3 billion across all companies at Sabancı Holding's investee companies.</p> <p>On top of these, Sabancı Holding's investee companies implemented emission reduction programs that resulted in GHG savings of 4 million tCO2e in 2022.</p>
Compliance with regulatory requirements/standards	<p>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.</p> <p>In 2022, Sabancı Holding's investee companies made an environmental expenditure of approximately TL 103 million. 61% of this amount is beyond legal compliance.</p>
Dedicated budget for energy efficiency	<p>In 2022, Sabancı Group companies implemented energy efficiency programs which resulted in approximately 73,792 MWh of energy savings.</p>
Internal incentives/recognition programs	<p>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 2022, projects competed in Sustainability Category. Best practices were voted by Holding and investee company employees.</p>
Internal price on carbon	<p>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 investee companies.</p>
Partnering with governments on technology development	<p>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.</p>

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 strategic investment holding, we refer to our investee companies' products in this question. The % in portfolio represents the combined revenue share in our total non-bank combined revenues.)
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Taxonomy or methodology used to classify product

The EU Taxonomy for environmentally sustainable economic activities

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. Sabancı Holding has internally developed the sustainable product methodology named "SDG Related products and services taxonomy". One of the sources this taxonomy references is the EU Taxonomy. Therefore the EU Taxonomy is chosen above.

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

Mitigation
Adaptation

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

15081939613.5

% of total portfolio value

6

Type of activity financed/insured or provided

Green buildings and equipment
Low-emission transport
Renewable energy
Sustainable agriculture
Paperless/digital service
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?

No

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

<Not Applicable>

Details of structural change(s), including completion dates

<Not Applicable>

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	Sabancı Holding has changed the consolidation approach it uses in 2022 reporting year. Previously, operational control approach was used for GHG inventory accounting. In 2022, the calculations are made in line with the equity share consolidation approach. The reason of this change is that as a strategic investment holding, the equity share approach is the most suitable GHG inventory consolidation approach that reflects the relationship between the investee companies and Sabancı Holding's operations. Accordingly, base year emissions have been recalculated in line with Sabancı Holding's recalculation policy. The 2021 GHG inventory re-stated in C6.5a.

C5.1c

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

	Base year recalculation	Scope(s) recalculated	Base year emissions recalculation policy, including significance threshold	Past years' recalculation
Row 1	Yes	Scope 1 Scope 2, location-based Scope 2, market-based Scope 3	Our base year emissions are recalculated as a result of changing our consolidation approach from operational control to equity share approach. Sabancı Holding's recalculation policy includes a significance threshold of 5% change. This means that any change in emissions at the level of 5% or more would trigger the recalculation of GHG inventory. Therefore, the significance threshold is 5% of total emissions.	No

C5.2

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

Scope 1

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
9977577.95

Comment

Scope 2 (location-based)

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
1227675.4

Comment

Scope 2 (market-based)

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
1227675.4

Comment

Scope 3 category 1: Purchased goods and services

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

10.04

Comment

We used to calculate this category emissions for our investee companies. However since we changed our consolidation approach and that our investee companies' Scope 3 emissions are not relevant under the newly used equity share approach, we are not including our investee companies' Scope 3 emissions under this Category anymore (instead, we disclose Cat 15 emissions). Accordingly, we only disclose the Holding's emissions that fall under this category. Moreover, the total figure of CO2e is negligible for the Holding compared to Category 15 Scope 3 emissions of the Holding, yet it is still calculated. We included single use plastic consumption, paper and water use as mainstream parameters which are relatively feasible to track compared to other indirect emission sources. For that reason, we collect water, paper and plastic data from the Holding. The amount of single use plastic consumption in 2021 is 1 ton which equals to 3.12 tCO2e. The amount of water in 2021 is 10,881 m3 of water which equals to 1.62 tCO2e. The amount of paper in 2021 is 6 tonnes of paper which equals to 5.30 tCO2e.

Scope 3 category 2: Capital goods

Base year start**Base year end****Base year emissions (metric tons CO2e)****Comment**

This report is drafted on behalf of Hacı Ömer Sabancı Holding A.Ş., the parent company of Sabancı Group. As a strategic 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**Base year end****Base year emissions (metric tons CO2e)****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**Base year end****Base year emissions (metric tons CO2e)****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 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

315.55

Comment

We used to calculate this category emissions for our investee companies. However since we changed our consolidation approach and that our investee companies' Scope 3 emissions are not relevant under the newly used equity share approach, we are not including our investee companies' Scope 3 emissions under this Category anymore (instead, we disclose Cat 15 emissions). Accordingly, we only disclose the Holding's emissions that fall under this category. Moreover, the total figure of CO2e is negligible for the Holding compared to Category 15 Scope 3 emissions of the Holding, yet it is still calculated. In the calculation of emissions arising from waste generation, non-hazardous waste as well as wastewater treatment are taken into account. The total amount of non-hazardous waste and wastewater are 14.7 tons and 7.4 tons respectively. GHG emissions originating from our non-hazardous waste and wastewater are calculated as 313,54 and 2.01 tCO2e, respectively. The sum of emissions in this category is 315.55 tCO2e.

