



ESG DAY

27 October 2023



01

Portfolio
Transformation
Towards Sustainable
New Economy

02

Sustainability Performance,
Roadmap & Targets

03

Q&A

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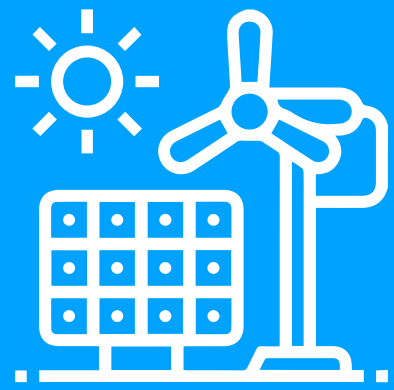
01

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Portfolio Transformation



Our growth platforms are geared towards many of the SDGs, fulfilling our 'Higher Purpose'...



Energy and Climate

✔ enabling decarbonization of physical and digital economy, powering the additional demand without CO₂ and negative impacts on nature



Advanced Materials

✔ becoming the next net-zero frontier to transform energy, mobility and built environment, decoupling growth and material use

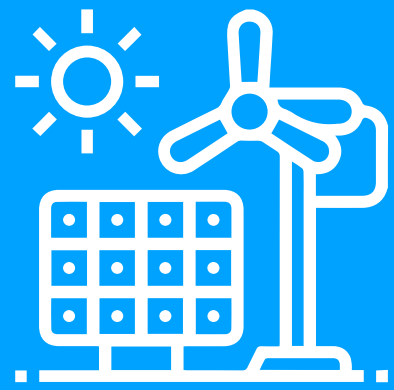


Digital

✔ fostering innovation, efficiency and access to information, contributing to the faster and more effective achievement of the SDGs



...enabling us to capitalize on the growing demand on a sustainable economy...



Energy and Climate

\$6.5tn
low CO2 replacing high CO2 assets

annual spending on low-CO2 assets and enabling structure until 2050 in NZ scenario, replacing the spending on high emitting sectors*

7.5%
of GDP spent on NZ transformation

of GDP spent on NZ rising from 6.8% of GDP today to 9% of GDP between 2026 and 2030 before falling*



Advanced Materials

75%
focusing three key areas

of total spending worth 6.5 tn \$ on physical assets to transform mobility, power, buildings*

\$648bn
supported by "go" policies from US and EU

commitment only from EU GDIP and US IRA as part of new industrial strategies



Digital

2.5x
faster growth in digital than physical world

faster growth over the previous ten years than the GDP of the physical world **

>50%
of nominal GDP digitally transformed

digitally transformed enterprises accounts more than half of the nominal GDP in 2023***

*Under the NGFS Net Zero (NZ) 2050 scenario, source: [McKinsey, The economic transformation: What would change in the net-zero transition January 25, 2022 | Article](#)

