

ECHOES OF \_\_\_\_\_  
**HARMONY**  
Shaping a Sustainable Future



Sustainability For a Better Life  
2023 Report

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# Celebrating 100<sup>th</sup> Anniversary of the Republic of Türkiye

For 98 years, Sabancı Group has developed and moved forward alongside the Republic of Türkiye..

Founded with the same courage, drive to succeed and confidence in the future, Sabancı Group's values still mirror those of the newly established the Republic of Türkiye so many years ago.

Our commitment to steady progress, continuous innovation and modernization coupled with a forward-looking vision have served us well on our ongoing journey to excellence.

As the Republic of Türkiye celebrates its 100<sup>th</sup> anniversary, we at Sabancı Group echo the heartfelt sentiment, 'There is no other Republic!' Similarly, we recognize the unique role that Sabancı plays.

Our success is not merely an ambition, but a major responsibility – to help lead our nation forward into the future, for the next century and generations to come.

With this future-focused mindset, we navigate the present day with a clear vision. Guided by science and reason, we march resolutely toward our goals, united in a common purpose.

We are confident in our destination and the path we have chosen...

Here's to a bright future with limitless possibilities. We look forward to achieving the distinction of 'Sabancı of the World,' all while upholding the enduring values of the Republic!

# About the Report

✔ Indicates verified data.

H.Ö. Sabancı Holding A.Ş. (Sabancı Holding) is pleased to present the 'Sustainability for a Better Life 2023 Report' (Report), which includes an in-depth assessment of its economic, social, and environmental sustainability performance. The Report outlines Sabancı Holding's forward-looking strategy and integrated approach to sustainability governance and risk management, addressing sustainability trends, emerging risks, and managing both inside-out and outside-in impacts to create value for all stakeholders.

The Report details how Sabancı Holding implements its value preservation and creation strategies, transforms its core businesses, and invests in new growth platforms. It conveys how Sabancı Holding fosters an environment where each entity within its portfolio thrives, thereby creating a positive impact that resonates throughout its ecosystem. The

Report covers the comprehensive nature and social agendas surrounding Sabancı Holding's sustainability stewardship, its business model for managing risks and creating opportunities, and its human capital strategy as a key enabler of success.

Titled 'Echoes of Harmony: Shaping a Sustainable Future,' the Report shares performance highlights and progress of Sabancı Holding and its Group companies toward 2050 goals, regarding their activities in Türkiye from January 1, 2023, to December 31, 2023. The Report covers the progress and reveals the Group's performance on the Holding and industry level where relevant.

The Holding, its affiliates and subsidiaries included and grouped in the Report are:

- H.Ö. Sabancı Holding A.Ş. (**Sabancı Holding**)
- **Banking**: Akbank T.A.Ş. (**Akbank**)

- **Financial Services**: Aksigorta A.Ş. (**Aksigorta**), Agesa Emeklilik ve Hayat A.Ş. (**Agesa**)
- **Energy**: Enerjisa Enerji A.Ş. (**Enerjisa Enerji**) and Enerjisa Üretim Santralleri A.Ş. (**Enerjisa Üretim**)<sup>1</sup>
- **Mobility Solutions**<sup>2</sup>: Temsa Skoda Sabancı Ulaşım Araçları A.Ş. (Temsal Ulaşım Araçları, **Temsal**) and Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. (**Brisa**)
- **Material Technologies**: Akçansa Çimento Sanayi ve Ticaret A.Ş. (**Akçansa**), Çimsa Çimento Sanayi ve Ticaret A.Ş. (**Çimsa**), and Sabancı Building Solutions BV (**SBS BV**), Kordsa Teknik Tekstil A.Ş. (**Kordsa**)
- **Digital**: Teknosa İç ve Dış Ticaret A.Ş. (**Teknosa**), DxBV\*
- **Other**: Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. (**Carrefoursa**)

The Report also highlights best practices from Sabancı Foundation, Sabancı University, and Sabancı University Sakıp Sabancı

Museum, though these are not included in quantitative performance metrics.

Prepared in accordance with Global Reporting Initiative (GRI) Standards the Report considers the United Nations Global Compact (UNGC), Women's Empowerment Principles (WEPs), Task Force on Climate-Related Financial Disclosures (TCFD), and the UN Sustainable Development Goals (SDGs).

Selected environmental, social, and economic performance indicators aligned with Sabancı Holding's sustainability goals have been verified per ISAE 3000 (Revised) and ISAE 3410 (Annex 5: Assurance Statement) standards.

For any questions, comments, or suggestions regarding the Report, please contact the Sustainability Directorate at [sustainability@sabanci.com](mailto:sustainability@sabanci.com)

<sup>1</sup> Enerjisa Enerji A.Ş. data (Enerjisa Enerji) includes those related to Başkent Elektrik Dağıtım A.Ş., İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş., Toroslar Elektrik Dağıtım A.Ş., Enerjisa Başkent Elektrik Perakende Satış A.Ş., Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş., Enerjisa Toroslar Elektrik Perakende Satış A.Ş. and Enerjisa Müşteri Çözümleri A.Ş. The data of Enerjisa Üretim Santralleri A.Ş. (Enerjisa Üretim) includes Enerjisa Enerji Üretim A.Ş., Enerjisa Elektrik Enerjisi Toptan Satış A.Ş. and the Enerjisa Doğalgaz Toptan Satış A.Ş.

<sup>2</sup> In line with its strategic priorities to focus on expanding its core businesses and investing in new growth platforms; Sabancı Holding decided to restructure its Industrials and Building Materials strategic business units into Material Technologies and Mobility Solutions to further strengthen its focus on material technologies and leadership in mobility solutions. Accordingly, as of April 19, 2024, Akçansa, Çimsa and Kordsa started operating under the Material Technologies Group while Brisa, Temsa Ulaşım and Temsa Motorlu Araçlar have started operating under the Mobility Solutions Group.

\*DxBV is the parent organization of Sabancı Dijital Teknoloji Hizmetleri A.Ş. (SabancıDx), which is 49% owned by Sabancı Holding and 51% owned by DxBV.

# Foreword

As we navigate the complexities of our modern world, it becomes increasingly apparent that sustainability is not just a goal to be achieved, but a journey of mindful stewardship that must permeate every decision of our business operations. At Sabancı, we recognize the deep connection between our actions and the well-being of our planet and its inhabitants. Hence, we set 'sustainability for a better life' as our strategic priority.

In a world where actions resonate beyond their immediate impact, Sabancı Holding presents 'Echoes of Harmony: Shaping a Sustainable Future' as the central theme of our **Sustainability for a Better Life 2023 Report**. Our report's design concept is inspired by Zen gardens, which create a harmonious balance between our fast-paced lifestyles and the natural world. We believe in creating opportunities from within the ecosystem, orchestrating collaboration and innovation to drive

meaningful transformation. Much like the carefully placed stones in a Zen garden, **each initiative outlined in this report is a deliberate step towards creating balance and harmony within our operations, our communities, and our environment.**

Zen gardens exemplify resilience and adaptability, reflecting strength and flexibility amidst nature's fluctuations. **At Sabancı Holding, we integrate sustainability into our strategy, utilizing foresight and orchestrated leadership to navigate global megatrends, risks, and opportunities, thereby creating a sustainable and balanced future.** Each element in a Zen garden, whether a stone or a ripple of sand, contributes to the balance and tranquility of the whole. Similarly, our distinct and purposeful sustainability practices combine to form a cohesive effort towards a sustainable future.

The diligent arrangement of elements in Zen gardens reflects an ongoing balance of preserving existing beauty while continuously adapting to create new harmonies. **At Sabancı Holding, we embrace this dynamic approach by transforming our businesses and investing in new growth platforms, preserving our foundational strengths while innovatively creating value in an ever-evolving world.**

A Zen garden serves to create a harmonious balance between our fast-paced lifestyles and the natural world, with each carefully arranged element contributing to an overarching sense of balance, simplicity, and harmony. **At Sabancı Holding, we design an ecosystem informed by awareness of megatrends and emerging risks, leading transformation and investments that create a positive impact on society and the environment.**

Raked patterns in Zen gardens symbolize order, mindfulness, and intentionality, reflecting a commitment to responsible and purposeful action. **Our corporate governance model at Sabancı Holding mirrors these principles by emphasizing accountability, transparency, responsible business conduct, and effective stakeholder management, contributing to the sustainability and resilience of the Sabancı Group.**

Bridges in Zen gardens represent transitions, connections, and overcoming obstacles, tying together the whole garden energetically. **Our culture of SDG-linked R&D and innovation at Sabancı Holding not only unlocks opportunities for growth but also fosters the creation of shared value on the path to achieving UN SDGs.**

# Foreword

Plants in Zen gardens, such as Bamboo and Bonsai Trees, symbolize resilience, harmony, patience, and balance. **We consistently invest in sustainable businesses, including energy and climate technologies, material technologies, mobility solutions, and digital technologies, to foster resilience for future generations and drive impactful change towards a sustainable economy.**

Every element in a Zen garden harmoniously coexists, symbolizing the connection and balance found in nature's diverse ecosystems. **Our Nature Agenda at Sabancı Holding reflects this harmony through ambitious goals and initiatives in decarbonization, water management, biodiversity, and circular economy, fostering a sustainable relationship between business and nature.**

Reflecting the unity and balance of a Zen garden, our Social Agenda demonstrates our commitment to creating a prosperous future through impactful societal initiatives and collaborative efforts. Besides, a Zen garden is an invitation to engage mentally and spiritually with its elements. **We prioritize cultivating a purpose-driven culture at Sabancı Holding, inspiring our employees to achieve sustainable outcomes while empowering them to unlock their full potential.**

Just as the ripples in a tranquil pond echo outward, our commitment to sustainability echoes throughout our organization and beyond. It is reflected in our efforts to **reduce our carbon footprint, promote diversity and inclusion, and foster innovation that**

**respects both people and the planet.**

Our journey does not end here. Like the continuous flow of a Zen garden's design, **we are committed to evolving, adapting, and embracing new challenges and opportunities on the path to a sustainable future.**

As you peruse these pages, we invite you to find inspiration in the echoes of harmony that resonate within our sustainability initiatives. Together, let us shape a future where balance, respect, and stewardship guide our every decision, paving the way for a world where sustainability and prosperity go hand in hand.

# ECHOES OF \_\_\_\_\_ HARMONY

## Orchestrating Resources and Initiatives to Craft a Sustainable Future

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A Zen garden's resilient design adapts gracefully to changing seasons and elements, symbolizing strength and flexibility amidst nature's fluctuations.

**At Sabancı Holding, we integrate sustainability into our strategy, utilizing foresight and orchestrated leadership to navigate global megatrends, risks, and opportunities, thereby creating a sustainable and balanced future.**



# Letter from the Chair



## Dear Investors, Business Partners, and Esteemed Employees,

As global challenges continue to intensify, our commitment to urgent and comprehensive action has never been more critical. The escalating climate emergency, marked by record-breaking temperatures, extreme weather events, and rising sea levels, demands a unified global response. Beyond climate emergency, issues such as water crisis,

biodiversity loss, and deforestation highlight the critical importance of holistic sustainable resource management and conservation strategies, reflecting our deep connection to and responsibility for our nature agenda.

Socio-economic challenges like the cost-of-living crisis and widening inequalities further emphasize the need for collaborative action. Addressing these disparities requires a business approach that prioritizes diversity, equity, and inclusion, fostering social cohesion and economic resilience.

Innovations in clean energy, climate tech, and digital solutions can drive sustainable growth. However, some of these advancements also bring challenges such as cybersecurity threats, the need for upskilling the workforce, managing the value chain impacts of manufacturing activities, materials

need of the energy transition and the growing energy demand of the digital infrastructure. At Sabancı Holding, we believe in integrating technology and digitalization responsibly, managing risks in a proactive manner to manage such complex challenges and fostering a culture of innovation to capitalize on emerging opportunities.