Scope 3 category 6: Business travel

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

17.64

Comment

We used to calculate this category emissions for our investee companies. However since we changed our consolidation approach and that our investee companies' Scope 3 emissions are not relevant under the newly used equity share approach, we are not including our investee companies' Scope 3 emissions under this Category anymore (instead, we disclose Cat 15 emissions). Accordingly, we only disclose the Holding's emissions that fall under this category. Moreover, the total figure of CO2e is negligible for the Holding compared to Category 15 Scope 3 emissions of the Holding, yet it is still calculated. In 2021, Sabancı employees' travel distance is all multiplied by standard flight emission factors, total business travel emissions of Holding was 17,64 tCO2e in 2021.

Scope 3 category 7: Employee commuting

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

3.86

Comment

We used to calculate this category emissions for our investee companies. However since we changed our consolidation approach and that our investee companies' Scope 3 emissions are not relevant under the newly used equity share approach, we are not including our investee companies' Scope 3 emissions under this Category anymore (instead, we disclose Cat 15 emissions). Accordingly, we only disclose the Holding's emissions that fall under this category. Moreover, the total figure of CO2e is negligible for the Holding compared to Category 15 Scope 3 emissions of the Holding, yet it is still calculated.

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, the total distance travelled in terms of employee commuting is multiplied with emissions factors to calculate tCO2e, which is 3.86.

Scope 3 category 8: Upstream leased assets

Base year start**Base year end****Base year emissions (metric tons CO2e)****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 leased assets-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**Base year end****Base year emissions (metric tons CO2e)****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**Base year end****Base year emissions (metric tons CO2e)****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**Base year end****Base year emissions (metric tons CO2e)****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

Base year end

Base year emissions (metric tons CO2e)

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

Base year end

Base year emissions (metric tons CO2e)

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

Base year end

Base year emissions (metric tons CO2e)

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: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

No additional Scope 3 upstream 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 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

11594593

Comment

Portfolio (Cat 15) emissions are calculated as follows: [Scope 1 and 2 emissions of portfolio companies] - [Scope 1 and 2 emissions of portfolio companies x equity share of Sabancı Holding n portfolio companies] = [Scope 1 and 2 emissions of portfolio companies x (1-Holding's equity share)]

Excerpt from : CDP Technical Note: Portfolio Impact Metrics for Financial Services Sector Companies

"The GHG Protocol classifies these emissions in Scope 3 Category 15 Investments. They are also known as portfolio emissions or financed emissions. Put simply, they are emissions that occur at sources owned or controlled by other companies, but which are made possible because those companies are financed by the investment and lending (and insurance underwriting) of financial institutions; therefore, they can be thought of as caused indirectly by the financial institution and should be included in the financial institutions Scope 3 inventory"

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)

The Greenhouse Gas Protocol: Scope 2 Guidance

The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard

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)
9065147.36

Start date
January 1 2022

End date
December 31 2022

Comment

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
9977577.95

Start date
January 1 2021

End date
December 31 2021

Comment

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 are reporting a Scope 2, market-based figure

Comment

C6.3

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

Reporting year

Scope 2, location-based
1118017.8

Scope 2, market-based (if applicable)
887826

Start date
January 1 2022

End date
December 31 2022

Comment

Past year 1

Scope 2, location-based
1227675.4

Scope 2, market-based (if applicable)
1227675.4

Start date
January 1 2021

End date
December 31 2021

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 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

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

37.05

Emissions calculation methodology

Average data method

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

100

Please explain

We used to calculate this category emissions for our investee companies. However since we changed our consolidation approach and that our investee companies' Scope 3 emissions are not relevant under the newly used equity share approach, we are not including our investee companies' Scope 3 emissions under this Category anymore (instead, we disclose Cat 15 emissions). Accordingly, we only disclose the Holding's emissions that fall under this category. Moreover, the total figure of CO2e is negligible for the Holding compared to Category 15 Scope 3 emissions of the Holding, yet it is still calculated. We included single use plastic consumption, paper and water use as mainstream parameters which are relatively feasible to track compared to other indirect emission sources. For that reason, we collect water, paper and plastic data from the Holding and receive verification from a third party. The amount of single use plastic consumption in 2022 is 4 tonnes which equals to 12.47 tCO2e. The amount of water in 2022 is 16,674 m3 of water which equals to 2.48 tCO2e. The amount of paper in 2021 is 25 tonnes of paper which equals to 22.10 tCO2e.