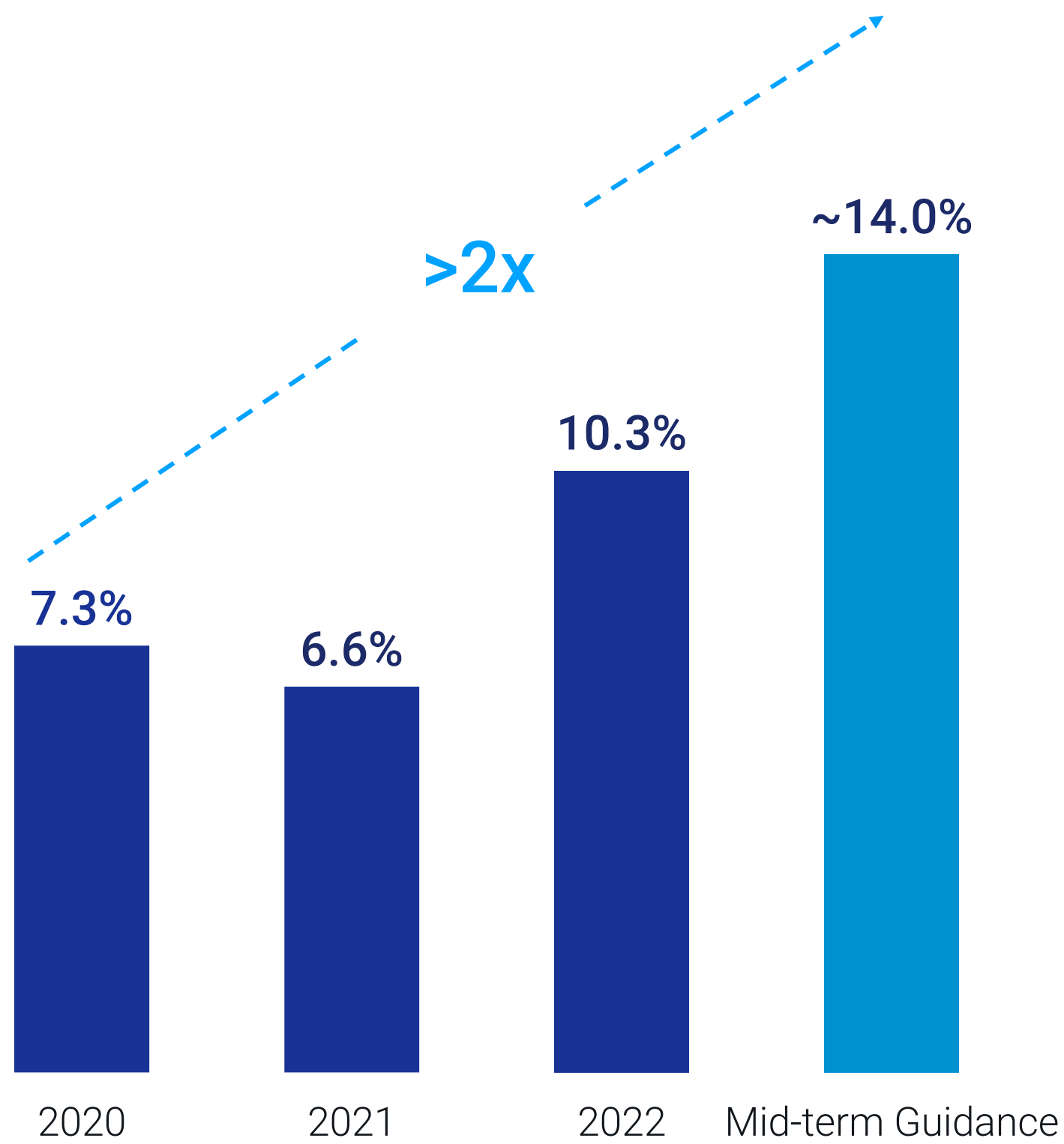
**The [World Bank](#) estimates that the digital economy contributes to more than 15% of global gross domestic product (GDP), and in the past decade it has been growing at two and a half times faster than physical world GDP.

***Source: [Statista](#), 2022

EU GDIP: EU's Green Deal Industrial Plan. US IRA: US Inflation Reduction Act.