Our Board of Directors considers sustainability an essential part of our agenda, overseeing performance through an effective governance structure. By fostering collaboration across the Sabancı Group, we unlock synergies, drive innovation, and create shared value for all stakeholders.

## Allocating Our Resources to Ensure Leaving No One Behind

Inclusivity is at the heart of Sabancı Holding's values. We are committed to creating an equal, fair, and safe work

environment where all employees can realize their potential. Our Human Capital Strategy promotes diversity, equity, and inclusion, fostering a culture that values every individual's contribution.

We strategically allocate resources to tackle pressing social and environmental issues. Through financial assistance, grants, scholarships, and inclusion programs, we support livelihoods and promote sustainable lifestyles. Our Group companies undertake sector-specific initiatives, such as enhancing financial literacy and integrating advanced technologies responsibly. These efforts position Sabancı as a leader in sustainable solutions and open new market opportunities.

In response to the devastating earthquake centered in Southeastern Türkiye and brutally affected 11 provinces in 2023, our Sabancı Republic Day



# Letter from the Chair

Campaign intensified its efforts to aid those affected, demonstrating our solidarity and commitment to building back better and healing.

## Transforming Communities: Driving Change Together

Fostering social transformation and sustainability is central to our mission. Together with Sabancı University and the Sabancı Foundation, we have initiated numerous projects aimed at driving social change. With over 60 thousand employees and millions impacted through our value chain, we are dedicated to transforming our business and contributing positively to society.

The Sabancı Volunteers Program fosters an inclusive culture and enhances employee engagement. Our volunteers raise awareness about environmental and social issues, inspiring others to join the movement and expand the

reach of our community investments. Over the past three years, Sabancı Volunteers dedicated approximately 170 thousand hours to community activities, compressing 19 years of work into just three years.

This year, I was honored to receive the European Sustainability Award – Prix FILM4CLIMATE 2023, recognizing our efforts to promote sustainability across diverse platforms. This accolade underscores our dedication to making a positive impact upon communities and bringing sustainability to a broader perspective.

## Upholding the Republic's Legacy Since 1925

Since our founding in 1925, Sabancı Holding has upheld the universal values of the Republic of Türkiye, inspired by the legacy of Mustafa Kemal Atatürk. Our continuous efforts in promoting education, culture, and social change

reflect our dedication to these universal principles. We strive to uphold our reputation as a trusted and responsible corporate entity, leaving a legacy of prosperity for future generations.

On behalf of Sabancı Holding, I sincerely thank our employees, business partners, and stakeholders for their support and invaluable contributions.

Together, we will continue to build a sustainable, inclusive, and promising future.

Yours sincerely,

**GÜLER SABANCI**  
Chair

# Letter from the CEO



## Dear Stakeholders,

In today's increasingly complex and disruptive business environment, the connection between sustainability and value creation has become more evident than ever. As we pursue our strategic priority of 'sustainability for a better life', our journey in 2023 has been marked by significant achievements across various strategic areas, each contributing to

our overarching goal of sustainable development.

In a challenging economic landscape, we achieved a combined revenue increase of 57%, a combined EBITDA growth of 23% and a consolidated net income increase of 20%, all without inflation adjustments and in line with our midterm guidance. Additionally, we remain on track to meet our targets for New Economy and FX share as a percentage of our total revenue.

While exceeding financial targets, particularly income statement metrics, we maintained our focus on cash generation, keeping our balance sheet rock solid. In fact, we recorded a historic high year-end cash position at the Holding-level on an annualized basis. Our net debt to EBITDA ratio remains well below our mid-term target, providing a solid foundation for further investment.

## Embracing the New Economy and Dynamic Portfolio Management

In 2023, Sabancı Holding reinforced its position within the "new economy" framework by strategically investing in energy and climate technologies, material technologies, mobility solutions and digital technologies.

Our dynamic portfolio management approach ensures that we are not only adapting to but also leading the transformation in these sectors.

To this end, we also invest in disruptive technologies and focus on new technology investments in all geographies where we have operations. We are bringing innovative climate technologies to Türkiye, including the first green hydrogen production facility in Bandırma. In the United States, we engage in investments in cutting-

edge fusion and deep geothermal energy technologies through Sabancı Climate Technologies. Our international investments extend to hydrogen equipment in Singapore and hydrogen storage technologies in Switzerland.

Our commitment to the new economy is concrete, with an ambitious goal to increase our Zero Carbon energy generation capacity to 75% by 2030 and achieve 100% earlier than 2050. Our global footprint is expanding, as evidenced by our investment in U.S. solar power plants, poised to reach more than 500 MW within a year – a figure we plan to double swiftly.

By 2026, our renewable portfolio will be around 4 GW, encompassing Europe's largest onshore wind energy project.

Our investments in material technologies and mobility solutions increase resource

# Letter from the CEO

efficiency and promote transition to a more circular and low carbon economy. As an example, Kordsa launched 'compounding' as a fourth core business line to develop essential raw materials for sustainable plastics and provide value-added, sustainable products across diverse industries from aerospace to small household appliances. Temsa, a leader in zero-emission vehicles, signed an R&D agreement with Portugal-based CaetanoBus to develop Türkiye's first hydrogen-fueled intercity bus, following its launch of Europe's first intercity electric bus. The prototype is targeted for completion in 2024, with mass production beginning in 2025.

A key organizational change in 2023 was the establishment of a dedicated Digital Strategic Business Unit under the Holding. This unit has a dual goal: strengthening recently acquired cybersecurity and digital marketing capabilities while

exploring new growth platforms. Cloud technologies, scalable digital technology platforms, and hyper-scale data centers are our priority focus areas. We are currently exploring synergies between these data centers and our pioneering renewable energy initiatives.

## Ecosystems Fostering Innovation

Our efforts in building ecosystems that foster innovation have been pivotal. Through initiatives such as the X-Teams, Sabancı ARF program and partnerships with research institutions, we have created synergies that enhance our intellectual capital and drive sustainable growth. The establishment of the Sabancı Global Technology Center (SGTC) in Munich exemplifies our commitment to advancing research and development in areas like material technologies, composite technologies, and construction reinforcement. With SGTC in Germany and Kordsa's Asia Pacific Technical

Center in Indonesia both opened in 2023, we increased the total number of R&D and technology centers to eight, six in Türkiye and two abroad. SGTC serves as a hub for cutting-edge research, bringing together academic and industry experts to develop innovative solutions that address the pressing challenges of our time. Furthermore, products developed in Çimsa and Kordsa factories in Türkiye will be reintroduced to the European market at SGTC. This model, serving Sabancı Group's purpose to 'unite Türkiye and the World' will also be one of the driving forces behind Türkiye's value-added export mobilization.

In 2023, 50% of our R&D and innovation expenses were dedicated to SDG-linked projects, reflecting our commitment to fostering a sustainable product and technology pipeline. All our business development initiatives, including entrepreneurship programs, are

strategically aligned with the themes of the SDGs, reflecting our holistic approach to sustainability.

## Resilience Through Comprehensive Nature Program

As Sabancı Holding, we recognize the critical role of nature in shaping our sustainable future. Our efforts have expanded from decarbonization to a comprehensive nature program, employing both an outside-in and inside-out strategies. Sabancı Holding's Nature Agenda includes our efforts in four key areas: Decarbonization Initiatives, Water Management, Biodiversity, and Circular Economy.

Committed to 2050 Net Zero goals, Sabancı Group companies have started to set ambitious science-based targets. In accordance with the Science Based Targets Initiative (SBTi) recommendations, we aim to reduce our Scope 1 & 2

# Letter from the CEO

emissions by 42% by 2030 compared to 2021 baseline, according to equity share approach. In addition, the Holding targets a 15% reduction by year-end 2025. Our new Circular Economy Framework, which is key to aligning our businesses with nature, is also publicly available now. By 2027, our cumulative SDG-linked investments since 2022 will reach USD 5 billion.

## Investing in Human Capital and Wellbeing

Our workforce, consisting of over 60 thousand employees across the globe, is the cornerstone of our success. To prepare for future challenges, we have renewed our Sabancı Leadership Model to develop leaders ready for future challenges. Our commitment to Diversity, Equity, and Inclusion (DE&I) ensures a workplace where every individual feels valued and empowered.

Through innovative work initiatives and leadership development programs, we are fostering a high-performance culture centered on purpose and wellbeing. Under our "Future-ready organization and talent" priority, we are dedicated to strengthening our purpose-driven culture and attracting top talent by investing in human capital. We will promote delegation, collaboration, and ecosystem synergy across the entire Group.

As we move forward, our enduring mission and top priorities remain embedding a purpose-driven culture throughout Sabancı, leading by example, collaborating with stakeholders, and empowering our future leaders to realize their full potential.

## Broadening Our Social Impact

Sabancı Group's Social Agenda highlights our keen commitment to making a significant, measurable impact on

society. We aim for every investment in our community to yield a social return on investment (SROI) of one or higher, supported by detailed social impact assessments.

Our Sabancı Republic Day Campaign is guided by our Nature and Social Agendas promoting inclusivity and empowerment. Through activities focused on Education and Development across Türkiye, particularly in the regions affected by the devastating earthquake on February 6, we are keen to support and revive impacted communities.

Moreover, Sabancı Group banking and financial services companies also promote innovative and inclusive business practices that support access to finance for vulnerable groups through financial inclusion programs. Ensuring equal opportunities is a core value, and each Sabancı Group company integrates

diversity, equity, and inclusion (DE&I) into their product and service offerings.

## Strong Sustainability Performance

In 2023, we proudly made it to the Global A List in CDP Climate Change, marking us as the only holding company from Türkiye to achieve this recognition. Additionally, we upgraded our CDP Water Security reporting score to an A-.

Nine out of eleven of our Group companies that reported to the CDP Climate Change Program were elevated to leadership levels with A or A- grades, tripling the number of companies at this level compared to the previous year.

We became the first and only holding company in Türkiye to receive an MSCI ESG Rating of AA, elevating our rating by four notches over the past four years through comprehensive sustainability processes and adherence to international

# Letter from the CEO

standards. Our Holding also received an 'A' rating for "Excellent Performance" in the Refinitiv ESG Assessment and was assessed as "Low Risk" for ESG risk metrics by Sustainalytics, placing us among the world's leading companies on ESG matters. Furthermore, we were listed in the Bloomberg Gender-Equality Index as the only holding company from Türkiye included for two consecutive years.

I am also proud to share that Sabancı Holding has won the European Foundation for Quality Management (EFQM) Global Award-six diamonds and Outstanding Achievement for Sustainability.

At Sabancı Holding, sustainability is integral to our purpose: to unite Türkiye and the World for a sustainable life with leading enterprises. By fostering collaboration and synergy among our Group companies, we unlock new avenues for growth and innovation while driving positive social and environmental impact.

In closing, I extend my heartfelt gratitude to our employees, partners, and stakeholders for their unwavering support and commitment. Together, we will continue to drive positive change and create a better world for future generations.

Thank you for your continued trust in Sabancı Holding.

Sincerely,

**CENK ALPER**

Member of the Board of Directors  
and CEO

## Commitment to a Sustainable Future

# Messages from WBCSD and CDP

## Message from WBCSD



As Chair of the World Business Council for Sustainable Development (WBCSD), I am delighted to see the progress that Sabancı Holding has made since they joined our community over 4 years ago.

Their commitment to sustainability is evident through their bold greenhouse gas reduction targets across Scope 1 and 2 emissions.

We are pleased by Sabancı Holding's engagement across our member offerings, including WBCSD's Climate and Equity programs.

I sincerely look forward to continuing to drive positive change together with Sabancı Holding, to create a better world where 9+ billion people live well within planetary boundaries, by 2050.