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 strategic 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

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

1307.86

Emissions calculation methodology

Average data method

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

100

Please explain

We used to calculate this category emissions for our investee companies. However since we changed our consolidation approach and that our investee companies' Scope 3 emissions are not relevant under the newly used equity share approach, we are not including our investee companies' Scope 3 emissions under this Category anymore (instead, we disclose Cat 15 emissions). Accordingly, we only disclose the Holding's emissions that fall under this category. Moreover, the total figure of CO2e is negligible for the Holding compared to Category 15 Scope 3 emissions of the Holding, yet it is still calculated. In the calculation of emissions arising from waste generation, non-hazardous waste as well as wastewater treatment are taken into account. The total amount of non-hazardous waste and wastewater are 14.7 tons and 7.4 tons respectively. GHG emissions originating from our non-hazardous waste and wastewater are calculated as 1304.27 and 3.58 respectively.

Business travel

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

130

Emissions calculation methodology

Average data method

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

100

Please explain

We used to calculate this category emissions for our investee companies. However since we changed our consolidation approach and that our investee companies' Scope 3 emissions are not relevant under the newly used equity share approach, we are not including our investee companies' Scope 3 emissions under this Category anymore (instead, we disclose Cat 15 emissions). Accordingly, we only disclose the Holding's emissions that fall under this category. Moreover, the total figure of CO2e is negligible for the Holding compared to Category 15 Scope 3 emissions of the Holding, yet it is still calculated. In 2022, Sabancı employees' travel distance is all multiplied by standard flight emission factors, total business travel emissions of Holding was 130 tCO2e in 2022.

Employee commuting

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

3

Emissions calculation methodology

Average data method

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

100

Please explain

We used to calculate this category emissions for our investee companies. However since we changed our consolidation approach and that our investee companies' Scope 3 emissions are not relevant under the newly used equity share approach, we are not including our investee companies' Scope 3 emissions under this Category anymore (instead, we disclose Cat 15 emissions). Accordingly, we only disclose the Holding's emissions that fall under this category. Moreover, the total figure of CO2e is negligible for the Holding compared to Category 15 Scope 3 emissions of the Holding, yet it is still calculated.

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 2022, the total distance travelled in terms of employee commuting is multiplied with emissions factors to calculate tCO2e, which is 3.

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 upstream leased assets-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 processing of 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 franchises at the Holding level, this category is not applicable to us.

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

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.

Other (downstream)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

10290763

Emissions calculation methodology

Average data method

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

100

Please explain

Portfolio (Cat 15) emissions are calculated as follows: [Scope 1 and 2 emissions of portfolio companies] - [Scope 1 and 2 emissions of portfolio companies x equity share of Sabancı Holding n portfolio companies] = [Scope 1 and 2 emissions of portfolio companies x (1-Holding's equity share)]

Excerpt from : CDP Technical Note: Portfolio Impact Metrics for Financial Services Sector Companies

"The GHG Protocol classifies these emissions in Scope 3 Category 15 Investments. They are also known as portfolio emissions or financed emissions. Put simply, they are emissions that occur at sources owned or controlled by other companies, but which are made possible because those companies are financed by the investment and lending (and insurance underwriting) of financial institutions; therefore, they can be thought of as caused indirectly by the financial institution and should be included in the financial institutions Scope 3 inventory"

C6.5a

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

Start date

January 1 2021

End date

December 31 2021

Scope 3: Purchased goods and services (metric tons CO2e)

10.04

Scope 3: Capital goods (metric tons CO2e)

0

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

0

Scope 3: Upstream transportation and distribution (metric tons CO2e)

0

Scope 3: Waste generated in operations (metric tons CO2e)

315.55

Scope 3: Business travel (metric tons CO2e)

17.64

Scope 3: Employee commuting (metric tons CO2e)

3.86

Scope 3: Upstream leased assets (metric tons CO2e)

0

Scope 3: Downstream transportation and distribution (metric tons CO2e)

0

Scope 3: Processing of sold products (metric tons CO2e)

0

Scope 3: Use of sold products (metric tons CO2e)

0

Scope 3: End of life treatment of sold products (metric tons CO2e)

0

Scope 3: Downstream leased assets (metric tons CO2e)

0

Scope 3: Franchises (metric tons CO2e)

0

Scope 3: Investments (metric tons CO2e)

<Not Applicable>

Scope 3: Other (upstream) (metric tons CO2e)

0

Scope 3: Other (downstream) (metric tons CO2e)

11594593

Comment

Other (downstream) is reported as Category 15 emissions

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

0.00002466

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

9952973

Metric denominator

unit total revenue

Metric denominator: Unit total

403570644000

Scope 2 figure used

Market-based

% change from previous year

67

Direction of change

Decreased

Reason(s) for change

Other emissions reduction activities

Change in revenue

Please explain

In 2021, our Scope 1 + 2 emissions are 11,205,253 tCO2e and net sales revenues were 150.1 bn TL. As a result, our Scope 1 + 2 emissions per TL revenue intensity was 0.0000737 tCO2e/TL. In 2022 our scope 1+2 emissions are 9,952,973 tCO2e and our combined net sales revenues were 404 bn TL. As a result, our Scope 1 + 2 emissions per TL revenue intensity was 0.0000247 tCO2e/TL. This means a decrease of 67% in this metric, which is due to increase in the net sales revenues by 165 % while decrease in the scope 1+2 emissions by 11%. The increase in TRY revenue is due to the inflation and increased business activities.