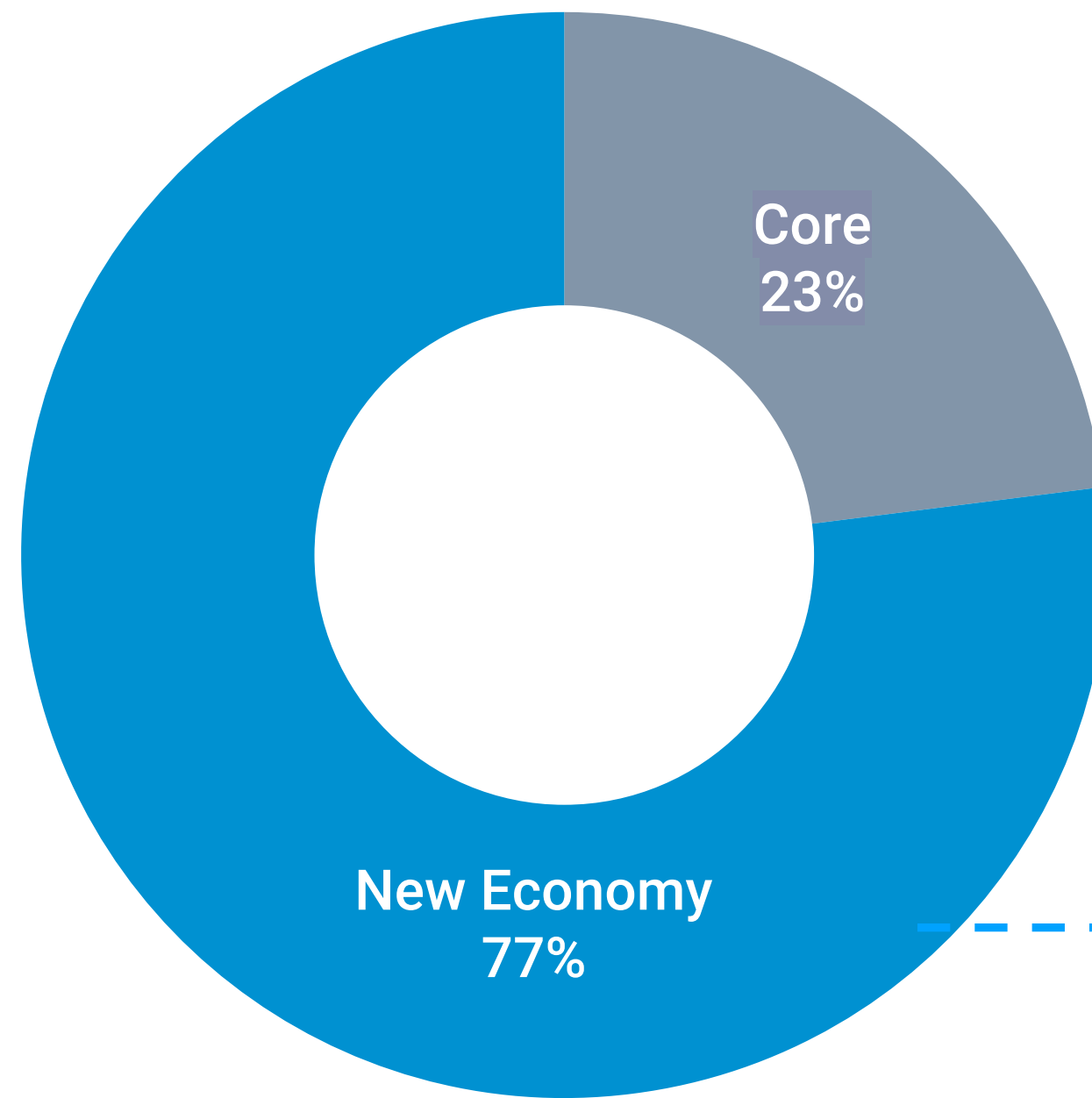
...and we are acting through capital allocation criteria targeting high-growth global mega trends in sustainability

Doubling CAPEX* to accelerate growth...