[Dr. Ilham Kadri, Chair of WBCSD](#)

## Message from CDP



As the global environmental disclosure system, CDP is dedicated to building the foundations for a thriving and sustainable economy and greatly appreciates the support of Sabancı Holding in our efforts to continue driving transparency and corporate environmental action.

The situation is urgent, and the global community must act now to ensure that we limit global warming to 1.5C.

Disclosure is the first key step in addressing current and future environmental risks through standardized, comparable data.

Sabancı Holding has shown its commitment to transparency around its environmental impacts and strategies for action by disclosing through CDP in 2023.

Regular disclosure drives climate action and so we look forward to Sabancı Holding sharing their environmental data for years to come.

[Dexter Galvin, Chief Commercial and Partnerships Officer, CDP](#)

# ECHOES OF \_\_\_\_\_ HARMONY

## A Journey of Mindful Stewardship

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In Zen gardens, each element, whether a stone or a ripple of sand, contributes to the whole's balance and tranquility.

Similarly, Sabancı Holding's sustainability practices, each distinct and purposeful, combine to form a cohesive and harmonious effort towards a sustainable future.



# Sabancı Group in Brief

Hacı Ömer Sabancı Holding A.Ş. (Sabancı Holding), Türkiye's leading investment holding, is engaged in a wide variety of business activities through subsidiaries and affiliates mainly in the banking, financial services, energy and climate technologies, industrials, building materials and digital sectors.<sup>3</sup>

Sabancı Holding's purpose is to unite Türkiye and the World for a sustainable life with leading enterprises. The Holding has outlined five strategic priorities to fulfill its purpose: ensuring a scalable agile global/local footprint, driving digital and AI transformation, fostering innovation for growth, championing sustainability for a better life, and building a future-ready organization and talent pool.

With its dynamic portfolio management, Sabancı Holding not only fosters growth

and evolution, but also ensures that it is not only adapting to but also leading the transformation in the new economy, creating value for all stakeholders.

Sabancı Holding coordinates and supports the finance, strategy, business development, legal, human capital and sustainability functions of all Group companies. Additionally, the Holding establishes and oversees corporate governance practices across Sabancı Group with primary attention to accountability, transparency, responsible business, and effective stakeholder management that contribute to the sustainability and resilience of the Group.

Sabancı Holding is managed by an Executive Committee, a team of senior executives including the Chief Executive Officer, Group Chief Financial Officer,

Strategic Business Unit Presidents and function-based Group Presidents. The Executive Committee is mainly responsible for major capital allocation decisions and reports to the Board of Directors, which is the ultimate decision-making body of the Holding.

Sabancı Holding integrates sustainability fully into its strategy to create long-term value. Sabancı Holding Board of Directors, the highest governing body, considers sustainability an integral part of its agenda and oversees sustainability performance through a variety of committees.

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

the Board of Directors and contribute to oversee strategies designed to respond sustainability related risks and opportunities.

Fostering a culture centered on purpose and high performance, a short-term and long-term management incentive system is adopted across Sabancı Group. Performance evaluation is conducted annually, involving various financial and non-financial criteria. In addition to financial KPIs, actions to achieve the Group's Net Zero Emissions targets by 2050, improvement in ESG ratings, diversity, equity and inclusion, and operational excellence targets are included in the non-financial KPIs.

<sup>3</sup>In line with its strategic priorities to focus on expanding its core businesses and investing in new growth platforms; Sabancı Holding decided to restructure its Industrials and Building Materials strategic business units into Material Technologies and Mobility Solutions to further strengthen its focus on material technologies and leadership in mobility solutions. Accordingly, as of April 19, 2024, Akçansa, Çimsa and Kordsa started operating under the Material Technologies Group while Brisa, Temsa Ulaşım and Temsa Motorlu Araçlar have started operating under the Mobility Solutions Group.



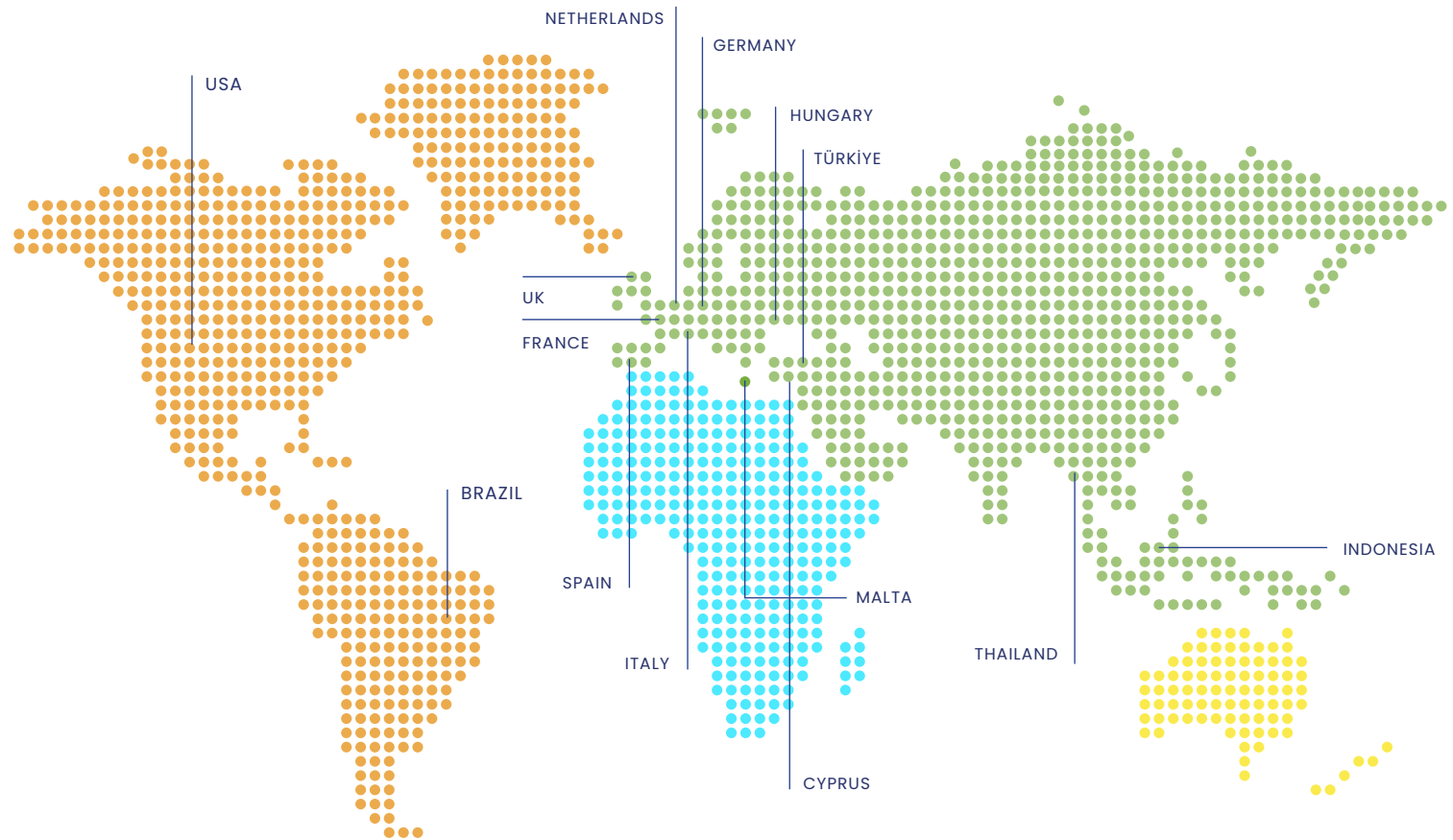
# Our Global Presence

Sabancı Group companies supply their products and services around the globe with more than 60 thousand employees in 14 countries worldwide. Sabancı Holding's multinational business partners include leading global companies such as Ageas, Bridgestone, Carrefour, E.ON, Heidelberg Materials, and Skoda.

14  
Countries

6  
Business Partners

60 Thousand+  
Employees



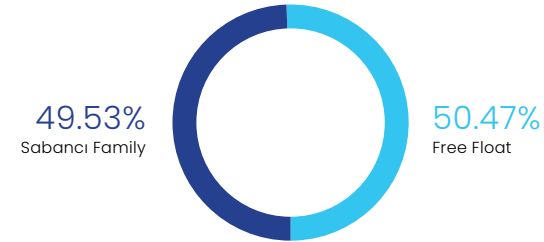
# Our Shareholding Structure

Sabancı Family jointly controls Sabancı Holding as a majority shareholder, while 50.47% of the Holding's shares is publicly traded.

Sabancı Holding shares have been listed on Borsa İstanbul, Türkiye, since July 8<sup>th</sup>, 1997. Sabancı Holding stock trades under the symbol SAHOL at Borsa İstanbul Stock Exchange's Stars Market.

As of year-end 2023, Sabancı Holding and its 11 listed subsidiaries' shares constitute around 5% of the total market capitalization of Borsa İstanbul.

In 2023, Sabancı Group delivered combined revenue of TL 811 billion and consolidated net income of TL 15 billion.

