



ESG DAY

Sustainable, Digital, Scalable



NOVEMBER, 2024



Today's Speakers



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Our Understanding of Sustainability



Establishing a Strong Foundation Focusing on Value Creation

Value Preservation



Operational excellence



Reduce cost of debt to maximize return



Attract and retain the best talent ever



Become future-proof to transition risks

Value Creation



Capitalize on the growing demand on a sustainable economy



Access to new markets and assets



Leverage on growing Incentives



Increased revenues and better diversification

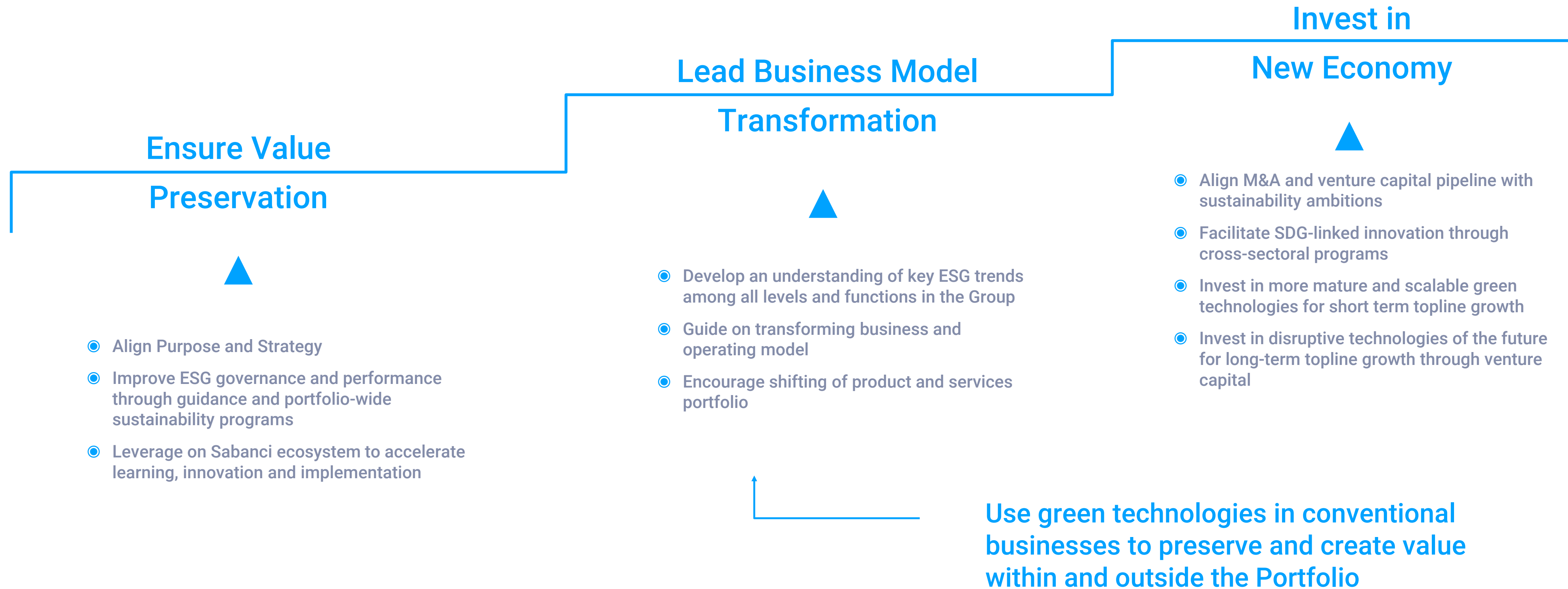


Valuation gains from greater innovation and investment for climate



Broaden investor reach

The Holding Value-add Towards a More Sustainable Portfolio is Three-fold



A Clear Capital Allocation Framework to Preserve and Enhance Value

Grow and Protect the Core

- Strengthen our market leading positions
- Customer focused growth

Maximize Shareholder Return

- Dividend Policy: 5%-20% of net income
- Long-term Incentive Plan: NAV Growth & rTSR



Sustainability / Net Zero Transition

- Responsible Investment Policy & Nature Agenda alignment
- Focus on selective and scalable industries with higher multiples
- Min IRR Threshold: WACC + (1% to 3%)