C7. Emissions breakdowns

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

No

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?

Decreased

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 in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	339957	Decreased	3.03	The Holding's investee companies has increased the use of renewable electricity in 2022. This caused 339,957 tCO2e emissions reduction. The percentage is calculated as follows: scope 1&2 in 2021: 11,205,253.35 tCO2e emission reduction: -339,957tCO2e percentage calculation: (-339,957/11,205,253.35)*100=-3.03%
Other emissions reduction activities	4033409	Decreased	36	Sabancı Holding companies are implementing effective emission reduction initiatives, altering production technologies, investing in climate related R&D, improving production lines with low carbon alternatives. For example, investee companies has invested in alternative fuel switch, heat pumps, while natural gas consumption was reduced in our energy generation business. These initiatives have a reducing effect on group companies' emission values. In 2022, investee companies have implemented several emission reduction initiatives as stated in C4.3b. The Total emission reduction is calculated to be 4,033,409 tCO2e. The percentage is calculated as follows: scope 1&2 in 2021: 11,205,253.35 tCO2eq emission reduction: -4,033,409 tCO2eq percentage calculation: (-4,033,409/ 11,205,253.35)*100=-36%
Divestment		<Not Applicable >		The impact is negligible.
Acquisitions		<Not Applicable >		The impact is negligible.
Mergers		<Not Applicable >		The impact is negligible.
Change in output	3120978	Increased	27.85	The emission change due to change in output is due to production increase of group companies. This has caused total scope 1 &2 emissions of Sabancı Holding to increase by 3.1 M tonnes of CO2e. The percentage is calculated as follows: scope 1&2 in 2021: 11,205,253.35 tCO2eq change in output: 3,120,978 tCO2eq percentage calculation: (3,120,978/11,205,253.35)*100=27.85
Change in methodology	0	No change	0	Emission Calculation methodology has changed due to change in consolidation approach. Sabancı Holding used to consolidate its GHG emission inventory with operational control approach. However in line with its business model as a strategic investment holding company, the consolidation approach has been changed to equity share. Accordingly, emissions inventory for 2021 has been recalculated in line with the equity share consolidation approach and restated in C6 module. Therefore, the emission reductions from 2021 to 2022 can not be allocated to "change in methodology" column.
Change in boundary		<Not Applicable >		The impact is negligible.
Change in physical operating conditions		<Not Applicable >		The impact is negligible.
Unidentified		<Not Applicable >		The impact is negligible.
Other		<Not Applicable >		The impact is negligible.

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?

Market-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	35899730	35899730
Consumption of purchased or acquired electricity	<Not Applicable>	614831	1072685	1687516
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>	554548	<Not Applicable>	554548
Total energy consumption	<Not Applicable>	1169379	36972414	38141793

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

Turkey

Consumption of purchased electricity (MWh)

1687515.5

Consumption of self-generated electricity (MWh)

483935.79

Is this electricity consumption excluded from your RE100 commitment?

<Not Applicable>

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

0

Consumption of self-generated heat, steam, and cooling (MWh)

70612

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

2242063.29

C9. Additional metrics

C9.1

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

Description

Energy usage

Metric value

0.09

Metric numerator

Energy Use in MWh

Metric denominator (intensity metric only)

Revenue in Thousand Turkish Liras

% change from previous year

67

Direction of change

Decreased

Please explain

The total energy use has decreased from 43,342,048 MWh to 38,141,793 MWh. Revenue in Thousand TRY has increased from 152.1 bn TRY to 403.57 TRY. The intensity value therefore has decreased from 0.28 MWh/Revenue in Thousand TRY to 0.095 MWh/Revenue in Thousand TRY. This makes a decrease of 67% in the intensity value.

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 Group 2022 Data Table Assurance Report İmzalı Combined.pdf

Page/ section reference

Opinion & assurance standard : pages 4 and 5
GHG Emission values: page 11

Relevant standard

ISAE3000

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 market-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 Group 2022 Data Table Assurance Report İmzalı Combined.pdf

Page/ section reference

Opinion & assurance standard : pages 4 and 5

GHG Emission values: page 11

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

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 Group 2022 Data Table Assurance Report İmzalı Combined.pdf

Page/ section reference

Opinion & assurance standard : pages 4 and 5

GHG Emission values: page 11

Relevant standard

ISAE3000

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

Scope 3: Employee commuting

Scope 3: Investments

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 Group 2022 Data Table Assurance Report İmzalı Combined.pdf

Page/section reference

Opinion & assurance standard : pages 4 and 5

GHG Emission values: page 11

Scope 3: investments category represents Sabancı Holding's portfolio emissions as stated in C14.1a and included in the assurance process. The rest of the assured scope 3 emissions include business trips and employee commuting.