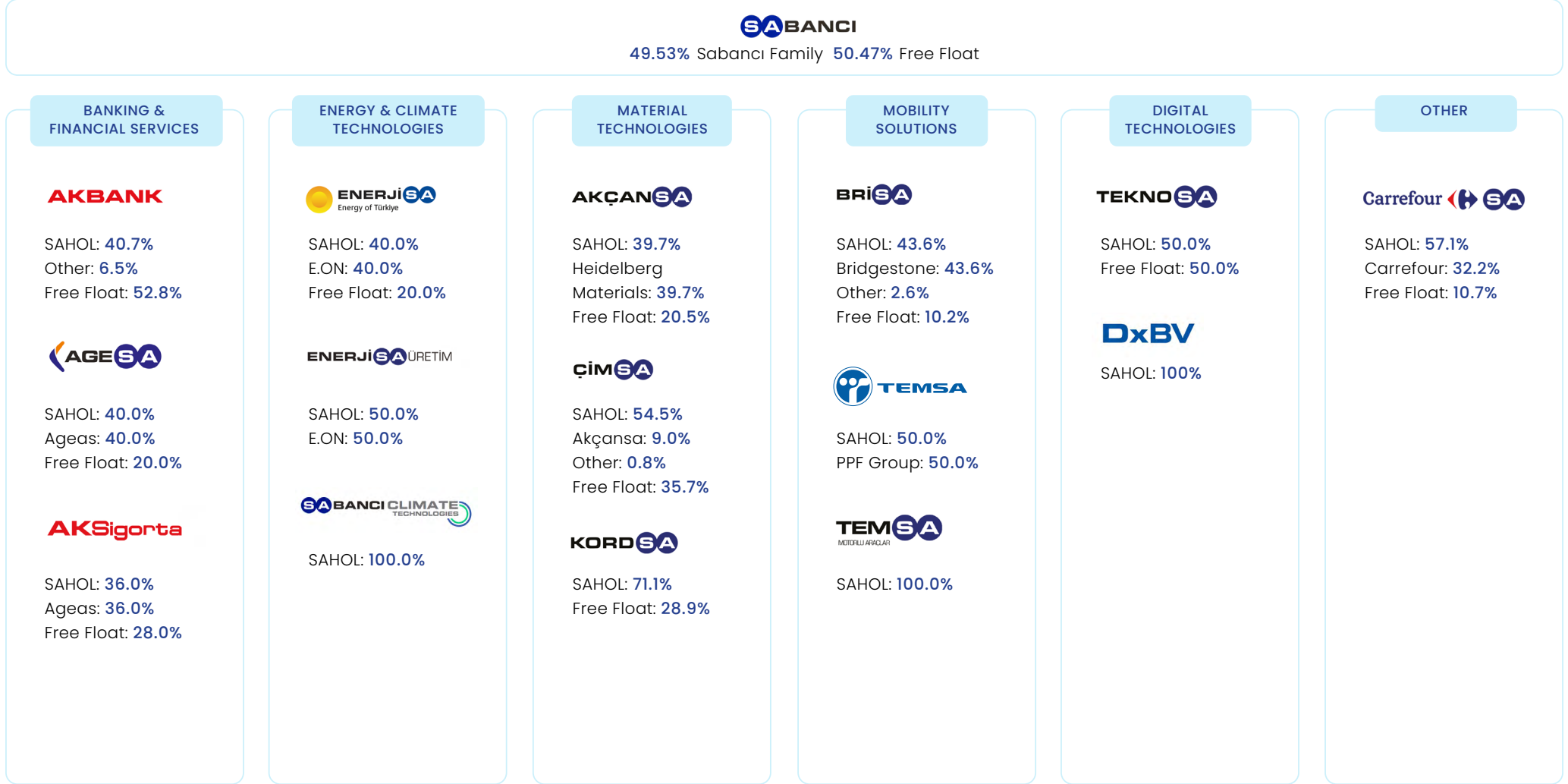


## SHAREHOLDERS HOLDING MORE THAN 5% OF CAPITAL AND VOTING RIGHTS<sup>4</sup>

Shareholder	Share in Capital (TL)	Share in Capital (%)	Voting Right Ratio (%)
Sakıp Sabancı Holding Anonim Şirketi	287,100,000.56	14.07	14.07
Serra Sabancı	147,370,880.80	7.22	7.22
Çiğdem Sabancı Bilen	141,566,960.87	6.94	6.94
Suzan Sabancı, CBE	141,566,960.87	6.94	6.94
Other	1,322,799,127.90	64.83	64.83
<b>Total</b>	<b>2,040,403,931.00</b>	<b>100.00</b>	<b>100.00</b>

<sup>4</sup> As of 31.12.2023

# Our Subsidiaries and Joint Ventures



Note: In line with its strategic priorities to focus on expanding its core businesses and investing in new growth platforms; Sabancı Holding decided to restructure its Industrials and Building Materials strategic business units into Material Technologies and Mobility Solutions to further strengthen its focus on material technologies and leadership in mobility solutions. Accordingly, as of April 19, 2024, Akçansa, Çimsa and Kordsa started operating under the Material Technologies Group while Brisa, Temsa Ulaşım and Temsa Motorlu Araçlar started operating under the Mobility Solutions Group. Shareholding structure data is as of 31.12.2023.

# Our Culture and Values

## Sabancı Culture

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

## Values

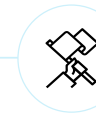
### SINCERITY

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



### PASSION

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



### INCLUSION

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



### COURAGE

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



### CONTINUOUS DEVELOPMENT

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



# Our Purpose and Strategy

Sabancı Group reinforces its role as a global player with its contribution for a sustainable future and creates enduring value for its stakeholders and Turkish economy. By combining its solid financial structure, dynamic portfolio management and robust sense of corporate governance with its innovation and technology-oriented business approach, Sabancı Group is not only delivering a strong growth from its core businesses but also gaining significant opportunities in new growth platforms. Acknowledging sustainability as fundamental principle, and setting strong growth and stakeholders' returns as key drivers in its investment decisions, **Sabancı Group unites Türkiye and the World for a sustainable life with leading enterprises.** With a foundation built on 98 years of global experience, a high-performance culture, and a value-focused ecosystem, Sabancı Group confidently steers towards the future, guided by its strategy to accelerate growth and transformation.



<sup>5</sup> SMR: Small Modular Reactor

<sup>6</sup> HFC: Hydrogen Fuel Cell

<sup>7</sup> ECT: Equipment for Climate Technologies

# ECHOES OF \_\_\_\_\_ HARMONY

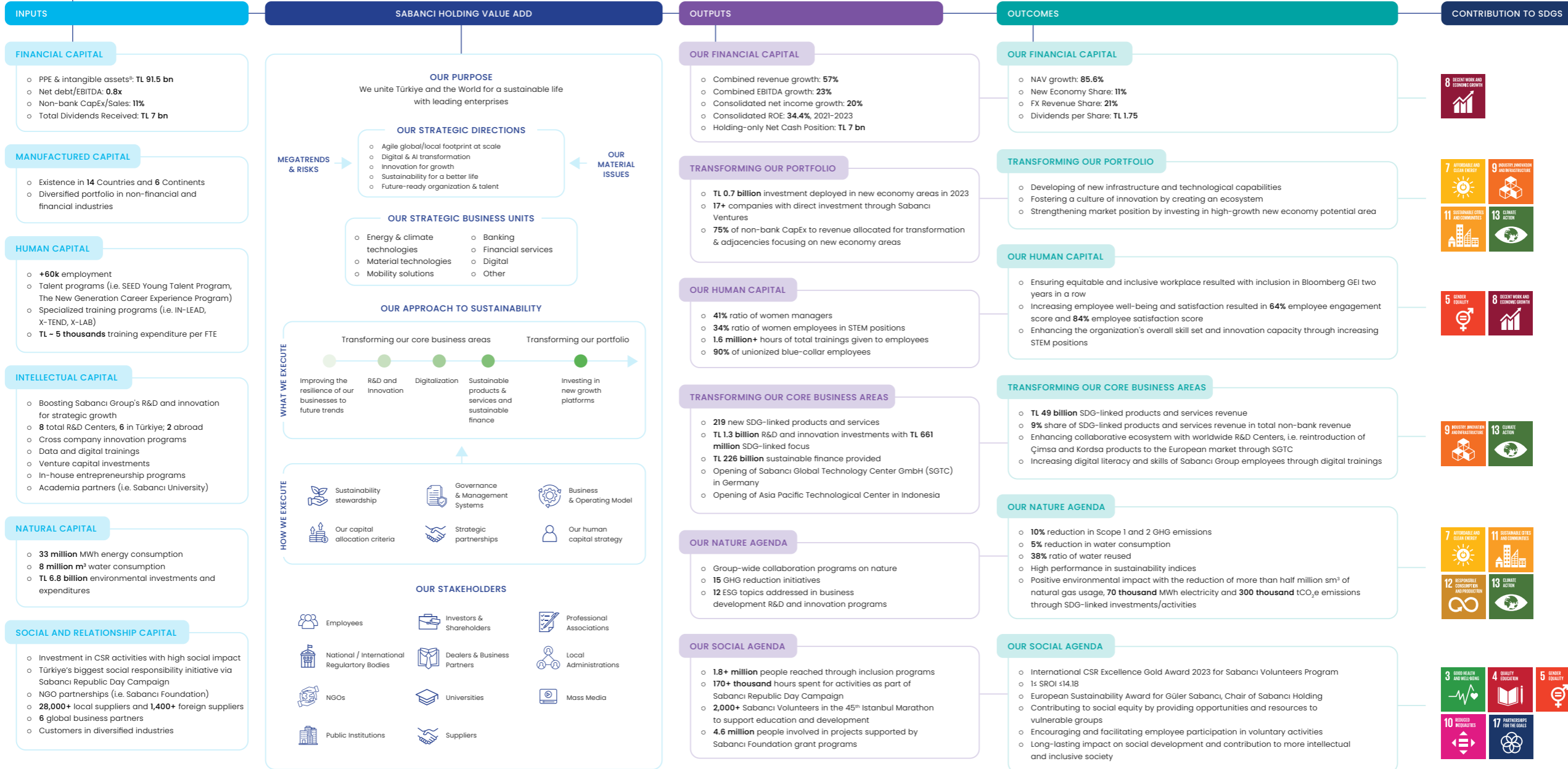
## Navigating Change Through Value Creation

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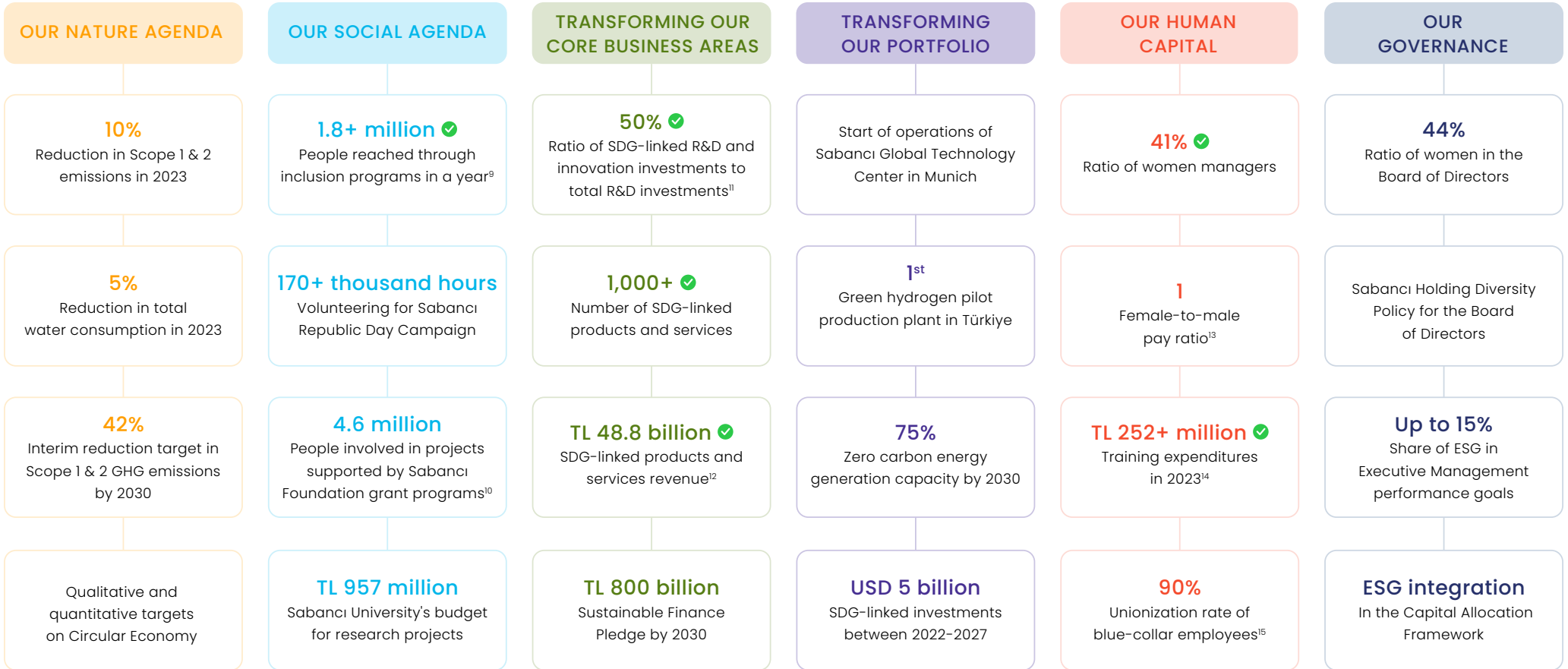
In Zen gardens, the particular arrangement of elements reflects an ongoing balance of preserving existing beauty while continuously adapting and reshaping to create new harmonies.

**At Sabancı Holding, we embrace this dynamic approach by transforming our businesses and investing in new growth platforms, preserving our foundational strengths while innovatively creating value in an ever-evolving world.**





# 2023 Sustainability Indicators at a Glance



<sup>9</sup> Inclusion programs refer to the community investment programs developed by the group companies. The number of vulnerable groups reached through these programs was followed by the breakdown of citizens over the age of 65, youth, children and socio-economically disadvantaged groups. Akbank, Ağa, Aksigorta, Brisa, Carrefoursa, Çimsa, Enerjisa Üretim, Enerjisa Enerji, Kordsa, Temsa and Teknosa are included. <sup>10</sup> The figure represents the cumulative value for over 17 years. <sup>11</sup> Ağa, Aksigorta, Akçansa, Brisa, Carrefoursa, Çimsa, Kordsa, Teknosa, Temsa, Enerjisa Enerji, Enerjisa Üretim, and SabancıDx are included. <sup>12</sup> Akbank and SBS BV are not included. <sup>13</sup> This refers to the principle of equal pay for equal work. <sup>14</sup> Akbank is not included. <sup>15</sup> Carrefoursa, Akçansa, Çimsa, Brisa, Kordsa, Enerjisa Enerji and Temsa are included.