Effective Use of Balance Sheet

- Loan to NAV Capacity
- Net Debt to EBITDA $\leq 2.0x$

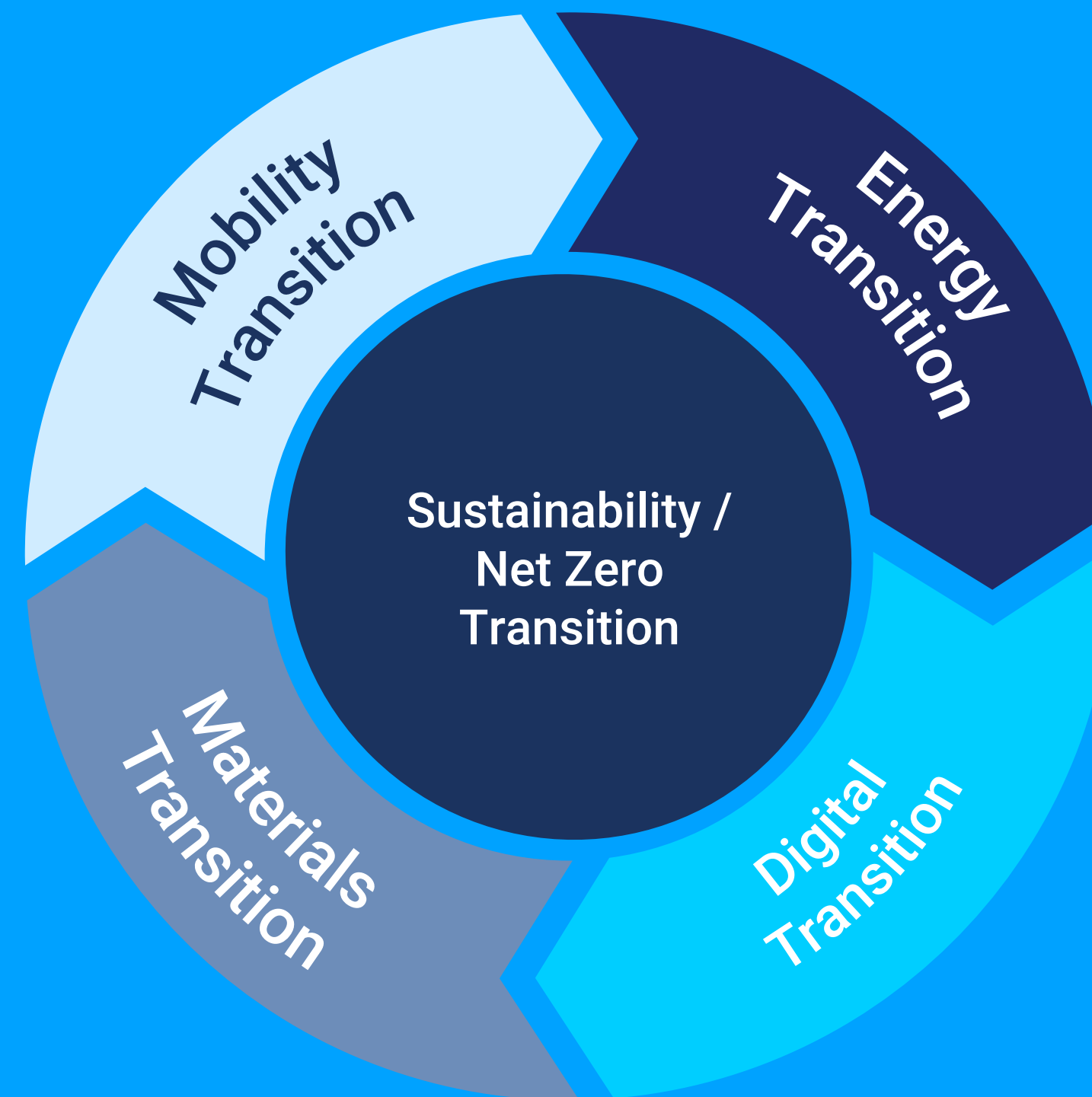
Net Zero drives major transition in key areas, as a basis of our portfolio and investment plan

Mobility Transition

Innovation across micro-mobility, electric / alternative fuel vehicles and autonomous driving

Energy Transition

Growth in renewables, grid modernization, new technologies such as carbon capture and hydrogen



Materials Transition

From conventional to advanced, new ways of production and the application of circular-economy principles

Digital Transition

Infrastructure growth, i.e. data center and cloud with increase in AI/ML and quantum compute

...executed through embedding sustainability into 6 key pillars

Sustainability Stewardship



Sustainability Advocacy (Inside & Outside)
 CEO activism
 Empowered Sustainability Teams
 Deep Understanding of ESG trends among SATT*

Governance & Management Systems



BoD Excellence at Group Companies
 Sustainability Leadership Committee (BoD & ExCo level)
 Investment Committee
 Board and Executive level Policies
 Enterprise Risk Management
 Lines of Defense

Strategic Partnerships



Sabancı EcoSystem
 Innovation Partners
 Sustainability Business Platforms
 Academia, Innovation Hubs, etc.

Capital Allocation Criteria



Investment Criteria
 Divestment Criteria
 Venture Capital Strategy
 X+5 Strategic Planning Processes
 X+3 Budgeting Processes

Business & Operating Model



M&A Due Diligence Processes
 Innovation Programs
 Investor Relations Programs
 Debt / Financing Strategy
 Tax and Incentives Screening