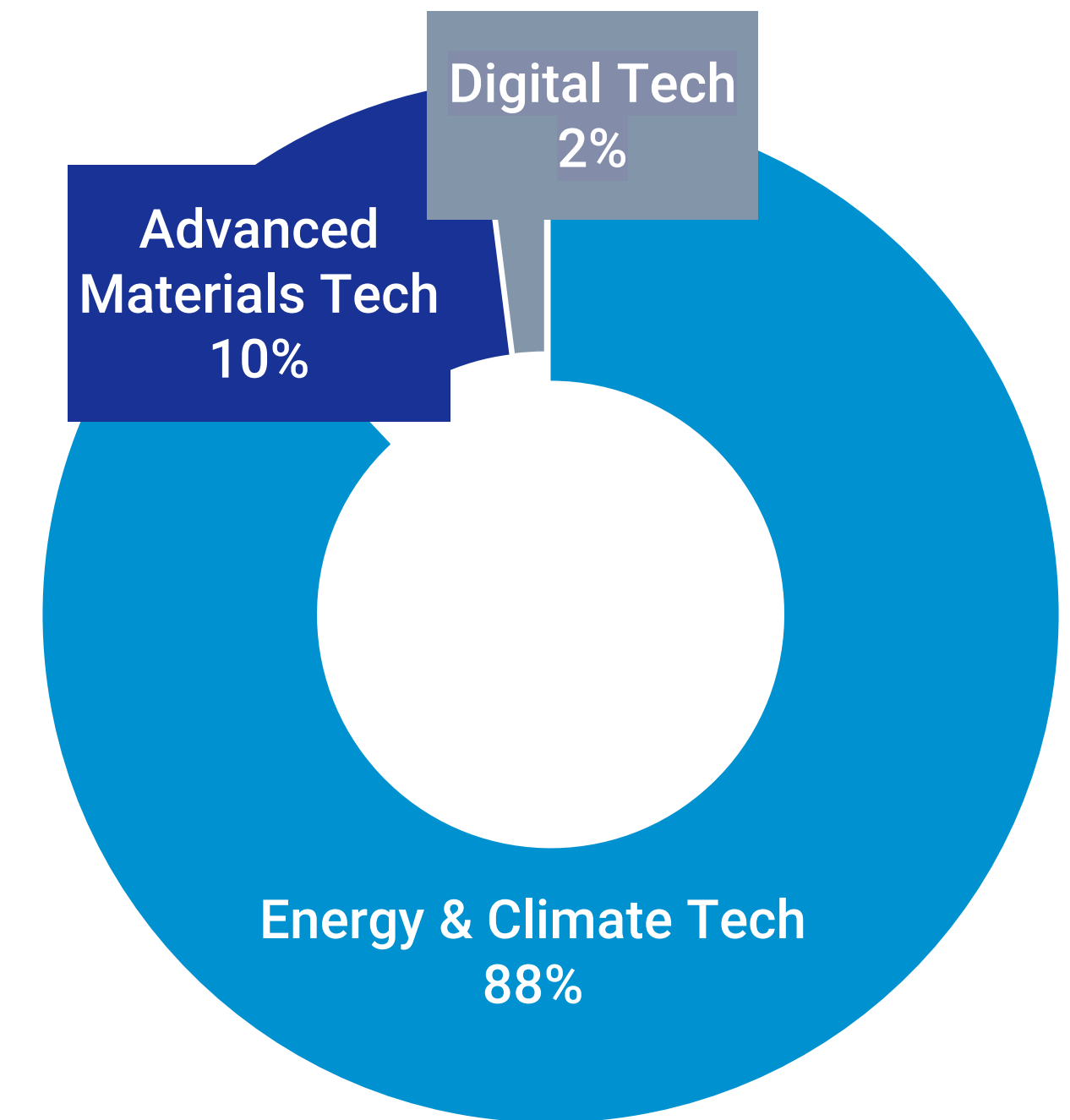
*Non-bank, as a percentage of revenue

...with >75%* of the CAPEX spent for new economy in 2022-23



* Non-bank

...in line with mega trends and our 2050 net zero goal



Sustainability Performance



A lower carbon, more sustainable portfolio

	From planning...		To action and transformation...		
	2020	2021	2022	2030	2050
GHG emissions (Scope 1+2, Mt)	10.10	11.20	9.95	6.49	Net Zero
GHG emissions (Scope 3, Mt)	11.21	11.59	10.29	6.72	Net Zero
Renewable Electricity Usage*	-	-	27%	≥80%	
CO ₂ -free electricity production**	42%	43.7%	45.5%	78.5%	100%
TL 200 bn Sustainable Finance Pledge***	8.2%	13.5%	30%	100%	
SDG innovation	44%	51%	53%	≥70%	
USD 5 bn SDG-related investment Pledge	-	-	10%	100%	

Sabancı Holding's GHG emissions have been calculated by using the equity share approach in accordance with the Greenhouse Gas Protocol. Accordingly, Sabancı Holding accounts for GHG emissions from operations according to its share of equity in the operation.