# Preserving and Creating Value

In our business strategy, we focus on two main approaches; protect the value and create the value. By balancing these two focuses, we are ensuring the sustainability of our business while also fostering its growth and evolution. It is a dynamic approach that recognizes the importance of both preservation and progress.

Protecting value reflects the preservation of core businesses and how we manage our current operations and the culture we foster within them. Our management systems provide the framework for ensuring that sustainability and responsible practices are integrated into every aspect of our operations to improve the resilience of our businesses. Following a responsible business approach, we focus on sustainable products, services, and sustainable finance. R&D, innovation and digitalization help us find new ways to accelerate the transformation to serve sustainability for a better life.

Creating value reflects progress and growth to make a positive impact. We seek opportunities to expand our businesses in ways that generate financial returns while driving positive impacts for our stakeholders. Therefore, we seek opportunities to support innovative solutions that reshape industries and align with sustainable practices by investing in new growth platforms such as energy and climate technologies, material technologies and mobility solutions and digital technologies.

With energy and climate technologies, we seek solutions to address the challenges of the climate emergency for a sustainable future, while our investments in material technologies increase resource efficiency and resilience while promoting a circular economy and reducing waste. Leveraging digital technologies, we empower businesses to optimize their operations, minimize their environmental impact, and enhance social well-being.

By integrating sustainability into our investment decisions, we not only create value for our shareholders but also contribute to building a resilient and thriving global society for future generations. We believe this model of value creation is essential for the continuity of our planet, our society, and our business.

## Commitment to the United Nations Sustainable Development Goals (SDGs)

Alignment to the United Nations Sustainable Development Goals (SDGs) serves as a guiding principle in our strategic decision-making processes, ensuring that every initiative we undertake contributes positively to the advancement of the SDGs. This approach not only drives financial performance but also generates positive impact for the communities we serve.

In 2023, 50% of our R&D and innovation expenses were dedicated to SDG-linked projects, reflecting our commitment to fostering a sustainable product and technology pipeline. Furthermore, nearly all our business development initiatives, including entrepreneurship programs, are strategically aligned with the themes encapsulated in the SDGs.

Our R&D teams across the Group are also focused on SDG-linked innovation, with some businesses allocating as much as 100% of their R&D expenses to projects aligned with the SDGs. This underscores our unwavering dedication to leveraging innovation as a driver of sustainable development across all sectors of our operations.

For details on our execution, please refer to '[Transforming our Portfolio](#)' and '[Transforming our Core Business Areas](#)' sections.

# Aligning Financial Success with Long-Term Value Creation

In 2023, Sabancı Group delivered combined revenue of TL 811 billion and consolidated net income of TL 15 billion.

Holding-only cash more than doubled to TL 7.0 billion and net debt to EBITDA ratio remained well below mid-term target, keeping the balance sheet rock solid and providing a robust foundation for further investment.

## MIDTERM GUIDANCE

Midterm financial targets announced at Capital Markets Day in November 2020 for the period of 2021-2025

	2021-2025 Targets	2021-2023 Figures	Status
Combined Revenue Growth	CPI + 8%	CPI + 28%	Delivered
Combined EBITDA <sup>16</sup> Growth	CPI + 10%	CPI + 34%	Delivered
New Economy Share <sup>17,18</sup>	~13%	11%	On track
Fx Revenue Share <sup>17</sup>	30%+	21%	On track
Net Debt/EBITDA <sup>16,19</sup>	<2.0x	0.8x	Delivered
Consolidated ROE <sup>20</sup>	15%-20%	34.4%	Delivered

<sup>16</sup> Excludes one-offs

<sup>17</sup> in combined non-bank revenue and at the end of the period

<sup>18</sup> New economy refers to revenues generated from energy and climate technologies, materials technologies and digital technologies

<sup>19</sup> Non-bank and at the end of the period

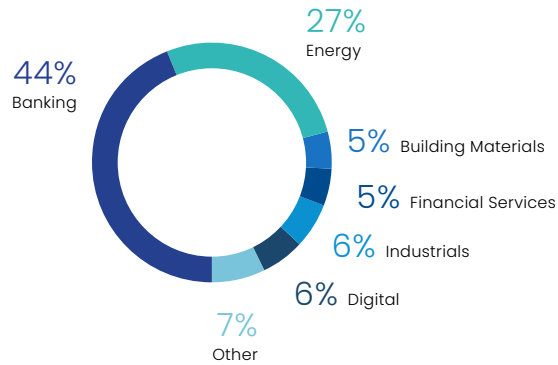
<sup>20</sup> Excludes one-offs, at the end of the period

# Aligning Financial Success with Long-Term Value Creation

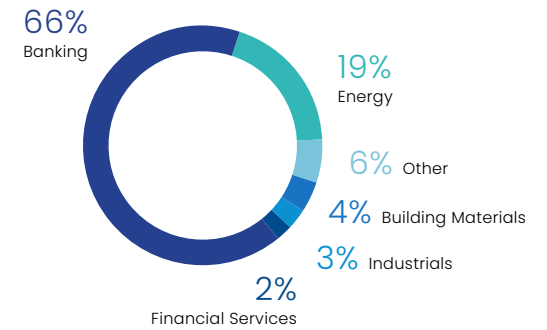
Dynamic portfolio management and leveraging synergies within Sabanci ecosystem represent the fundamental drivers of long-term value creation. Execution on 'new economy' continues at full speed.

In 2023, having a balanced portfolio once again played an important role in maintaining Sabanci Holding's solid performance in high volatility and challenging macro backdrop. Dynamic portfolio management and leveraging synergies within Sabanci ecosystem supports healthy NAV growth.

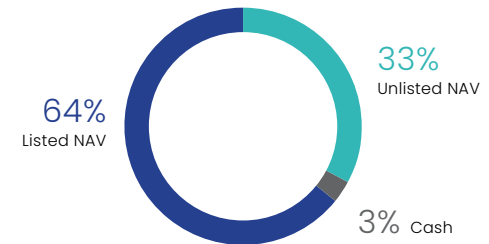
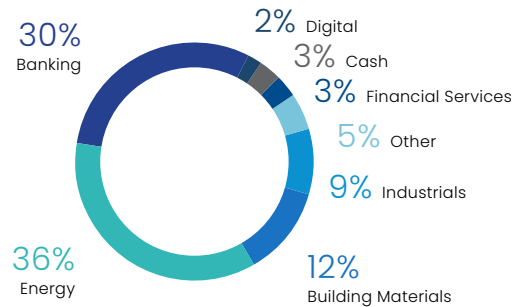
COMBINED REVENUE BREAKDOWN



COMBINED EBITDA BREAKDOWN



NET ASSET VALUE (NAV) BREAKDOWN<sup>21</sup>



<sup>21</sup> As of 31.12.2023. Market values for listed assets, independent valuation for Enerjisa Üretim, Sabanci Building Solutions and Sabanci Climate Technologies, and book values for the rest of unlisted assets.

# Pioneering Sustainability in Targets and Actions

## SABANCI GROUP IMPLEMENTS PIONEERING AND EXEMPLARY PRACTICES TO ACHIEVE ITS SUSTAINABILITY GOALS.

Sabancı Holding is the first holding company in Türkiye to announce Net Zero Emissions target by 2050.

We have committed to a 15% reduction in Scope 1 & 2 GHG emissions by 2025 and a 42% reduction by 2030 versus 2021 baseline without using carbon offsets.

We are the first holding company to embed sustainability criteria into our capital allocation criteria.

Our efforts expanded to a comprehensive nature program, employing both an outside-in and inside-out approach. Sabancı Holding's Nature Agenda includes Decarbonization Initiatives, Water Management, Biodiversity and Circular Economy.

## WE CONTINUE TO LEARN AND PROGRESS ON OUR NATURE AGENDA

	2020	2021	2022	2023	Targets	
					2030	2050
<b>Decarbonization</b>						
GHG emissions (Scope 1+2, Mt) <sup>22</sup>	10.10	11.20	9.95	8.94 ✓	6.49	Net Zero
GHG emissions (Scope 3, Mt)	11.21	11.59	10.29	9.37 ✓	6.72	Net Zero
<b>Renewables</b>						
Renewable Electricity Usage <sup>23</sup>	-	-	27%	54%	≥80%	-
CO <sub>2</sub> -free energy generation <sup>24</sup>	42%	43.7%	45.5%	46%	75%	100%
<b>Circularity</b>						
Circularity KPIs to be published 2025 onwards						
Total waste (ton) <sup>25</sup>	31,574	42,761	52,445	55,279 ✓	Achieving circular inflow targets*	Achieving circular design and outflow targets*
Total recycled/reused (%) <sup>25</sup>	87%	80%	78%	94% ✓		

**BEST AMBITION LEVEL IN SBTi**

Sabancı Holding's target is aligned with 1.5°C pathway of the globally recognized Science Based Targets initiative (SBTi).

- 100% of material technologies companies
- 100% of mobility solutions companies are aligned with the SBTi 1.5°C pathway.

\* Please refer to page 144 of this Report for details.  
<sup>22</sup> 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.  
<sup>23</sup> Assumptions based on analysis conducted in 2023.  
<sup>24</sup> Installed capacity.  
<sup>25</sup> Excluding Enerjisa Üretim's ash waste.

# Pioneering Sustainability in Targets and Actions

We are the first holding company to issue a Responsible Investment Policy.

By 2027, our cumulative SDG-linked investments will reach USD 5 billion.

We are developing Türkiye's first inter-city hydrogen bus following the launch of Europe's first intercity electric bus.

Sabancı Group operates Türkiye's largest electric vehicle high speed charging station network.

2023 marked the generation of our pilot green hydrogen in Türkiye's first Hydrogen Valley.

In 2023, 50% of overall Sabancı Group R&D and innovation investments were allocated to areas that serve SDGs.

Our renewables portfolio will reach 4 GW by 2026 including the largest onshore wind energy project in Europe.

A member of Net-Zero Banking Alliance, Akbank sets ambitious targets, aiming to become a Net Zero Bank by 2050. The Bank exceeded its TL 200 billion Sustainable Financing goal for 2030 by the end of 2023 with TL 226 billion and raised it to TL 800 billion.

Our CO<sub>2</sub>-free energy generation rate will reach 75% by 2030.

## OUR RESPONSIBLE INVESTMENT STRATEGY INTERSECTS WITH BOTH OUR NATURE AND SOCIAL AGENDAS

	2020	2021	2022	2023	2030 Targets
<b>Sustainable Finance</b>					
TL 200 billion Sustainable Finance Pledge <sup>26</sup>	8.2%	13.5%	30%	113%	Exceeded target with TL 226 bn in 2023 and raised Sustainable Finance Pledge to TL 800 bn
TL 15 billion sustainable investment funds balance	-	-	-	21%	
<b>Responsible Investment</b>					
Ratio of SDG-linked R&D and innovation investments	44%	51%	53%	50% <span style="color: green;">✔</span>	≥70%*
USD 5 billion SDG-linked Investment Pledge <sup>27</sup>	-	-	10%	24%	100%

Akbank is committed to increasing the sustainable investment fund balance to TL 15 billion in Assets under Management by 2030.

<sup>26</sup> 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. <sup>27</sup> All figures are presented cumulatively. \* The target is planned to be completed as of 2025.