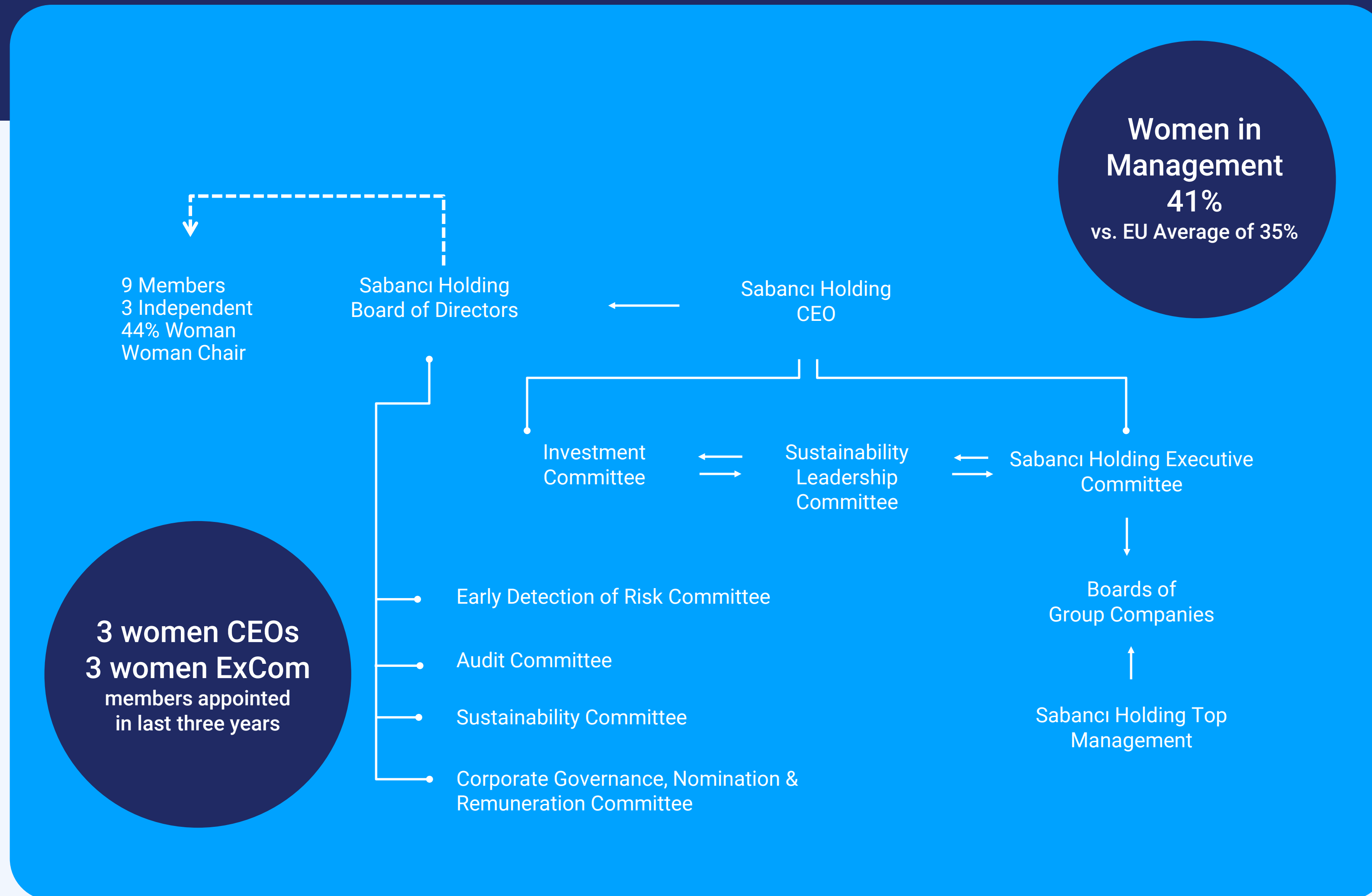
Human Capital Strategy



Remuneration Scheme
 Human Capital Strategy
 Leadership Programs
 Culture and Talent Programs
 Learning and Development Programs
 Purpose driven approach

*Sabancı Transformation Team

Diversified and Disciplined Decision-Making Organization



Key Policies

Responsible Investment

Capital Allocation Framework

Code of Business Ethics

Anti-Bribery and Anti-Corruption

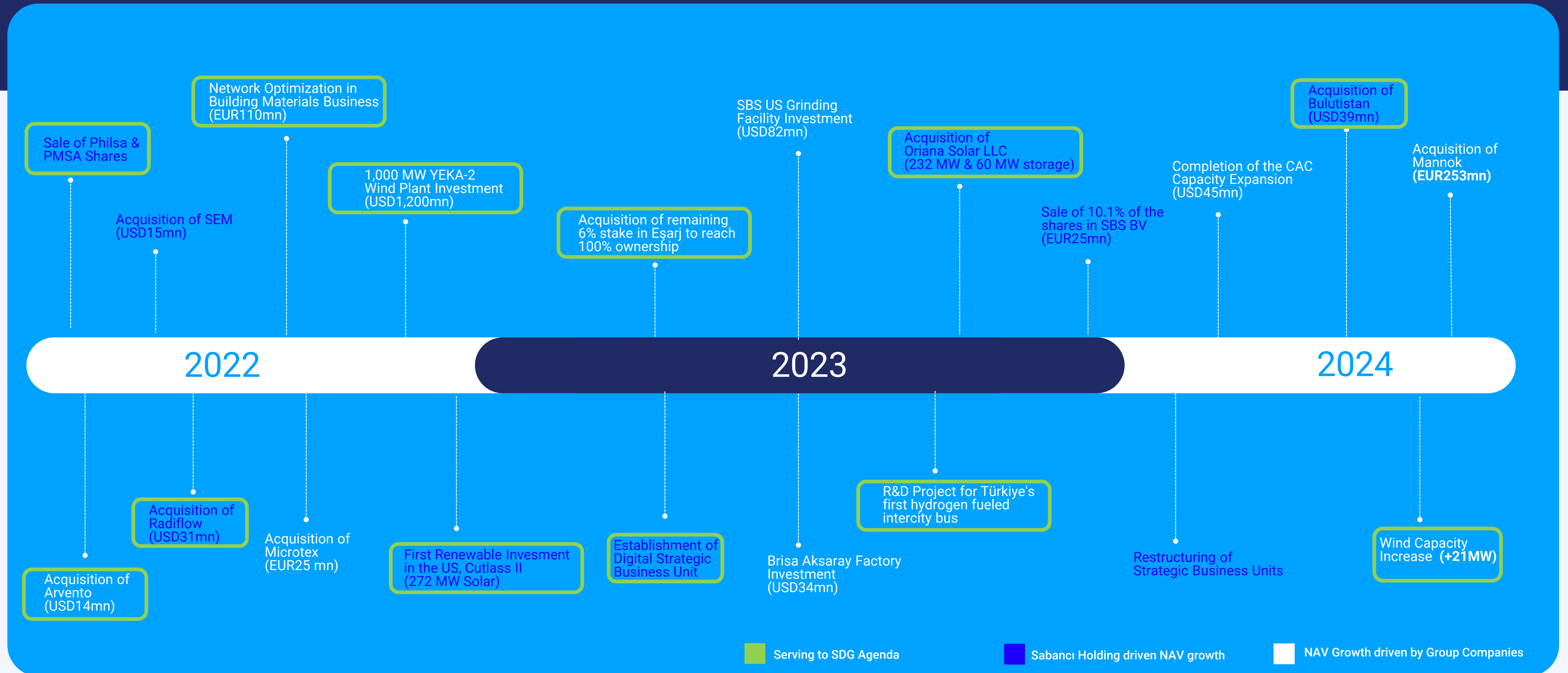
Board Remuneration

Board Diversity

Wages

Diversity, Equity and Inclusion

Majority of Portfolio Moves Serving to our SDG Agenda



Pioneering in Global Climate Transition with a Clear Strategy and Strong Return Profile

Transforming Our Portfolio to Enable Decarbonization

20%
Decrease in Scope 1 & 2 emissions⁽¹⁾

24%
Water consumption reduction⁽¹⁾

42%
Reduction target in Scope 1&2 emissions⁽²⁾

#1
company in DC charging points in 81 cities in Türkiye

4 GW+⁽³⁾
Renewables in our generation fleet globally

85%
of total cement production in CSC Gold certified facilities

x2
Doubled the ratio of renewable electricity usage⁽⁴⁾

NZBA
Akbank is a member of the NZBA⁽⁵⁾ with portfolio decarbonization targets

USD 5BN⁽⁶⁾
Commitment to spend for SDG-linked Activities



Because It Makes Business Sense

Favorable Funding

- Longer Maturity – up to 15 years
- Easier Access to Financing
- Optimized debt to equity ratio
- Lower cost of capital

Incentives

- Tax Equity Investment for renewables in the US
- Feed In Tariff Mechanism for renewables in Türkiye
- Incentives for green & digital transformation in Türkiye