Relevant standard

ISAE3000

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
C4. Targets and performance	Other, please specify (Water Withdrawal)	ISAE3000	Water withdrawal of Sabancı Holding in 2022 has been verified. It can be seen on page 12 of the attached report. Sabancı Group 2022 Data Table Assurance Report İmzalı Combined.pdf

Sabancı Group 2022 Data Table Assurance Report
İmzalı Combined.pdf

C11. Carbon pricing

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

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.

Type of internal carbon price

Shadow price

How the price is determined

Alignment with the price of allowances under an Emissions Trading Scheme
Alignment with the price of a carbon tax
Price with material impact on business decisions

Objective(s) for implementing this internal carbon price

Drive energy efficiency
Drive low-carbon investment
Identify and seize low-carbon opportunities
Navigate GHG regulations
Stress test investments

Scope(s) covered

Scope 1

Pricing approach used – spatial variance

Uniform

Pricing approach used – temporal variance

Evolutionary

Indicate how you expect the price to change over time

We used a carbon corridor to estimate the annual cost of carbon. To forecast future Türkiye ETS, carbon prices in the absence of the market and historical data, Sabancı Holding has undertaken several analysis with the support of a consultant relying on considerations from current Türkiye context, lessons learned from other ETS launched globally potential linkage to EU CBAM and input from carbon pricing databases of the NFGS, IEA, IIASA for below 2 degree scenario. Based on analyses, CO2 pricing corridor is use for 2022-2030 between USD 20 and USD 30 with linear increase over time.

Please note that above mentioned Actual Price is in TL and the estimate made by our analysis for 2022 is converted by the rate stated by Central Bank of The Republic of Turkey (CBRT) as of 31.12.2022 (Exchange Rate as of December 31st, 2022: 18.7 TRY/USD)

2025: 20 USD/ton

2030: 30 USD/ton

Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO2e)

374

Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO2e)

561

Business decision-making processes this internal carbon price is applied to

Capital expenditure
Operations
Product and R&D
Risk management
Opportunity management

Mandatory enforcement of this internal carbon price within these business decision-making processes

Yes, for some decision-making processes, please specify (We have kept the use of carbon pricing mandatory in our capital allocation decisions.)

Explain how this internal carbon price has contributed to the implementation of your organization's climate commitments and/or climate transition plan

As a result of such an analysis, we have identified more than 10 initiatives to decarbonize our operations and identified %42 GHG reduction in 2030 against 2021 baseline. 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 investees

Yes, other partners in the value chain

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

Encourage better climate-related disclosure practices among investees

Encourage investees to set a science-based emissions reduction target

% 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 the highest potential impact on the climate

Impact of engagement, including measures of success

Description of the impact of climate-related engagement with your investees according to the measure of success chosen:

Sabancı Holding's revenues depend on the business continuity of the companies in its portfolio. Therefore it is important for Sabancı Holding to request the best available technologies and ESG risk mitigation approaches globally from its investee companies. The Holding monitors environmental investments and revenues from products and services in investee companies by breaking them down based on global and local approaches, such as EU Taxonomy, and reports publicly all steps taken towards mitigating the climate emergency.

In order to achieve its climate related targets, Sabancı Holding requests investee companies' strategies to be aligned with the Holding's strategies, i.e. for climate; 1.5 degrees scenario. Accordingly, the Holding engages with the investee companies regarding setting science based emission reduction targets. This is applied to all investee companies. That makes 100% of portfolio coverage as stated in the cells above.

In 2020, none of the investee companies were engaged with SBTi. In 2021, one of the companies has set targets. In 2022, 5 investee companies have already set or were in the process of setting science based targets. As of the date of submission in 2023, the total number of investee companies are listed in SBTi companies taking action page and several companies have been carrying out internal studies for their emission reduction targets.

Measure of success: Therefore the measure of success is the number of investee companies engaged with SBTi. The value has been increased from 0 in 2020 to 5 in 2023.

Additionally, 100% of investees have adopted Net Zero Emissions goal by 2050 and Zero Waste goal by 2050.

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 Türkiye'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 favor of developing low-carbon economy in Türkiye. 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 Secretariat. 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, Urbanization and Climate Change, Energy Exchange İstanbul, Natural Gas Distribution Companies Association of Türkiye, 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 Türkiye's Electric Vehicles in 2021. In 2021 they also organized Global Energy and Climate Trends and Implications in Türkiye 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 Türkiye' in 2021.

Companies within the Sabancı Group contributed and participated in the development of research/white papers like "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 initiatives 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.

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, but we plan to in the next two years	Other, please specify ("Say on Climate" is exercised in ways other than voting)	Our investee 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

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

Yes, we fund organizations or individuals whose activities could influence policy, law, or regulation that may 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)

WBCSD manifesto.pdf

2021_12_09_TUSIAD Chair statement.pdf

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

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. Member of WBCSD, Chair of Energy Working Group of TUSIAD, 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?