# Pioneering Sustainability in Targets and Actions

## WE KEEP DIVERSITY, EQUITY AND INCLUSION AT THE CORE OF OUR SOCIAL AGENDA.

	Performance				Targets
	2020	2021	2022	2023	2030
Women leaders at Holding	38%	40%	41%	41% ✓	50%
Ratio of women in STEM positions	-	33%	33%	34% ✓	50%
Ratio of women in revenue generating positions	-	43%	44%	46% ✓	50%

Sabancı Group's Social Agenda highlights our keen commitment to making a significant, measurable impact on society.

In the last three years, Sabancı Group appointed 3 women CEOs and 3 women Executive Committee Members. All Group companies have women Board Member at their Board of Directors.

Sabancı Volunteers' project, Sabancı Republic Day Campaign, once again became Türkiye's most attended social responsibility initiative in 2023.

Sabancı Holding has implemented specific quotas to promote gender equality.

The Holding has achieved equal pay for equal work and established a 50% women quota in all development programs, along with a 30% women quota in the Senior Management recruitment shortlist.

These quotas are part of its broader goals of enhancing gender diversity and inclusivity within leadership, STEM and revenue generating roles by 2030.

# Pioneering Sustainability in Targets and Actions

## OUTSTANDING ACHIEVEMENTS IN CDP REPORTING

Sabancı Holding is the only holding company from Türkiye in CDP Climate Change Global A List.

We are among the CDP Türkiye Leaders with 9 Sabancı Group companies, 5 of which are on the CDP Global A List.

## SABANCI GROUP COMPANIES EARN TOP ECOVADIS MEDALS

Sabancı Group companies Kordsa and Brisa earned Gold medals, ranking in the top 5%, while Temsa and Sabancı Group's cement company Çimsa attained Silver medals, placing them in the top 15% across all companies in all industries.

## SABANCI HOLDING'S STELLAR SUSTAINABILITY PERFORMANCE RECOGNIZED GLOBALLY

Our commitment to sustainability and continuous progress is reflected in our 2023 assessments with leadership-level scores by the world's leading ESG rating institutions.

We received a rating of AA in the MSCI Inc. ESG Ratings assessment which reflects a four notch increase in 4 years.

We are the first and only holding company from Türkiye to be included in the Bloomberg Gender Equality Index for two consecutive years.

In the Morningstar Sustainalytics ESG assessment, we were evaluated in the 'Low Risk' category, placing us among the leading companies in the Diversified Financials Category.

We received a rating of 'A' in the Refinitiv ESG assessment, indicating excellent relative ESG performance and high degree of transparency in reporting material sustainability data publicly among more than 50 companies in the Investment Holding Companies category.

We are listed in the Borsa İstanbul Sustainability 25 Index, which includes companies in Türkiye with high sustainability performance.

Sabancı Holding is the only Holding company from Türkiye to be included in the 2024 Sustainability Yearbook of S&P as Sustainability Yearbook Member.

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

We have been ranked the highest among our local and global peers.<sup>28</sup>

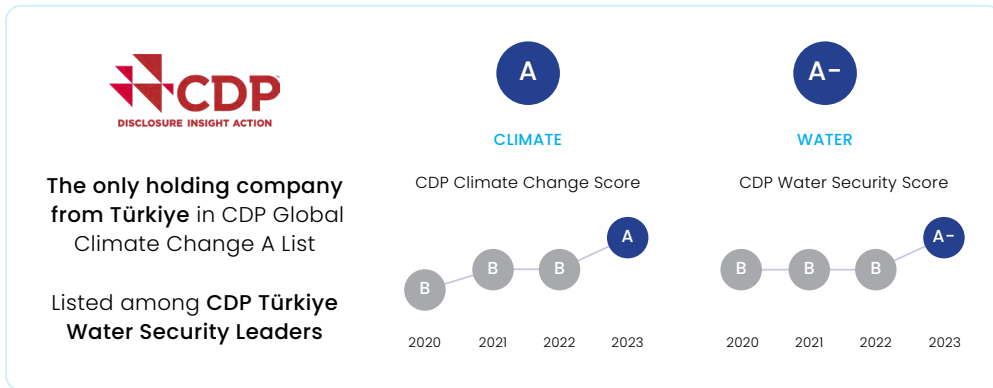
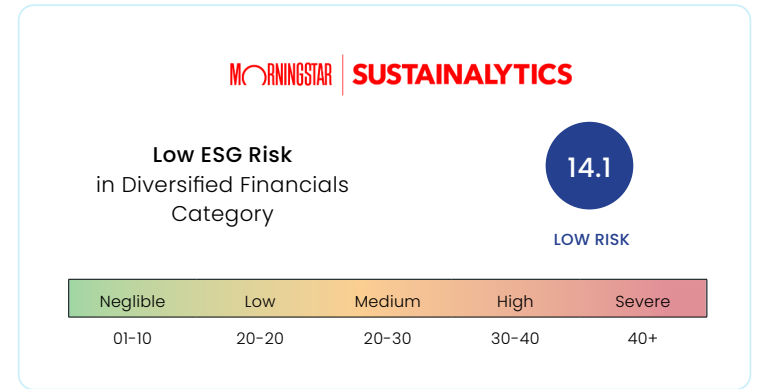
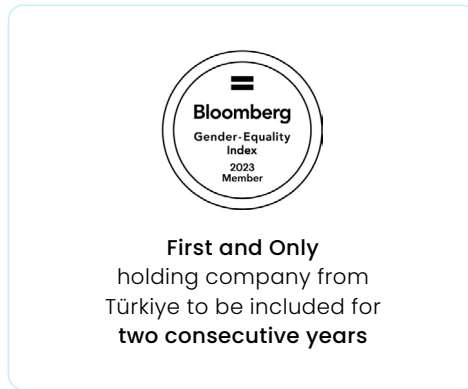
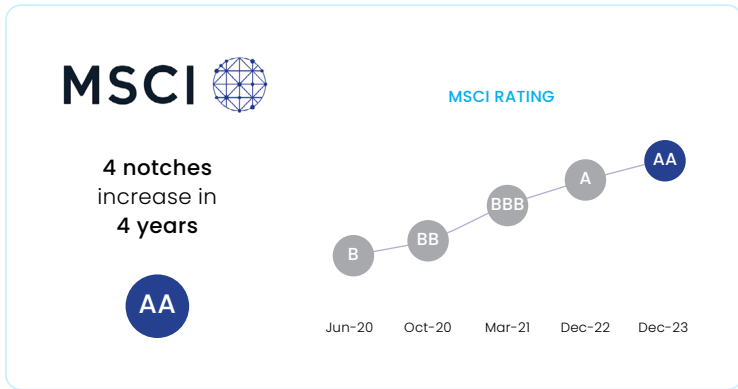


<sup>28</sup> Assessment based on Sabancı Holding's peer analysis conducted within the scope of Investor Relations Team Peer Group.

<sup>29</sup> As of the publication date of the Report for the results of 31 December 2023.

# Pioneering Sustainability in Targets and Actions

Our stellar ESG performance was recognized globally.



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# ECHOES OF \_\_\_\_\_ HARMONY

## Integrating Sustainability for a Resilient Future

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A Zen garden serves to create a harmonious balance between our fast-paced lifestyles and the natural world, with each carefully arranged element contributing to an overarching sense of balance, simplicity, and harmony.

**At Sabancı Holding, we design an ecosystem informed by awareness of megatrends and emerging risks, leading transformation and investments that create a positive impact on society and the environment.**



# Our Material Issues

To determine our material issues for 2023, we conducted a double materiality analysis, considering evolving international standards.

Our goal was to identify material issues from a comprehensive perspective, ensuring the participation of both our internal and external stakeholders.

Initially, we compiled a comprehensive list of potential material issues through literature reviews, stakeholder consultations, and benchmarking against international standards. At this stage, we considered feedback that we have taken throughout the year from both our internal and external stakeholders and reviewed current developments in sustainability reporting standards, global trends, global best practices, and prior material issues from previous materiality assessments.

We also incorporated guidelines from various sources, such as:

- The European Sustainability Reporting Standards (ESRS) double materiality guidance document.
- The Sustainability Accounting Standards Board (SASB) material issues for the Asset Management and Banking sectors.
- MSCI ESG materiality map.
- S&P sustainability index criteria, including the Dow Jones Sustainability Index.
- The World Economic Forum 2024 Global Risk Report.

In parallel with these efforts, and considering feedback from global development and assessment organizations, we identified a total of eighteen material issues.

We evaluated the material issues considering how we can use the results of the analysis in the context of double

## OUR MATERIAL ISSUES

- Biodiversity and Nature Positive Actions
- Digital Technologies
- Circular Economy
- Opportunity Management and Agility
- Financial Performance
- Climate Emergency
- Human Rights and Equal Opportunity
- Innovation and R&D
- Occupational Health and Safety
- Reputation Management
- Corporate Governance
- Collaboration and Effective Communication with Stakeholders
- Risk Management and Resilience
- Cybersecurity and Data Privacy
- Responsible Investment and Sustainable Business Models
- Supply Chain Management
- Social Contribution and Investments
- Talent Management

materiality framework. We analysed the similarities and differences between the eighteen material issues we identified, and the topics mentioned in the ESRS guidance document. We considered the important factors such as the nature of our operations and business model, the sectors we operate in, the geographical locations of our operations, our tangible

assets, and our internal and external stakeholders.

Once we identified our material issues, we proceeded survey to our stakeholders through questionnaires created by our selected 18 material topics to be assessed by our internal and external stakeholders on a materiality basis.

# Our Material Issues

We categorized our stakeholders, who are affected by Sabancı Holding's operations and with whom we actively collaborate throughout the fiscal year, into eight groups:

- Senior Management,
- Group companies and their representatives,
- Employees,
- Investors,
- Business Partners,
- Academia,
- NGOs,
- Thought Leaders.

We decided on the sustainability impact of material issues that would influence our short-term strategic direction, daily operations, and long-term strategic decisions based on the survey results from these stakeholder groups.

After collecting the survey results, all stakeholder feedback and assessments were scored and weighted according to predetermined criteria. In parallel, we held face-to-face and online meetings with relevant stakeholders to evaluate Sabancı Holding's strategic perspective on material issues. Additionally, using the SASB Four-Stage Impact Analysis, we evaluated financial impact and risks, legal impacts, potential to create competitive advantage, and innovation opportunities. Based on these assessments, issues with higher scores were considered more important. The final scores are shown in a materiality matrix. On the vertical axis of the matrix, we analyzed the impact of our business activities on the environment and society under the heading 'Impact on Environment and Society' while on the horizontal axis, we addressed the impact of the environmental and social issues on our business operations and financials under the heading 'Impact on Sabancı Holding'.

## DOUBLE MATERIALITY MATRIX ✓



- |   |   |
|---|---|
| 1 Financial Performance                                       | 10 Risk Management and Resilience           |
| 2 Climate Emergency   | 11 Innovation and R&D                       |
| 3 Circular Economy  | 12 Supply Chain Management                  |
| 4 Responsible Investment and Sustainable Business Models      | 13 Reputation Management                    |
| 5 Talent Management   | 14 Occupational Health and Safety           |
| 6 Corporate Governance  | 15 Social Contribution and Investments      |
| 7 Opportunity Management and Agility                          | 16 Human Rights and Equal Opportunity       |
| 8 Digital Technologies  | 17 Biodiversity and Nature Positive Actions |
| 9 Collaboration and Effective Communication with Stakeholders | 18 Cyber Security and Data Privacy          |

# Our Material Issues

## Comprehensive Risk and Opportunity Assessment

Through international standards, ESRS requirements, and literature review, we compiled a list of 152 risks and opportunities, and 114 positive and negative impacts relevant to all current and future issues for Sabanci Holding.

This list is designed to be reviewed annually until the double materiality analysis is renewed after two fiscal years.