*Assumptions based on analysis conducted in 2022

**Installed capacity

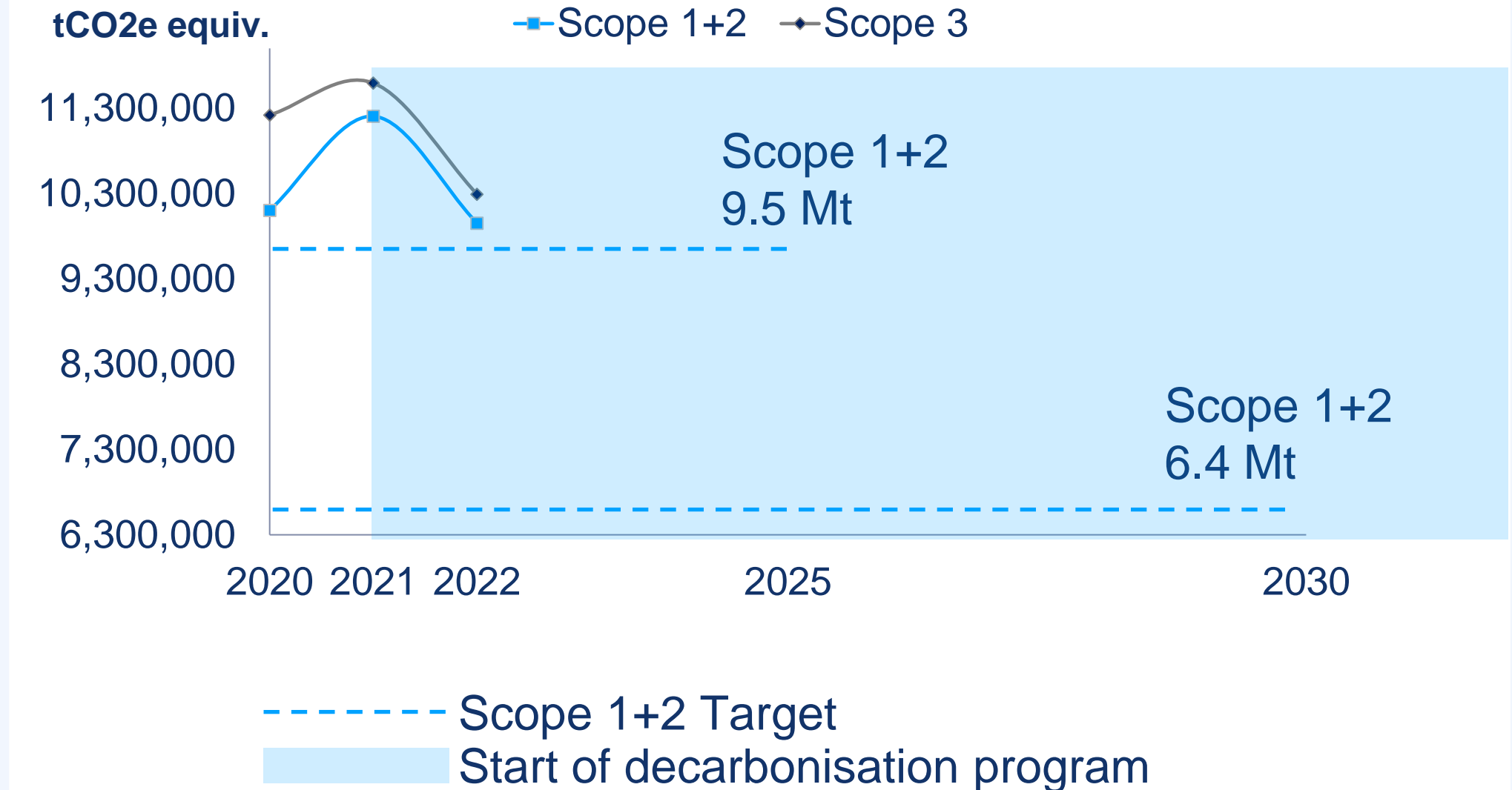
***Committed by Akbank, in addition to their sustainable investment funds commitment reaching TL 15 billion until 2030.

15 key initiatives will take us to our 2030 ambition on decarbonization

List of Decarbonization Initiatives

- | | | |
|--|---|---|
|  Renewable electricity usage / generation |  Switching away from CO ₂ intensive fuels |  Electrification of Kiln/Boiler |
|  Fleet EV transformation |  Alternative Cooling gas |  Blending of Renewable Natural Gas (RNG) |
|  Grid decarbonization |  Raw Material Substitution |  Heat pumps |
|  Theft & Loss reduction |  Alternative Fuels |  Bio Diesel blend |
|  SF ₆ recovery |  Clinker Substitution |  Product/Network Optimization |

GHG Emissions Trend



We evolve our governance structure with global governance trends

2000

2020

2023

Board independence, ethics, and executive pay have been key governance concerns since the 2000s, spurred by the 'dot-com' bubble and the 2007-2008 financial crisis.

Amid ongoing trends, COVID-19, digital disruption, inflation, and environmental threats have heightened ownership and crisis management as key governance issues for investors.

Increasing Responsibilities upon Environmental, Social and Digital Topics & High Level of Ownership

- ✔ "ESG" Integration into Company Purpose & Strategy
- ✔ Increasing the Scope and Ambition Level for Environmental Targets
- ✔ Adaptation of HR Management to Fast Changing Trends & Future of Work
- ✔ Integration of "ESG" and Digital Risks into the Risk Management
- ✔ Holding the Value Chain accountable for "ESG" Performance
- ✔ Developing robust succession planning strategies to ensure business continuity
- ✔ Tackling Inequalities for Gender, Income, Race, Ethnicity, Origin etc.
- ✔ High Level of Ownership for Digital Business & Transformation

Robust and Transparent Governance with a Swift Response to Crises

- ✔ Board Independence, Sectoral/Functional Competence and Diversity
- ✔ Board Effectiveness and Performance
- ✔ Enhancing the Audit and Control Environment on ESG
- ✔ Strengthening Organizational Structure, Clarity, and Transparency in Committees and Decision-Making Processes
- ✔ Mechanisms Accelerating Innovation/Entrepreneurship and Balancing Risks and Opportunities
- ✔ Increasing Transparency in "ESG" and Accountability towards Investors