(1) Between 2021-2023 (2) 2030 figures compared to 2021 baseline (3) By the end of 2026 (4) 2023 figures vs. 2022 (5) Net-Zero Banking Alliance (6) Between 2022 - 2027

Setting the Benchmark for Sustainability Agenda Among Holding Companies

NATURE

Decarbonization

- Decreasing Scope 1 and 2 GHG by 15% until 2025⁽¹⁾
- Decreasing Scope 1 and 2 GHG by 42% until 2030⁽¹⁾
- Net Zero Emissions in all Scopes until 2050
- 75% CO2-free energy generation installed capacity ⁽²⁾
- 80% CO2-free electricity usage in 2030

Circularity

- Achieving circular inflow targets until 2030
- Designing all key products with circular design principles by 2050
- Eliminating all landfill and incineration of non-hazardous waste by 2050

Water and Biodiversity

- Increase Group-wide ambition by 2025

SOCIAL

Diversity, Equality and Inclusion

- 50% women leaders at Holding by 2030
- 50% women quota in all development programs by 2030
- 50% ratio of women in STEM & Revenue generating positions by 2030
- Equal pay for equal work
- 30% women quota in the Senior Management recruitment shortlist

Communities

- Implementing measurable, high-impact social programs with continuous improvement efforts (min. SROI ≥ 1)

RESPONSIBLE INVESTMENT

Sustainable Investment

- Increasing the share of SDG-linked R&D and innovation to 70% by 2025
- Investment in SDG-related activities to reach USD 5 billion by 2027
- 100% of new energy generation investments in low/zero carbon technologies
- 4 GW+ renewables installed capacity in our generation fleet globally by 2026

Sustainable Finance

- 800 billion TL sustainable loan financing by 2030
- 15 billion TL sustainable investment funds balance by 2030

(1) Compared to 2021 Baseline (2) By the year 2030.

We Continue to Progress on Our Nature Agenda

| Decarbonization | 2021 | 2022 | 2023 | | 2030 | 2050 |
|------------------------------------------------------|--------|--------|--------|---|------------------------------------|------------------------------------------------|
| GHG emissions (Scope 1+2, Mt) ¹ | 11.20 | 9.95 | 8.94 | ✓ | 6.49 | Net Zero |
| GHG emissions (Scope 3, Mt) | 11.59 | 10.29 | 9.37 | ✓ | 6.72 | Net Zero |
| Renewables | | | | | | |
| Renewable Electricity Usage ² | - | 27% | 54% | | ≥80% | - |
| CO ₂ -free energy generation ³ | 43.7% | 45.5% | 46% | | 75% | 100% |
| Circularity | | | | | | |
| Circularity KPIs to be published 2025 onwards | | | | | | |
| Total waste (ton) ⁴ | 42,761 | 52,445 | 55,279 | ✓ | Achieving circular inflow targets* | Achieving circular design and outflow targets* |
| Total recycled/reused (%) ⁴ | 80% | 78% | 94% | ✓ | | |

¹ 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. ² Assumptions based on analysis conducted in 2023. ³ Installed capacity. ⁴ Excluding Enerjisa Üretim's ash waste.

Our Responsible Investment Strategy Intersects with Both Our Nature And Social Agendas

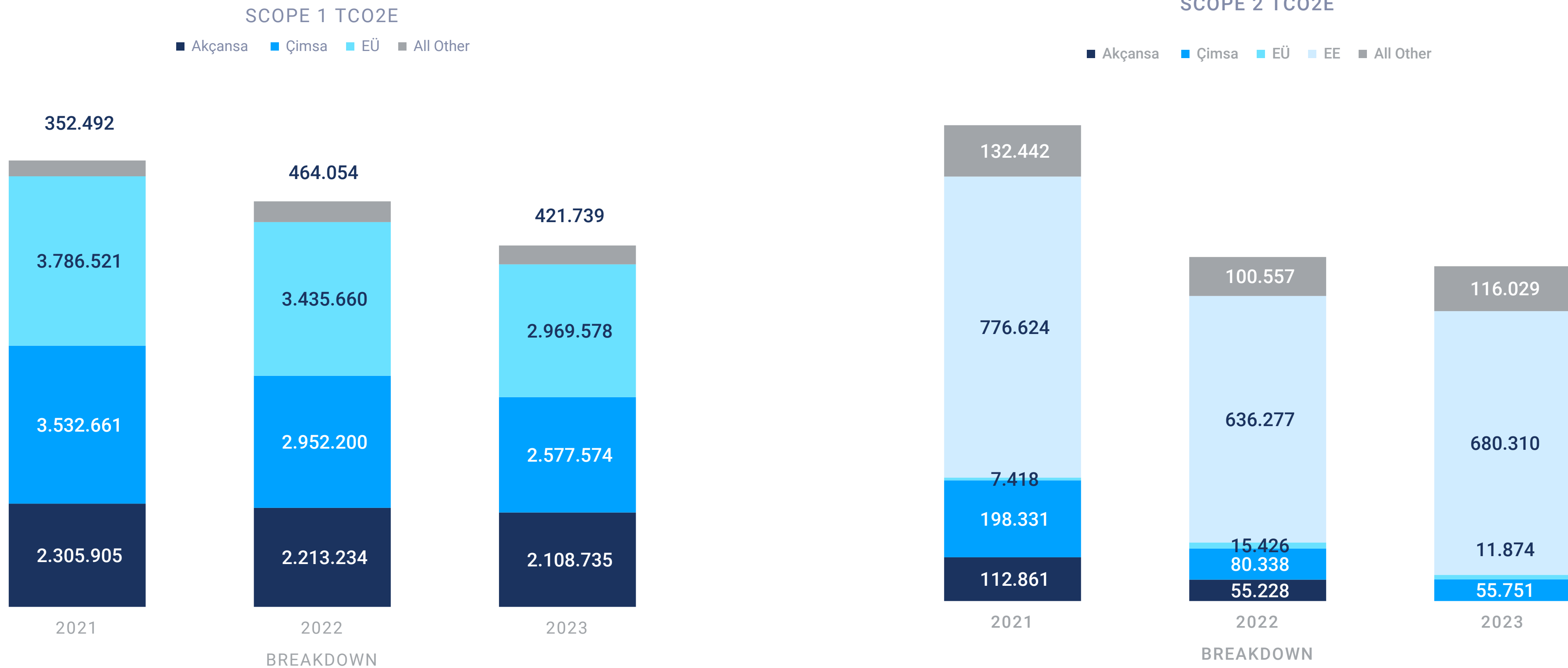
| Sustainable Finance | 2021 | 2022 | 2023 | 2030 Targets |
|---------------------------------------------------------|-------|------|------|---------------------|
| Sustainable Finance Pledge ⁵ | 13.5% | 30% | 113% | TL 800 bn |
| Sustainable investment funds balance | - | - | 21% | TL 15 bn |
| Responsible Investment | | | | |
| Ratio of SDG-linked R&D and innovation investments | 51% | 53% | 50% | ≥70% (2025 onwards) |
| USD 5 billion SDG-linked Investment Pledge ⁶ | - | 10% | 24% | 100% (2022 - 2027) |