## Evaluating Sustainability Impacts

We assessed our sustainability impacts, risks, and opportunities across the entire value chain.

In line with ESRS requirements, we evaluated impact materiality based on the magnitude, scope, manageability of negative impacts, and frequency of occurrence.

On the financial materiality side, we considered the financial impacts of risks/opportunities and the frequency of occurrence.

These evaluations have been integrated into the Enterprise Risk Management (ERM) process with the input of Sabanci Holding's Risk Department.

The results of our 2023 double materiality analysis were signed by the Holding Executive Committee and the Board Sustainability Committee.

## Third-Party Audit and Validation

The materiality assessment process at Sabanci Holding is verified by a third-party assurance provider to ensure the accuracy, credibility, and transparency of our evaluation.

This independent verification affirms that our methodology, data collection, and analysis align with the international standards, providing confidence to our stakeholders in the robustness of our materiality determinations.

Through this verification, we demonstrate our commitment to accountability and continuous improvement in our sustainability practices.

# Sustainability Trends and Our Response to Emerging Risks

Businesses are increasingly impacted by global challenges that necessitate urgent and comprehensive action. The escalating climate emergency, characterized by record-breaking temperatures, extreme weather events, and rising sea levels, demands a coordinated global response and strategic adaptation to reduce greenhouse gas emissions and transition to renewable energy sources.

In addition to the climate crisis, critical issues such as water scarcity, biodiversity loss, and deforestation underscore the growing importance of sustainable resource management and conservation strategies.

Simultaneously, socio-economic issues such as the cost-of-living crisis and growing inequalities are enhancing social instability and widening the gap between different communities. Addressing these

inequalities requires collaborative actions, while an inclusive business approach that prioritizes diversity, equity, and inclusion (DE&I) is essential for fostering social cohesion and economic resilience.

On the other hand, technological advancements, and digitalization present both opportunities and risks. While innovations in clean energy, climate tech, and digital solutions can drive sustainable growth and operational efficiency, they also bring challenges such as cybersecurity threats and the need for continuous workforce training.

As Sabanci Holding, we believe integrating technology must be used responsibly through fostering a culture of innovation and proactive risk management and resilience to stay ahead of cyber insecurity and capitalize on emerging opportunities. By embracing these interconnected megatrends and

addressing key material issues, we aim to mitigate risks, seize opportunities, and ensure long-term success in an increasingly complex and uncertain world.

Finally, through the double materiality analysis, we have identified key issues that guide our sustainability strategy and business decisions. In addressing these trends and risks, we have not only focused on business resilience but also emphasized issues and actions where we can create a positive impact in alignment with our stakeholder expectations.

To support these efforts, we have implemented respective policies, procedures, and measurements, ensuring a proactive and structured approach to managing both inside-out and outside-in impacts on our operations.

In addressing sustainability trends and emerging risks, we have not only focused on business resilience but also emphasized issues and actions where we can create a positive impact in alignment with our stakeholder expectations.

# Sustainability Trends and Our Response to Emerging Risks

## Environmental Sustainability Trends

### INCREASED AMBITION FOR CLEAN ENERGY RESOURCES

#### TREND

There is a global push towards clean energy resources, driven by concerns over climate change and energy security.

#### EMERGING RISK

Mismatch between the scale of clean energy needed to address clean energy transition and the amount of financing, while political pushback threatens to hinder progress towards a sustainable energy transition in some regions such as US. Limited financing and regulatory barriers may affect investment in R&D initiatives aimed at driving technological innovation in the renewable energy sector.

### RELATED MATERIAL ISSUES

Climate Emergency, Digital Technologies, Innovation and R&D

#### OUR RESPONSE

Sabancı Group has integrated climate-related risks into its Enterprise Risk Management (ERM) system and is undertaking a Sustainable Energy Transformation. This includes investments in renewable energy sources and energy trading to improve energy security and accelerate the clean energy transition. By leveraging diverse funding sources and exploring innovative financing mechanisms such as green bonds and impact investing, we aim to bridge the financial divide and accelerate the deployment of clean energy technologies. We are actively collaborating with industry associations and advocacy groups to amplify our collective voice and advocate for policies conducive to clean energy deployment. For further details please visit [Transforming our Portfolio](#) section.

### OPPORTUNITIES

Expansion into renewable energy markets presents opportunities for growth and innovation. Sabancı Group leverages its expertise to become a leader in sustainable energy solutions, driving revenue and growth in the new economy. Additionally, expansive research & development activities and investments & partnerships with technology firms facilitate the development of cutting-edge clean energy technologies. Through Sabancı Ventures and Sabancı Climate Ventures, we aim to contribute to the climate emergency by investing in climate technologies and digital technologies to accelerate renewable energy transformation.

# Sustainability Trends and Our Response to Emerging Risks

## Environmental Sustainability Trends

### CLIMATE EMERGENCY ESCALATES

#### TREND

[World Economic Forum \(WEF\) Global Risk Report 2024](#) suggests that the threshold for triggering long-term, potentially irreversible and self-perpetuating changes to select planetary systems is likely to be passed at or before 1.5°C of global warming, which is currently anticipated to be reached by the early 2030s.

#### EMERGING RISK

Failure to meet emissions reduction targets could have severe environmental and economic consequences. Nearly all environmental risks are included in the top 10 global risks for the decade ahead, namely extreme weather events, natural resource shortages, biodiversity loss and ecosystem collapse in [WEF Global Risk Report 2024](#).

### RELATED MATERIAL ISSUES

Climate Emergency, Responsible Investments and Sustainable Business Models, Biodiversity and Nature Positive Actions, Circular Economy

#### OUR RESPONSE

Sabancı Group has committed to achieving Net Zero emissions and Zero Waste by 2050 at the latest, in alignment with Science-Based Targets Initiative (SBTi) and Sustainable Development Goals (SDGs). Accordingly, we will reduce our Scope 1 & 2 GHG emissions by at least 15% by 2025 and 42% by 2030 vs. 2021 baseline without using carbon offsets. We also continue investments in renewable energy and climate technology, as well as SDG-linked investments and research and development (R&D). For further details please visit [Decarbonization Initiatives](#) and [Transforming our Core Business Areas](#) sections.

### OPPORTUNITIES

Leading the transition to a low-carbon economy presents opportunities for Sabancı Group to differentiate itself in the market and attract environmentally conscious stakeholders across the board. Additionally, investments in energy and climate aim to decarbonize the physical and digital economy, power demand without CO<sub>2</sub> emissions, and drive innovations in carbon capture and storage, creating new revenue streams and partnerships across industries focused on reducing carbon footprints.

# Sustainability Trends and Our Response to Emerging Risks

## Environmental Sustainability Trends

### WATER SCARCITY

#### TREND

According to the [United Nations World Water Development Report 2024](#) published by UNESCO, on behalf of UN-Water, today 2.2 billion people still live without access to safely managed drinking water and 3.5 billion lack access to safely managed sanitation. The report highlights that water crises threaten world peace.

#### EMERGING RISK

Water is an essential component for the survival and success of any business, regardless of its sector of activity. In our business portfolio, water has a significant role in sustaining the operational continuity of our Energy Generation and Material Technologies companies.

### RELATED MATERIAL ISSUES

Climate Emergency, Responsible Investments and Sustainable Business Models

#### OUR RESPONSE

In response to potential risks associated with water scarcity and to ensure effective management of water, we initiated a comprehensive water project across the Group in 2023. With this project, we define our impact on water resources on an industry basis and carry out studies on efficiency, recovery, and savings to manage water sustainably.

Our total water consumption in 2023 decreased to 8 million m<sup>3</sup>. Across the Group, the percentage of water recycled and reused in 2023 was 38%. For further details please visit [Water Management](#) section.

### OPPORTUNITIES

Effective water management improves our resilience to water-related risks such as scarcity, quality issues, and regulatory changes. Besides, investing in water-efficient technologies and solutions creates new opportunities for synergy. With this aim, we encourage the entrepreneurs via our ARF (Almost Ready to Fly) program which aims to support open innovation and provide mentoring, structural support, and pre-seed investment to help entrepreneurs take off. In recent years, through this program, we have supported the growth of a startup dedicated to water efficiency. We are delighted to share that this company has begun collaborating with our Group companies, working on projects aimed at optimizing water usage. This achievement highlights the effectiveness of our commitment to fostering innovation and sustainability.



# Sustainability Trends and Our Response to Emerging Risks

## Environmental Sustainability Trends

### BIODIVERSITY LOSS AND DEFORESTATION

#### TREND

There is growing concern over biodiversity loss and deforestation, necessitating action to preserve ecosystems.

#### EMERGING RISK

There are potential negative impacts due to biodiversity loss and deforestation, such as disrupted supply chains and increased costs from regulatory fines or reputational damage.

#### RELATED MATERIAL ISSUES

Responsible Investments and Sustainable Business Models, Biodiversity and Nature Positive Actions

### OUR RESPONSE

To address and minimize potential risks, Sabancı Group initiated a comprehensive biodiversity project in 2023, across the Group companies. Through this project, we analyzed our impact on and reliance on biodiversity, with Group companies mapping their value chains to determine areas for effective interventions. For further details please visit [Biodiversity](#) section.

Additionally, our [Responsible Investment Policy](#) outlines exclusion criteria based on various biodiversity standards, applicable to all investments regardless of size, and mandates adherence to IFC (International Finance Corporation) Performance Criteria or EBRD (European Bank for Reconstruction and Development) Performance Requirements for significant investments exceeding USD 10 million, particularly those with substantial environmental or social risks. Furthermore, the Policy outlines procedures for conducting ESG due diligence, including biodiversity considerations, throughout the Sabancı Group value chain.

### OPPORTUNITIES

Sabancı Group undertakes biodiversity conservation programs and cooperates with local public and non-governmental organizations, as well as formulating plans with international collaborations such as the EBRD.

# Sustainability Trends and Our Response to Emerging Risks

## Social Sustainability Trends

### COST OF LIVING CRISIS AND GROWING INEQUALITIES

#### TREND

As emphasized in the WEF Global Risk Report 2024, persistent inflation, which is predicted to ease by 2024, could lead to a renewed rise in living costs due to ongoing higher prices. The delayed effects of tighter monetary policy and reduced consumer purchasing power may impact major economies. This may lead to significant social challenges due to limited economic opportunities and widening inequalities.

#### EMERGING RISK

Inadequate responses to living wage concerns may lead to social unrest and talent shortages, especially in the face of geopolitical tensions and economic downturns. Deteriorating physical and mental health conditions present potential risks that may necessitate medical intervention or restrict daily activities. In addition, there are other challenges such as higher costs and disrupted supply chains due to persistent inflation, potentially leading to reduced profits and difficulties in meeting customer demand. Moreover, widening economic inequalities and regulatory changes may further complicate business operations and impact long-term sustainability.

#### RELATED MATERIAL ISSUES

Human Rights and Equal Opportunity, Talent Management, Financial Performance

# Sustainability Trends and Our Response to Emerging Risks

## Social Sustainability Trends

### COST OF LIVING CRISIS AND GROWING INEQUALITIES

#### OUR RESPONSE

Sabancı Group implements inclusion programs and supports livelihoods through financial assistance, grants, and scholarships. We provide an equal, fair, and safe work environment for our employees to best realize their potential and ensure a living wage enabling a decent standard of living. Our Human Capital Strategy aims to instill a human-centric approach to promote sustainable lifestyles, fostering connections that prioritize personal touchpoints and continuous learning for general well-being and vitality. Our Group companies also take initiatives based on various sectoral needs.

This includes initiatives which enhance financial literacy across society. We support the strong representation of our workforce through unionization. The unionization rate among onsite employees is 91%, which is 77 percentage points above the national average. Furthermore, we monitor and audit whether our subcontractor employees are insured while regular social security premiums and salary payments are made. In addition, we focus on optimizing supply chains and innovating cost-effective solutions, alongside efforts to address economic inequalities, are key for sustaining business resilience and fostering long-term success in a challenging environment. For further details please visit [Our Social Agenda](#) and [Our Human Capital](#) sections.