...enhancing our Board-level governance practices

Non-executive Chair

Enhancing corporate excellence and strategy

2 BoDs Chaired by Women

Sabancı Holding and Akbank Chairs of BoD are women

Board Level Sustainability Committee

4 meetings on ESG-related topics in 2022

BoD Self-Evaluation

Evaluation of overall performance for each fiscal year

44% Women in SAHOL BoD

Above the EU female non-executive directors target by 2026

Clear Governance Policies

A comprehensive set of governance policies

Diverse Experience & Skills

Different backgrounds, experiences and skills

Women in all BoDs across the Group

At least one-woman BoD Member for all Group companies

Oversight on Portfolio Transformation

Oversight of the Holding's strategic goals and objectives including long term ESG targets and portfolio transition ambitions

...and executive level governance mechanisms...



Key Policies

- 01** **Responsible Investment Policy**
- 02** **Diversity, Equity and Inclusion Policy**
- 03** **Code of Business Ethics**
- 04** **Anti-Bribery and Anti-Corruption Policy**

...supported by diversity initiatives

50% Quota

at Leadership Programs & Talent Pools

50% Target

Female management target by 2030 at SAHOL

50% Target

Total ratio of women in STEM & Revenue generating positions

41%

Female management ratio

44%

Rate of women in Revenue Generating Roles

33%

Rate of women in STEM

Unconscious Bias Trainings

at all levels including CEOs

1

Female-to-male pay ratio

Women's Empowerment

focus in a large amount of Group CR programs

 indicates verified data

Sabancı Holding is the only Holding Company in Türkiye to be globally recognized by:



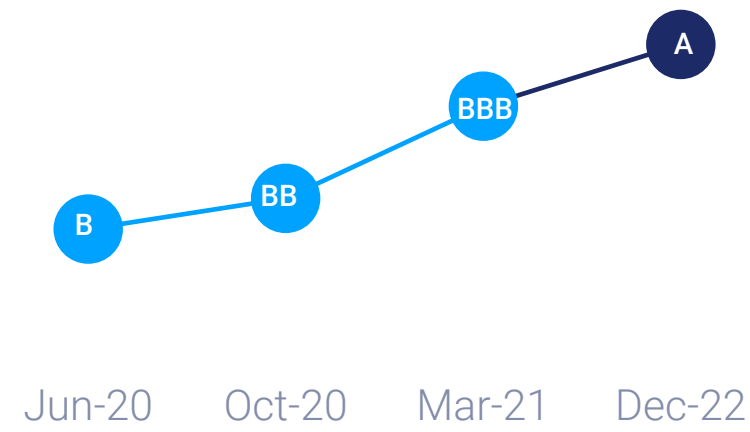
...while resulting in a stellar ESG performance