⁵ Committed by Akbank, in addition to their sustainable investment funds commitment reaching TL 15 billion until 2030. The target has already been exceeded in 2023. These are non-consolidated management reporting data. They include green (e.g., renewable energy, clean transportation, etc.) and social (e.g., access to basic services, women-owned SMEs) loans that are in compliance with the Sustainable Finance Framework, as well as Eurobonds and syndication acquisitions of the Sustainable and Social Eurobond ESG type. Akbank has established a new target which is amounting TL 800 bn Sustainable Finance Pledge until 2030. ⁶ All figures are presented cumulatively.

While We Keep Diversity, Equity and Inclusion at The Core Of Our Social Agenda

| DE&I | 2021 | 2022 | 2023 | 2030 Targets |
|------------------------------------------------|------|------|------|--------------|
| Women leaders at Holding | 41% | 46% | 42% | 50% |
| Women leaders at Group | 40% | 41% | 41% | - |
| Ratio of women in STEM positions | 33% | 33% | 34% | 50% |
| Ratio of women in revenue generating positions | 43% | 44% | 46% | 50% |

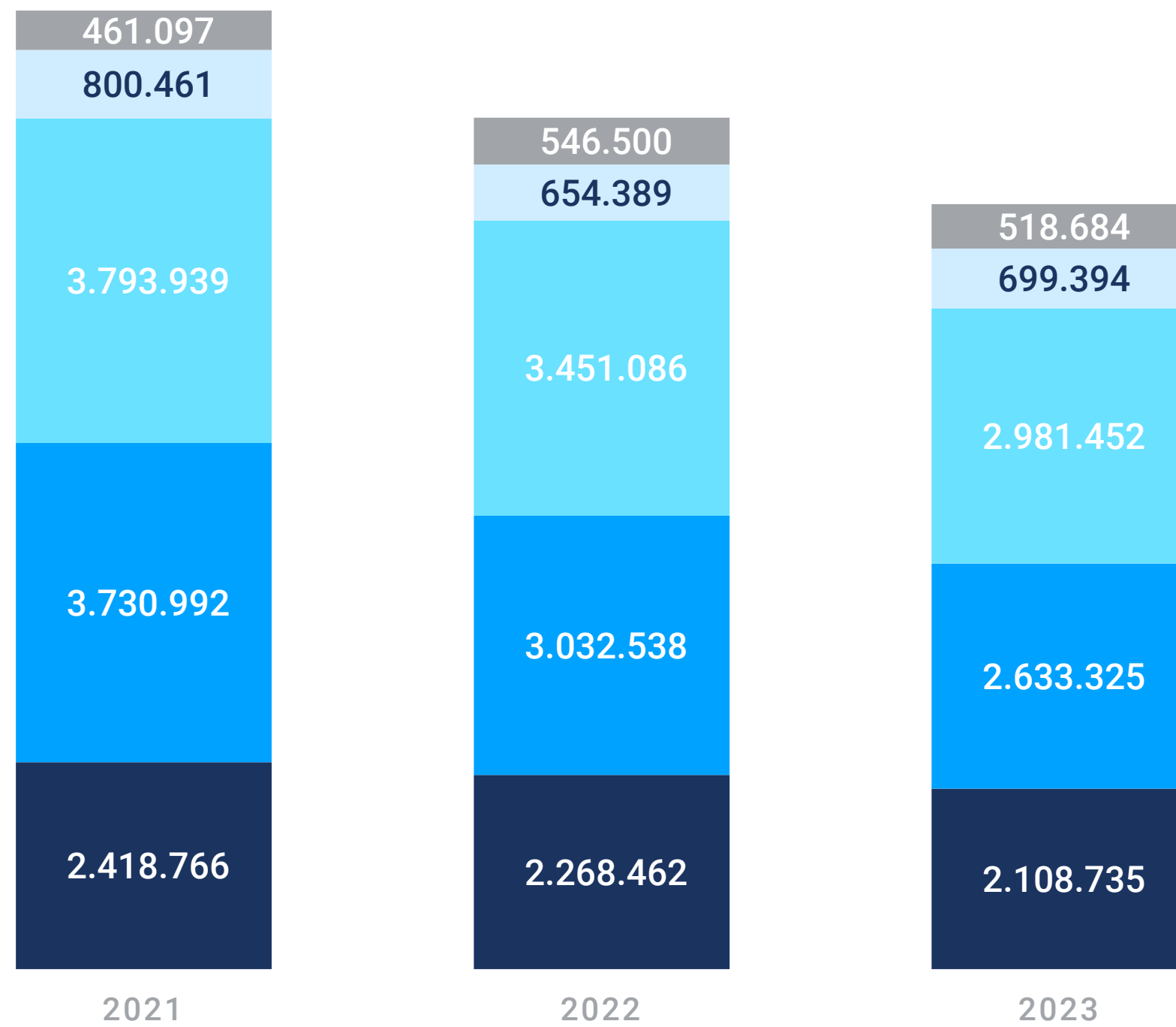
Clear GHG Reduction Path Showcases Our Ability to Manage Business in Alignment with Nature Agenda