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Mandatory climate-related reporting, ETS mechanisms

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

Climate change mitigation

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

Climate-related reporting

Climate transition plans

Other, please specify (Türkiye's ETS)

Policy, law, or regulation geographic coverage

National

Country/area/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 sustain-ability 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. On the other hand, we have provided our comments on the draft climate regulation of Türkiye.

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 on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?

It is important for Sabancı Holding that its investee companies are in line with the most recent climate related regulations worldwide and are supported by climate-related regulations/incentives. Therefore, Türkiye's adaptation to global practices will fasten our transition in terms of having the same understanding of climate issues and benefiting from the same level of incentives with global peers.

Accordingly, we engage with policy makers and support the development of policies that will contribute to Türkiye's development as a whole, while being on track with 1.5 degree scenario. Alignment with the country's ambitions will help Sabancı Holding to achieve its long term climate related goals and targets.

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Emission reduction incentives and emissions related policies

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

Climate change mitigation

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

Climate-related targets

Policy, law, or regulation geographic coverage

Regional

Country/area/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 Türkiye'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 on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?

It is important for Sabancı Holding that its investee companies are in line with the most recent climate related regulations worldwide and are supported by climate-related regulations/incentives. Therefore, Türkiye's adaptation to global practices will fasten our transition in terms of having the same understanding of climate issues and benefiting from the same level of incentives with global peers.

Accordingly, we engage with policy makers and support the development of policies that will contribute to Türkiye's development as a whole, while being on track with 1.5 degree scenario. Alignment with the country's ambitions will help Sabancı Holding to achieve its long term climate related goals and targets.

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or 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 policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

TÜSIAD (Turkish Industry and Business Association) is one of the leading organizations that represents the Turkish business world. We actively participate in TÜSIAD'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 TÜSIAD 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 TÜSIAD: Energy working group, Environment and Climate Change working group, Sustainable Finance sub-working group and Circular Economy sub-working group. TÜSIAD 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 (currency as selected in C0.4)

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 or individuals in the reporting year whose activities could influence policy, law, or regulation that may impact the climate.

Type of organization or individual

Non-Governmental Organization (NGO) or charitable organization

State the organization or individual to which you provided funding

Business Council for Sustainable Development Türkiye (BCSD Türkiye)

Funding figure your organization provided to this organization or individual 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 Türkiye (BCSD Türkiye) The Council shares knowledge on sustainability with its members and stakeholders through the activities of its working groups. BCSD Türkiye 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 Türkiye 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 or individual

Non-Governmental Organization (NGO) or charitable organization

State the organization or individual to which you provided funding

International Sustainability Standards Board

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

1220196

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 2022 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 mainstream reports

Status

Complete

Attach the document

SBN_SRDE_2022_uyg97_NY.pdf
 Sabanci-Annual-Report-2022.pdf

Page/Section reference

Climate change related performance and targets are provided primarily on pages 21, 31, 41, 53, alongside with other sections in our annual report.

In sustainability report:

- Governance: 139
- Strategy: page 60
- Risk & opp: page 39
- Emission Figures: page 153
- Emissions Targets: page 62

Content elements

- Governance
- Strategy
- Risks & opportunities
- Emissions figures
- Emission targets

Comment

N/A

C12.5

(C12.5) 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	Science Based Targets Network (SBTN) Task Force on Climate-related Financial Disclosures (TCFD) UN Global Compact UNEP FI UNEP FI Principles for Responsible Banking World Business Council for Sustainable Development (WBCSD) Other, please specify (Turkish Industry and Business Association (TÜSİAD), the World Economic Forum (WEF), the CNBC ESG Council, European Roundtable Climate Task Force)	Sabancı Group Board Members and executives actively participate in meetings, workshops to mentioned frameworks and initiatives as member. Sabancı Holding and most of the investee companies are disclosing to CDP, TCFD and started working with SBTN. Our banking operations, Akbank is a member of UNEP FI. 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)

47756342927

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

11.83

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>

Details of calculation

The value includes the net revenues from the following activities: carbon intensive energy generation, building materials (aligned with 1.5 degree scenario, still carbon intensive compared to other industries), bus manufacturing (aligned with 1.5 degree scenario).

Percentage calculation is made as follows: total net revenue from carbon related assets mentioned above (i.e. 47.7 bn TL) divided by total net revenues of Sabancı Holding (403.6 bn TL) in 2022.

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)

3100000000

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

0.77

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>

Details of calculation

The value includes the net revenues from the following activities: carbon intensive energy generation from lignite

Percentage calculation is made as follows: total net revenue from carbon related assets mentioned above (i.e. 3.1 bn TL) divided by total net revenues of Sabancı Holding (403.6 bn TL) in 2022.

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>

Details of calculation

We do not operate in oil&gas industry.