MSCI Rating

2022 MSCI

3 notches increase in 3 years



2023 Bloomberg GEI

First and Only Conglomerate from Türkiye to be included twice in a row

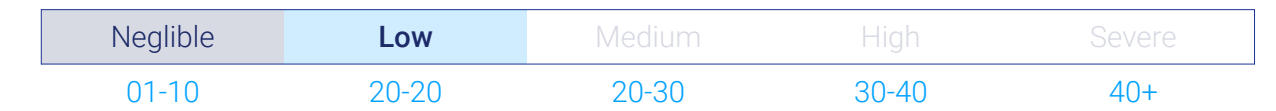


2023 Sustainalytics Low ESG Risk

In Diversified Financials Category



Low Risk



2022 CDP

Management Level on Climate and Water Performance

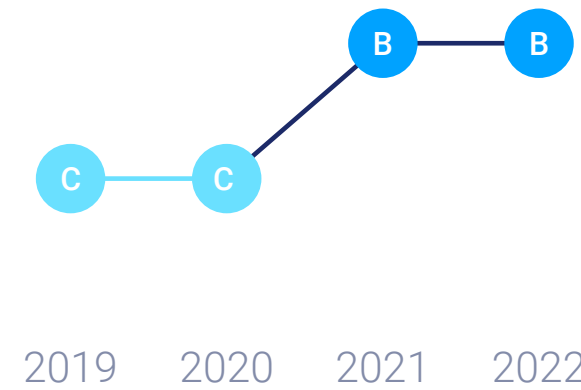


Climate



Water

CDP Climate Change Score



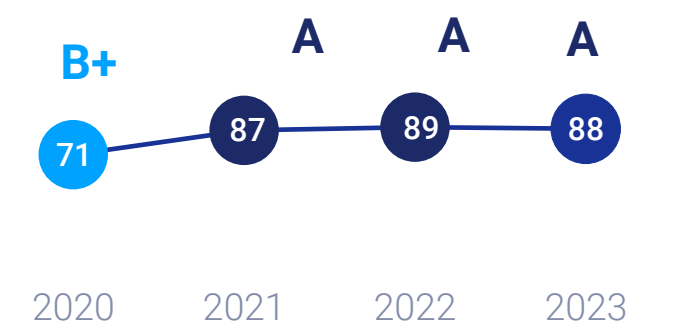
REFINITIV

2022 Refinitiv Excellent Performance

More than 50 companies in Investment Holding Companies Category



Refinitiv ESG Score



BIST Sustainability 25 Index



Listed in BIST Sustainability 25 Index including the companies with the highest Sustainability Performance of Turkey

We have been ranked the highest among our local and global peers



LOCAL RANK

GLOBAL RANK



CLIMATE CHANGE



WATER SECURITY



S&P Dow Jones Indices

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Key Take-Aways

...to summarize

We will **leverage the opportunities in the new economy through our capital allocation strategy.**

01

Our latest results show that **our improved ESG ratings go hand in hand with our financial performance.**

02

We have the **right governance mechanisms and expertise to make our Group companies future-proof.**