While Managing Force Majeure Situations like the Earthquake in Southern Türkiye

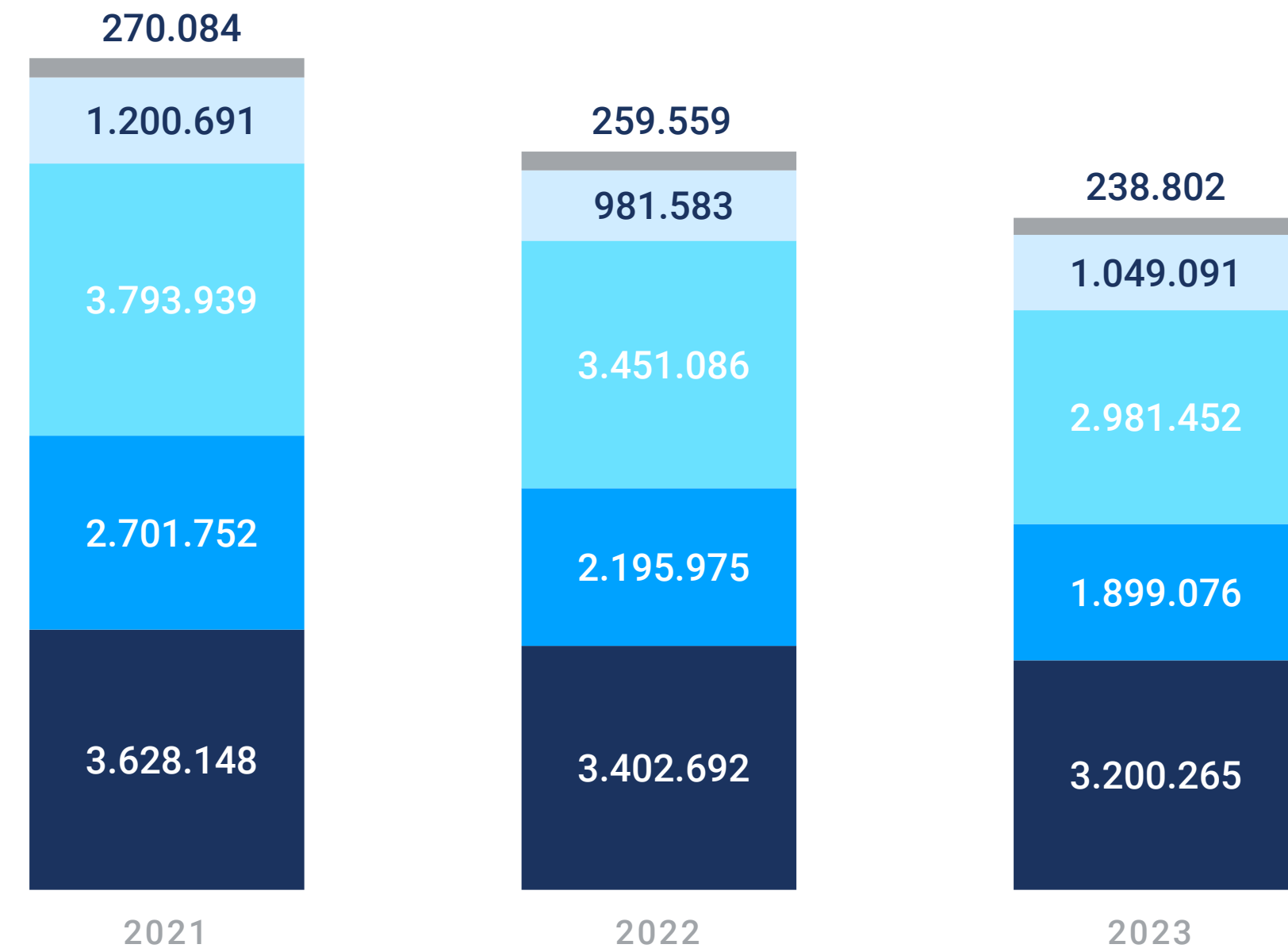
SCOPE 1 & 2 TCO2E

■ Akçansa ■ Çimsa ■ EÜ ■ EE ■ All Other



SCOPE 3 TCO2E

■ Akçansa ■ Çimsa ■ EÜ ■ EE ■ All Other



Top-notch Performance in ESG Indices Among Local and Global Peers

LOCAL RANK

GLOBAL RANK



CLIMATE CHANGE



WATER SECURITY



S&P Dow Jones Indices

A Division of **S&P Global**



Sabancı Holding has been awarded with six diamonds by EFQM and won special award of Outstanding Achievement for Sustainability

Update on Group-wide Sustainability Programs



We have initiated 12 sustainability programs in the last 3 years, with 9 in 2023 - 2024