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

10290763

Portfolio coverage

100

Percentage calculated using data obtained from clients/investees

100

Emissions calculation methodology

Other, please specify (CDP Technical Note: Portfolio Impact Metrics for Financial Services Sector Companies)

Please explain the details and assumptions used in your calculation

Portfolio emissions are calculated as follows: [Scope 1 and 2 emissions of portfolio companies] - [Scope 1 and 2 emissions of portfolio companies x equity share of Sabancı Holding n portfolio companies] = [Scope 1 and 2 emissions of portfolio companies x (1-Holding's equity share)]

Excerpt from : CDP Technical Note: Portfolio Impact Metrics for Financial Services Sector Companies

"The GHG Protocol classifies these emissions in Scope 3 Category 15 Investments. They are also known as portfolio emissions or financed emissions. Put simply, they are emissions that occur at sources owned or controlled by other companies, but which are made possible because those companies are financed by the investment and lending (and insurance underwriting) of financial institutions; therefore, they can be thought of as caused indirectly by the financial institution and should be included in the financial institutions Scope 3 inventory"

C-FS14.1c

(C-FS14.1c) Disclose or restate your portfolio emissions for previous years.

Past year 1 for Investing (Asset owner)

Start date

January 1 2021

End date

December 31 2021

Portfolio emissions (metric unit tons CO2e) in the reporting year

11594593

Portfolio coverage

100

Percentage calculated using data obtained from clients/investees

100

Emissions calculation methodology

Other, please specify (CDP Technical Note: Portfolio Impact Metrics for Financial Services Sector Companies)

Please explain the details and assumptions used in your calculation

Portfolio emissions are calculated as follows: [Scope 1 and 2 emissions of portfolio companies] - [Scope 1 and 2 emissions of portfolio companies x equity share of Sabancı Holding n portfolio companies] = [Scope 1 and 2 emissions of portfolio companies x (1-Holding's equity share)]

Excerpt from : CDP Technical Note: Portfolio Impact Metrics for Financial Services Sector Companies

"The GHG Protocol classifies these emissions in Scope 3 Category 15 Investments. They are also known as portfolio emissions or financed emissions. Put simply, they are emissions that occur at sources owned or controlled by other companies, but which are made possible because those companies are financed by the investment and lending (and insurance underwriting) of financial institutions; therefore, they can be thought of as caused indirectly by the financial institution and should be included in the financial institutions Scope 3 inventory"

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	Portfolio metric	Portfolio emissions or alternative metric
Investing (Asset owner)	Energy	Absolute portfolio emissions (tCO2e)	4432669
Investing (Asset owner)	Other, please specify (Building Materials)	Absolute portfolio emissions (tCO2e)	5662777
Investing (Asset owner)	Other, please specify (Industrials)	Absolute portfolio emissions (tCO2e)	79474
Investing (Asset owner)	Retailing	Absolute portfolio emissions (tCO2e)	96517
Investing (Asset owner)	Diversified Financials	Absolute portfolio emissions (tCO2e)	19325

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	9097971
Investing (Asset owner)	Scope 2 (market-based)	1192792

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	Briefly explain the actions you have taken to align your portfolio with a 1.5-degree 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>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	<p>Sabancı Holding's revenues depend on the business continuity of the companies in its portfolio. Therefore it is important for Sabancı Holding to request the best available technologies and ESG risk mitigation approaches globally from its investee companies. The Holding monitors environmental investments and revenues from products and services in investee companies by breaking them down based on global and local approaches, such as EU Taxonomy, and reports publicly all steps taken towards mitigating the climate emergency.</p> <p>In order to achieve its climate related targets, Sabancı Holding requests investee companies' strategies to be aligned with the Holding's strategies, i.e. for climate; 1.5 degrees scenario. Accordingly, the Holding engages with the investee companies regarding setting science based emission reduction targets. This is applied to all investee companies. That makes 100% of portfolio coverage.</p> <p>In 2020, none of the investee companies were engaged with SBTi. In 2021, one of the companies has set targets. In 2022, 5 investee companies have already set or were in the process of setting science based targets. As of the date of submission in 2023, the total number of investee companies are listed in SBTi companies taking action page and several companies have been carrying out internal studies for their emission reduction targets. Therefore the measure of success is the number of investee companies engaged with SBTi. The value has been increased from 0 in 2020 to 5 in 2023. Additionally, 100% of investees have adopted Net Zero Emissions goal by 2050 and Zero Waste goal by 2050.</p>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<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	<p>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.</p> <p>In order to help the Board of Directors fulfil its duties and responsibilities regarding environmental and social issues in a healthy manner, Board Level Sustainability Committee was established, which is formed and governed by independent Board Members of Sabancı Holding.</p> <p>The Committee is responsible for monitoring the progress made toward the goals and actions included in the Group's Sustainability Roadmap including net zero emissions goal and biodiversity actions, and for monitoring the efforts to manage risks that may adversely affect Sabancı's reputation and operations in ESG areas, and guides the Holding Management for improvement when required.</p> <p>The Committee also informs the Board of Directors and makes recommendations when necessary.</p> <p>The Board Sustainability Committee is the highest governing body to oversee ESG-related issues raised by the Sustainability Leadership Committee or directly by the Sustainability Directorate. The Sustainability Leadership Committee, majority of which is consisting of Executive Committee members, is responsible for monitoring initiatives and managing efforts within the scope of the Sustainability Roadmap.</p>	<p>Risks and opportunities to our own operations</p> <p>Risks and opportunities to our bank lending activities</p> <p>Risks and opportunities to our investment activities</p> <p>Risks and opportunities to our insurance underwriting activities</p> <p>The impact of our own operations on biodiversity</p>