03

SABANCI

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Q&A



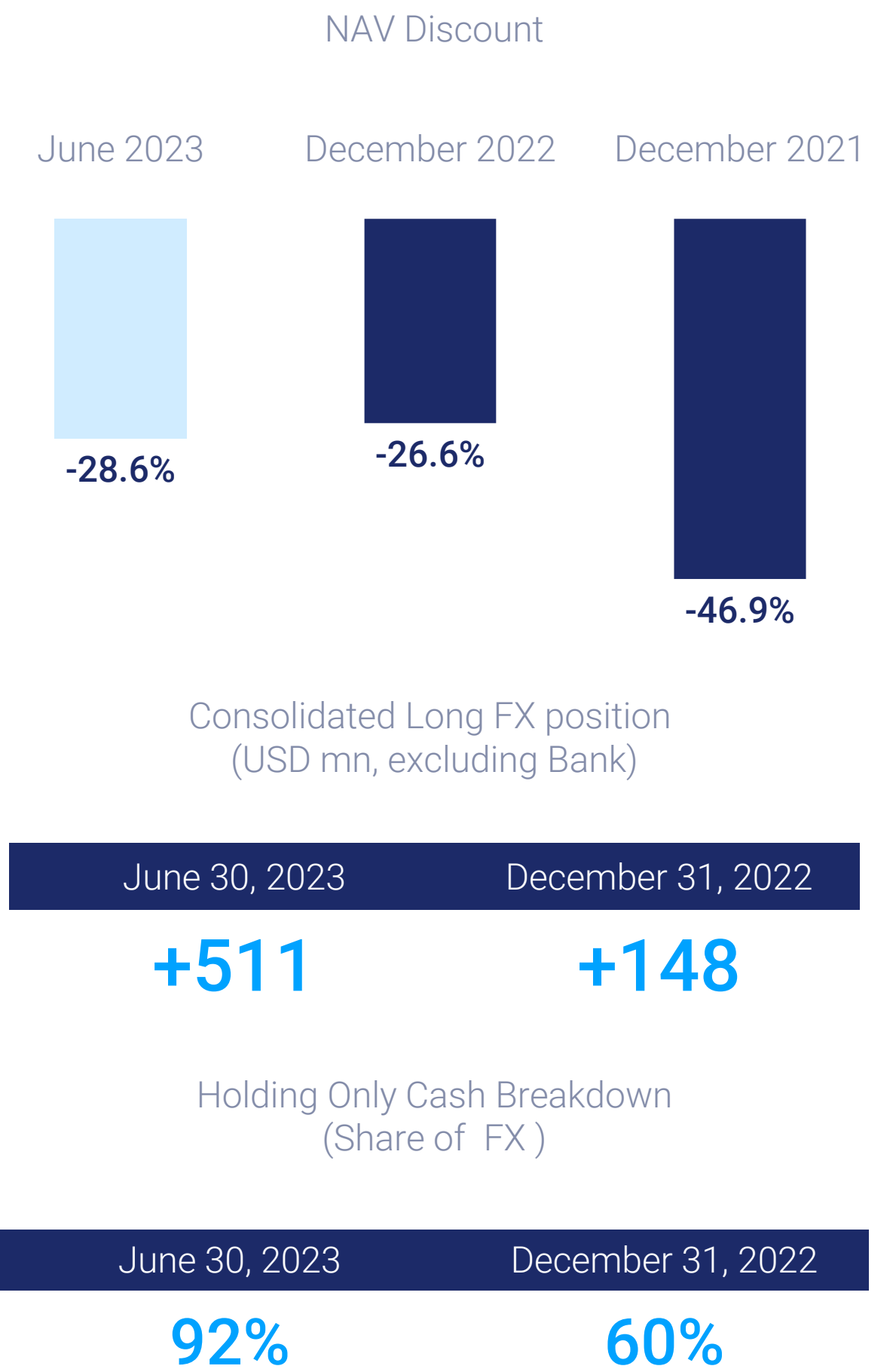


Appendix

Sabancı Holding Current NAV & Cash Breakdown

USDmn				June 2023		December 2022	
Companies	Direct Stake	Valuation Method	Mcap	Value to Sabancı Holding	% of NAV	Value to Sabancı Holding	% of NAV
Akbank	41%	Market value	4,068	1,658	32.5%	2,216	33.1%
Enerjisa Enerji	40%	Market value	1,601	640	12.6%	911	13.6%
Aksigorta	36%	Market value	223	80	1.6%	121	1.8%
Agesa	40%	Market value	240	96	1.9%	155	2.3%
Akçansa	40%	Market value	656	261	5.1%	252	3.8%
Çimsa	55%	Market value	691	377	7.4%	396	5.9%
Brisa	44%	Market value	678	296	5.8%	424	6.3%
Kordsa	71%	Market value	587	418	8.2%	715	10.7%
Carrefoursa	57%	Market value	291	166	3.3%	293	4.4%
Teknosa	50%	Market value	161	81	1.6%	142	2.1%
Total Listed				4,072	79.9%	5,624	83.9%
Enerjisa Üretim	50%	1xBook value	633	317	6.2%	397	5.9%
Sabancı Building Solutions B.V.	60%	1xBook value	194	117	2.3%	109	1.6%
Sabancı Climate Technologies	100%	1xBook value	145	145	2.8%	164	2.4%
DxBV	100%	1xBook value	112	112	2.2%	122	1.8%
Exsa	29%	1xBook value	133	38	0.8%	42	0.6%
Other*	100%	1xBook value	120	120	2.3%	79	1.2%
Total Non-listed				848	16.6%	912	13.6%
Total				4,919	96.6%	6,537	97.5%
Sabancı Holding Net Cash				176	3.4%	167	2.5%
Sabancı Holding NAV				5,095	100.0%	6,703	100.0%
Sabancı Holding Mcap				3,636		4,919	
Sabancı Holding Discount				-28.6%		-26.6%	

*Other segment consists of Tursa, AEO, TMA, TUA and Sabancı DX.



Sabancı Holding NAV After EY Valuation Report

USDmn	June 2023				
Companies	Direct Stake	Valuation Method	Mcap	Value to Sabancı Holding	% of NAV
Akbank	41%	Market value	4,068	1,658	24.5%
Enerjisa Enerji	40%	Market value	1,601	640	9.5%
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Carrefoursa	57%	Market value	291	166	2.5%
Teknosa	50%	Market value	161	81	1.2%
Total Listed				4,072	60.1%
Enerjisa Üretim	50%	8.8xEV/EBITDA**	3,823	1,912	28.2%
Exsa	29%	1xBook value	331	95	1.4%
Sabancı Building Solutions B.V.	60%	1xBook value	175	105	1.6%
Sabancı Climate Technologies	100%	1xBook value	159	159	2.3%
DxBV	100%	1xBook value	114	114	1.7%
Other*	100%	1xBook value	143	143	2.1%
Total Non-listed				2,528	37.3%
Total				6,600	97.4%
Sabancı Holding Net Cash				176	2.6%
Sabancı Holding NAV				6,776	100.0%
Sabancı Holding Mcap				3,636	
Sabancı Holding Discount				-46.3%	

USD/TL is taken as 19.28, which is the value in the EY Report.

*Other segment consists of Tursa, AEO and Sabancı DX.

**Based on EY valuation report.



INVESTOR RELATIONS CONTACTS

Kerem TEZCAN

Investor Relations Director

Şule GENÇTÜRK KARDIÇALIOĞLU

Investor Relations Manager

Emine DALAN

Investor Relations Specialist

Hamza SÜMER

Investor Relations Specialist

Meet SirA, Sabancı Holding's digital investor relations assistant !

Turkey's First Investor Relations Dedicated Assistant !

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