Holding endorsed Initiatives Matrix

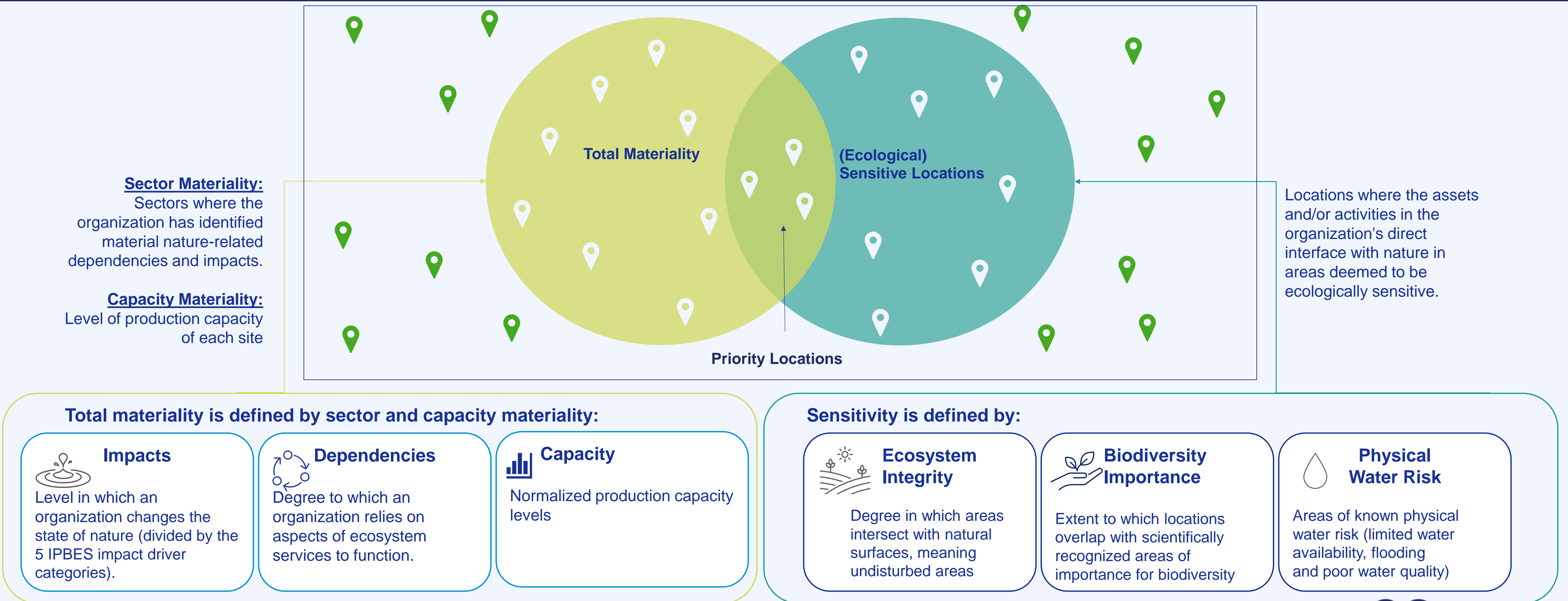
| | 2023 - 2024 | | | | | | | | | | | |
|--------------------------------------|---------------------|----------------------------------|---------|-------------------------|-------|-------------|--------------|----------------|---------------------------|-------------|----------------|-------------------------|
| | SDG-linked business | Basic policies & Data Management | Decarb. | ESG Data Digitalization | Water | Circularity | Biodiversity | TCFD Reporting | Reporting Gap Assessment* | EU Taxonomy | SBTi & Scope 3 | Supply Chain Engagement |
| AKÇANSA | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | ✓ | |
| ÇİMSA | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | |
| KORDSA | ✓ | ✓ | ✓ | ✓ | | | | | ✓ | | | |
| BRI SA | ✓ | ✓ | ✓ | ✓ | | | | | | | | |
| TEM SA | ✓ | ✓ | ✓ | ✓ | | ✓ | | | | | | |
| TEKNO SA | ✓ | ✓ | ✓ | ✓ | | ✓ | | ✓ | | | ✓ | ✓ |
| Garrefour SA | ✓ | ✓ | ✓ | ✓ | | | | | | | ✓ | ✓ |
| AGE SA | ✓ | ✓ | ✓ | ✓ | | | | | | | ✓ | |
| AK Sigorta | ✓ | ✓ | ✓ | ✓ | | | | | | | ✓ | |
| ENERJİ SA Energy of Turkey | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | |
| ENERJİ SA ÜRETİM | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | |
| AKBANK | ✓ | ✓ | ✓ | ✓ | | | | | | | | |
| SABANCI Dİ | ✓ | ✓ | ✓ | ✓ | | | | | | | | |

Some results in 2023 -2024

- Majority of companies set their GHG targets taking 1.5 degree trajectory as benchmark and started to get validation on their targets
- Circularity Framework launched
- Ambition level on Biodiversity and Water has been increased
- Alignment with new International Reporting requirements are ensured
- ~1,000 KPIs on Sustainability has been digitalized

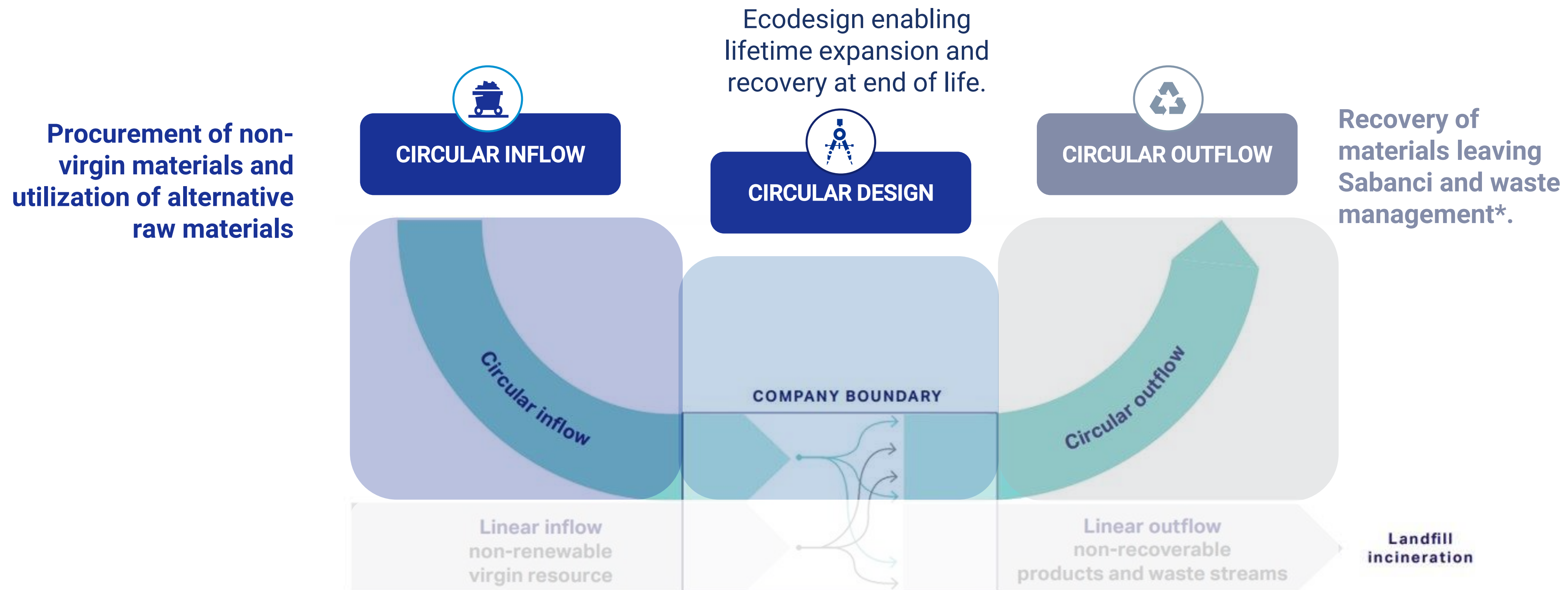
Assets of Group Companies are prioritized according to their materiality and ecological sensitivity