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	<p>Adoption of the mitigation hierarchy approach</p> <p>Commitment to not explore or develop in legally designated protected areas</p> <p>Commitment to respect legally designated protected areas</p> <p>Commitment to avoidance of negative impacts on threatened and protected species</p> <p>Commitment to no conversion of High Conservation Value areas</p> <p>Commitment to no trade of CITES listed species</p>	<p>SDG</p> <p>CITES</p> <p>Other, please specify (IFS PS and EBRD PR criteria on biodiversity, RAMSAR, AZE, the International Union for the Conservation of Nature-(IUCN).)</p>

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

Yes

Value chain stage(s) covered

Portfolio activity

Portfolio activity

Investing portfolio (Asset owner)

Tools and methods to assess impacts and/or dependencies on biodiversity

TNFD – Taskforce on Nature-related Financial Disclosures

Other, please specify (International (and national) policy and regulations such as IUCN Red List, NBAPs, Bird Directive, Habitat Directive for the relevant countries)

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

Sabancı Holding has started a project to assess biodiversity impacts of its portfolio companies on a more granular level and increase the ambition on biodiversity. The following steps are being implemented as part of the project:

Tools & Methods:

Get more insights in biodiversity standards and frameworks (TNFD/GBF/CSRD)

Do mapping of international (and national) policy and regulations (i.a. IUCN Red List, NBAPs, Bird Directive, Habitat Directive) for the relevant countries where holding investee companies are active

Develop high-level heatmap assessment of biodiversity dependencies and impacts (at holding level across group companies)

Identify high level material dependencies on nature of activities in own operations (using prescriptive datasets)

Identify high level material impacts on nature of activities in own operations (using prescriptive datasets)

Qualitative analysis on hotspots beyond own operations (for selection of investee companies)

Associated outcomes:

We will get a more granular definition of as-is situation and will increase our high-level ambition (at holding level across investee companies). This will lead to further measures such as enhancing the scope of our Responsible Investment Policy or deciding on a new investment to follow the mitigation hierarchy.

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

Yes

Value chain stage(s) covered

Direct operations

Portfolio activity

Portfolio activity

Investing portfolio (Asset owner)

Tools and methods to assess impacts and/or dependencies on biodiversity

TNFD – Taskforce on Nature-related Financial Disclosures

Other, please specify (International (and national) policy and regulations such as IUCN Red List, NBAPs, Bird Directive, Habitat Directive for the relevant countries)

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

Sabancı Holding has started a project to assess biodiversity impacts of its portfolio companies on a more granular level and increase the ambition on biodiversity. The following steps are being implemented as part of the project:

Tools & Methods:

Get more insights in biodiversity standards and frameworks (TNFD/GBF/CSRD)

Do mapping of international (and national) policy and regulations (i.a. IUCN Red List, NBAPs, Bird Directive, Habitat Directive) for the relevant countries where holding investee companies are active

Develop high-level heatmap assessment of biodiversity dependencies and impacts (at holding level across group companies)

Identify high level material dependencies on nature of activities in own operations (using prescriptive datasets)

Identify high level material impacts on nature of activities in own operations (using prescriptive datasets)

Qualitative analysis on hotspots beyond own operations (for selection of investee companies)

Associated outcomes:

We will get a more granular definition of as-is situation and will increase our high-level ambition (at holding level across investee companies). This will lead to further measures such as enhancing the scope of our Responsible Investment Policy or deciding on a new investment to follow the mitigation hierarchy.

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?

No

C15.5

(C15.5) 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 Livelihood, economic & other incentives Other, please specify (Sabanci investee companies undertake qualitative/quantitative biodiversity assessments in investments in which IFC PS/EBRD PR are applied. They undertake mitigation activities where relevant and required as explained in our Resp. Investment Policy.)

C15.6

(C15.6) 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 (Sabanci investee companies monitor qualitative/quantitative biodiversity indicators in investments in which IFC PS/EBRD PR are applied.)

C15.7

(C15.7) 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	Governance Biodiversity strategy Other, please specify (Exclusion list on biodiversity.)	On page 15 of our Responsible Investment Policy, the minimum standards are defined (e.g. IFC PS) and exclusion list is provided on activities which threaten biodiversity. On page 11, governance is explained. The Policy covers investee companies. SAHOL-Investment-Policy-ENG.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.

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	Board Member and 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