TNFD Guidance on the assessment of priority locations:



Three Circular Economy pillars based on the CTI framework help us to dive into circularity in Our Group

Circular Economy pillars based on the CTI framework with definitions



*Outflow of water is covered in a separate but interrelated workstream

Based on the type of company either targets have been set or milestones and actions have been determined

A distinction was made between the companies based on the nature of their operations



Group companies that are producers of products or materials

| | AKÇANSA | ÇİMSA | TEMSA |
|----------|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| Targets* | 2030 10% Alternative Raw Material use in cement (Inflow) | 2025 Çimsa innovates on CDW (Design) in concrete powder as Cementitious material | 2030 Designs all key products with the Circular Principles (Design) |
| | 10% Alternative Raw Material use in concrete (Inflow) | 2030 10-15% Alternative Raw Material use Grey cement (Inflow) | 2045 Temsa aims to be a Zero Waste company** (Outflow) |
| | 2050 Akcansa aims to be a Zero Waste company** (Outflow) | 10% Alternative Raw Material use White cement (Inflow) | 2050 Temsa aims to achieve 50% circular inflow (Inflow) |
| | | 2050 Cimsa aims to be a Zero Waste company** (Outflow) | |

Group companies that are either service, utility or retail companies

| | ENERJİSA ÜRETİM | ENERJİSA Energy of Turkey | TEKNO SA |
|------------------------|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Key actions & targets* | 2025 | Engage with suppliers to gather data on circular inflow. Explore opportunities to increase circular inflow and design Calculate quantitative Circular Economy baselines for business units | |
| | 2030 | Set quantitative Circular Economy target for 2050 Start tracking performance improvement on Circular Economy KPIs towards the 2050 targets | |
| | 2050 | Target: Aim to be a Zero Waste company** | |

*The targets have been abbreviated a summary of key actions and milestones have been provided. **Incineration of hazardous waste is not part of the Zero Waste target scope.

Sabancı Holding’s Circular Economy Framework

SAHOL Circular Economy Framework

SAHOL Circular Ambition

Ambition

“At SAHOL, we strategically invest into a circular future, anchored by our pillars of the circular economy. Acknowledging the pressing need to address material scarcity, we emphasize enhancing resource productivity in our existing operations and new investments, while transitioning away from landfills and incineration on our path to zero waste by 2050.”

To succeed in our ambition we will focus on our 3 pillars “Circular Materials and Partnerships”, “Circular Design Principles” and “Enhanced Recovery Routes” to improve our circularity performance and grasp new opportunities.

Pillars

Circular Materials & Partnerships

Circular Design Principles

Enhanced Recovery Routes

Targets

By 2030, Sabancı Holding aims to achieve the Circular Inflow targets and milestones for all group companies

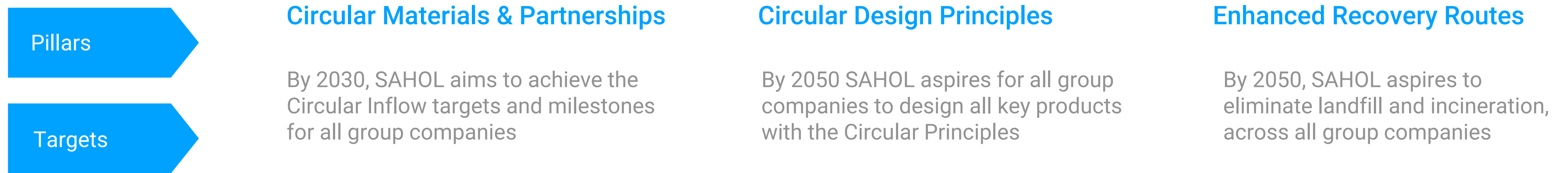
By 2050 Sabancı Holding aspires for all group companies to design all key products⁽¹⁾ with the Circular Principles

By 2050, Sabancı Holding aspires to eliminate landfill and incineration⁽²⁾, across all group companies

((1) Key products identified at company level, principles are: Durability, repairability, Circular composition; (2) Incineration of hazardous waste out of scope

The Following Samples of KPIs will Support us in Tracking Circular Economy Progress and Performance Across Group Companies

SAHOL Circular Economy Pillars and Targets



SAHOL KPIs to track group companies in project scope's Circular Economy progress and performance per pillar

| | | | | | |
|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------------------------------------------------------------------------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| 2030 | % of <u>all</u> group companies that are included in the scope for the Circular Economy progress and performance tracking KPIs (currently only the companies in the project scope are included) | 2025 | % of group companies that have engaged with suppliers on Circular design | 2030 | % waste reduction (net waste reduction, landfill reduction and incineration reduction) of group companies (progress towards zero waste) |
| 2025 | % of group companies that have engaged with suppliers on Circular inflow | 2030 | % of group companies that have implemented Circular Economy design principles | | |
| 2030 | % of group companies with quantified circular performance baseline and targets | | | | |
| 2030 | % progress towards Circular Economy inflow targets of group companies | | | | |
| 2030 | % progress on Circular Economy inflow milestones by group companies | | | | |

Only group companies that are producers of products or materials

Only group companies that are either service, utility or retail companies

Key Take-Aways



Value Preservation & Creation:
We remain committed to balancing the preservation of current value while driving growth and innovation to grasp future opportunities



Shift from Climate to Nature:
We have expanded our focus from climate-centric to nature-centric, ensuring a comprehensive environmental strategy



Business Opportunity:
We continue to identify and leverage opportunities that drive growth through scalable industries with higher multiples



Governance BoD Excellence:
Strong governance structures and board leadership are essential for aligning our strategies, fostering accountability, and achieving long-term sustainable success.



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Türkiye's First Investor Relations Dedicated Assistant !

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Investor Relations Director

Şule GENÇTÜRK KARDIÇALIOĞLU
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Capital Markets Day



Earnings Presentation



Investor Presentation



2023 Sustainability Report



2023 Annual Report