#### OPPORTUNITIES

By addressing social inequalities, Sabancı Group enhances employee well-being, leading to a more resilient and engaged workforce. Ensuring fair wages and benefits not only promotes our employee loyalty but also attracts top talent in a competitive job market. We invest in employee development and well-being that leads to higher job satisfaction and lower turnover rates, also reducing recruitment and training costs. Moreover, through our inclusion programs and partnerships, we strengthen relationships with local communities and create opportunities for mutual benefit, such as access to new markets and talent pools.

# Sustainability Trends and Our Response to Emerging Risks

## Business & Economic Sustainability Trends

### ESG-FOCUSED BOARD

#### TREND

Emerging trend of enhanced sustainability skillsets in board rooms, also highlighted in [MSCI's 2024 Sustainability and Climate Trends Report](#), started to shape corporate governance strategies for companies aiming for tangible sustainable achievements. One of the most growing trends is the increasing integration of climate risk into corporate governance, where boards are expected to oversee and manage climate-related risks and opportunities in more detail through incorporating sustainability related metrics into executive compensation and ensuring sustainability related risk disclosures aligned with international standards.

#### EMERGING RISK

Boards are expected to oversee and manage climate-related risks and opportunities in alignment with international standards more thoroughly. Failure to effectively manage these responsibilities, due to a lack of required knowledge and experience, could result in regulatory non-compliance, financial penalties, reputational damage, and missed opportunities for sustainable growth.

#### RELATED MATERIAL ISSUES

Corporate Governance, Human Rights and Equal Opportunity

# Sustainability Trends and Our Response to Emerging Risks

## Business & Economic Sustainability Trends

### ESG-FOCUSED BOARD

#### OUR RESPONSE

Sabancı Holding goes beyond the requirements of local legislation in determining the Board of Directors' appointment by actively supporting diversity, including candidates from different backgrounds and experiences, as outlined in the [Diversity Policy for the Board of Directors](#). Sabancı Holding's Board of Directors prioritizes sustainability by ensuring a comprehensive skill set among its members. The Board evaluates candidates based on industry knowledge, management expertise, ESG proficiency, and crisis management experience, with a commitment to gender equality and diversity. The skills matrix of the Board of Directors clearly demonstrates that competencies on critical issues are thoroughly considered.

In addition, the Board Sustainability Committee is responsible for overseeing material ESG-related issues on the Holding's agenda. The Board Sustainability Committee, comprised of three independent board members and the Sustainability Director as the Rapporteur, enables members to stay updated on the global sustainability agenda, thereby strengthening the governance mechanism. The Committee helps the mitigation of potential risks as board members remain well-informed about key sustainability topics. For further details please visit [Our Governance](#) section.

#### OPPORTUNITIES

A diverse and ESG-focused board provides valuable insights and strategic direction for Sabancı Group, guiding the company towards sustainable growth and resilience. Moreover, board diversity enhances stakeholder trust and confidence, attracting employees, customers, investors, and business partners aligned with the company's values and long-term objectives.

# Sustainability Trends and Our Response to Emerging Risks

## Business & Economic Sustainability Trends

### CYBER INSECURITY

#### TREND

Cybersecurity is evolving rapidly to address the growing complexity and sophistication of cyber threats. One key trend is the increasing adoption of AI to detect and respond to threats in real-time, improving the ability to identify anomalies and predict attacks. The rise of remote work has heightened the need for robust cybersecurity measures, leading to greater investment in secure access solutions. Cloud security is becoming more critical as organizations migrate their data and applications to the cloud through extended security features. In addition, the regulatory landscape is also tightening, with new regulations and compliance requirements pushing organizations to enhance their data protection practices.

#### EMERGING RISK

According to the WEF's Global Risk Report 2024, the increasing sophistication of cyber threats, including malware, deepfakes, and misinformation, will cause a persistent risk. These threats can decrease public trust, disrupt operations, and damage the company's reputation. Additionally, the growing cyber-attacks targeting critical infrastructure and supply chains can result in significant financial losses and operational disruptions in different industries such as banking, financial services, energy etc. Besides that, the trend towards remote work and increased reliance on digital platforms also increase the risk of cyber-attacks, necessitating enhanced cybersecurity protocols and employee training. Moreover, regulatory changes and tightening compliance requirements add to the complexity, requiring continuous adaptation to meet evolving standards and avoid legal problems.

#### RELATED MATERIAL ISSUES

Cybersecurity and Data Privacy, Digital Technologies, Risk Management and Resilience

# Sustainability Trends and Our Response to Emerging Risks

## Business & Economic Sustainability Trends

### CYBER INSECURITY

#### OUR RESPONSE

Sabancı Group acknowledges the critical importance of cybersecurity and has integrated cyber risk management into its governance strategies. The establishment of a Data Protection Committee underscores the commitment to adopting and implementing industry best practices to address emerging cyber threats. Collaborating closely with the cyber security team, Sabancı Group implements comprehensive security measures to safeguard its operations and data. This includes regular assessments, updates, and enhancements to the cybersecurity infrastructure. The Audit Department conducts regular checks of company processes and systems to determine and eliminate operational risks. The Information Technology Department manages technology risks – damage to information systems, cyberattacks, and the like – via preventive actions, regular tests and back up plans. Sabancı Holding also crafted a comprehensive, experiential cybersecurity training program, including cyber threats in 2023.

Furthermore, Sabancı Group has taken proactive steps to mitigate cyber risks by securing cyber risk insurance. This strategic measure ensures effective cybersecurity coverage and helps to mitigate technological risks, bolstering the resilience of the organization against potential cyber threats. For further details please visit [Enterprise Risk Management at Sabancı Group](#) and [Digitalization for Sustainable Business Models](#) sections.

#### OPPORTUNITIES

By investing in innovative cybersecurity solutions, implementing best practices, and providing cybersecurity training programs, Sabancı Group aims to enhance its resilience to cyber threats and seize opportunities for growth in the digital landscape. To this end, Sabancı Holding established the Digital Strategic Business Unit (SBU). This new SBU aims to foster existing digital business capabilities and accelerate new investments and initiatives in target areas. In this regard, in 2022, the wholly owned subsidiary of Sabancı Holding, Dx BV, invested in Radiflow, one of the world's leading start-ups in the cybersecurity space, particularly in the operational technologies segment; and SEM, which operates in the data-oriented digital marketing space.

# Sustainability Trends and Our Response to Emerging Risks

## Business & Economic Sustainability Trends

### GENERATIVE AI

#### TREND

The integration of generative AI with sustainable business practices continues to gain momentum and offers opportunities for innovation and environmental stewardship. AI is used for developing systems to monitor environmental changes and predict potential issues, enabling proactive sustainability measures. AI combined with fields like nanotechnology and synthetic biology drives innovation in green chemistry, optimizing processes for eco-friendly materials and products. AI platforms facilitate collaboration among researchers, leading to breakthroughs in sustainable technologies and materials. AI-powered tools raise public awareness about sustainable practices, driving demand for sustainable products and services.

#### EMERGING RISK

For Sabancı Holding, which prioritizes digital and AI transformation as part of its strategic roadmap, generative AI presents several risks. Algorithmic biases in AI models might lead to unfair selection processes in HR programs. Intellectual property issues with AI-generated content could lead to legal disputes, impacting the company's investments in technology and digital services. Data privacy concerns and cybersecurity threats pose significant risks to the sensitive financial and personal data handled by the company. Ethical dilemmas surrounding the use of generative AI, particularly in digital services, could affect stakeholder confidence. Regulatory uncertainty and the costs of compliance may complicate AI integration across business units, while the economic impact of job displacement might necessitate workforce reskilling and adaptation. Ensuring the quality and reliability of AI-generated outputs is critical, especially for maintaining the integrity of digital and omnichannel strategies. Addressing these risks requires robust governance, ethical guidelines, and continuous investment in AI security and compliance frameworks.

#### RELATED MATERIAL ISSUES

Digital Technologies, Risk Management and Resilience, Corporate Governance, Talent Management



# Sustainability Trends and Our Response to Emerging Risks

## Business & Economic Sustainability Trends

### GENERATIVE AI

#### OUR RESPONSE

Sabancı Holding continues to advance its investments in artificial intelligence through Sabancı Ventures, focusing on post-revenue scale-up startups. Additionally, X-Teams, a business development platform utilizing agile methodology, aims to identify potential business areas aligned with the Group's strategies. It was done with a particular emphasis on applications based on GenAI in 2023. To address algorithmic risks associated with AI, Sabancı Holding ensures that its AI applications align with both regulations and internal policies. For instance, the AI algorithm used for human resources is crafted and tested to comply with the Group's diversity and inclusion policies while protecting the personal data in comply with the Data Protection Law. For further details please visit [Digitalization for Sustainable Business Models](#) section.

#### OPPORTUNITIES

Leveraging generative AI for sustainable innovation can unlock new opportunities for Sabancı Group, such as optimizing resource use, reducing environmental impact, and enhancing product development processes. Moreover, AI-driven solutions can improve operational efficiency, drive cost savings, and enhance decision-making capabilities, positioning Sabancı Group for long-term success in a rapidly evolving business landscape.

# Sustainability Trends and Our Response to Emerging Risks

## Business & Economic Sustainability Trends

### GEO-ECONOMIC CONFRONTATION

#### TREND

Economic sanctions and trade wars, characterized by targeted sanctions and trade barriers, are tools for political pressure. Technological competition and decoupling, focusing on tech sovereignty and supply chain realignment, aim to reduce dependency on foreign technologies. Increasing geopolitical tensions and economic fragmentation pose risks to global businesses. In the current global landscape, societal and political polarization is enhancing interstate armed conflicts and complex geopolitical dynamics. Governments have deployed large fiscal stimulus measures to enhance economic resilience, but mounting debt leverage poses challenges, especially with upcoming national elections in more than 50 countries in 2024, both developed and emerging.

State intervention for economic advantages is evident as nations seek to secure their well-being and global standing, potentially leading to inefficiencies and price rises. Geopolitical tensions and economic fragmentation exacerbate these challenges, potentially causing widespread debt distress in the coming decade.

#### EMERGING RISK

For Sabancı Holding, geo-economic confrontations pose significant risks due to Sabancı Holding's global presence and the location of its main operations. From a business perspective, economic sanctions and trade wars could disrupt supply chains and increase costs, affecting profitability and market stability. Additionally, economic protectionism and fluctuating currency values may create financial instability, while regional trade agreements change market dynamics, requiring constant adaptation.

#### RELATED MATERIAL ISSUES

Risk Management and Resilience, Financial Performance, Collaboration and Effective Communication with Stakeholders

# Sustainability Trends and Our Response to Emerging Risks

## Business & Economic Sustainability Trends

### GEO-ECONOMIC CONFRONTATION

#### OUR RESPONSE

Sabancı Group maintains strategic agility and resilience, emphasizing dynamic portfolio management and financial performance. Investments in diverse markets and robust risk management strategies mitigate risks associated with geo-economic confrontation.

In a challenging economic landscape, we achieved a combined revenue increase of 57%, a combined EBITDA growth of 23% and a consolidated net income increase of 20%, all without inflation adjustments and in line with our midterm guidance. Additionally, we remain on track to meet our targets for New Economy and FX share as a percentage of our total revenue.

While exceeding financial targets, particularly income statement metrics, we maintained our focus on cash generation, keeping our balance sheet rock solid. In fact, we recorded a historic high year-end cash position at the Holding-level on an annualized basis. Our net debt to EBITDA ratio remains well below our mid-term target, providing a solid foundation for further investment. For further details please visit [Our Value Creation](#) section.

#### OPPORTUNITIES

Despite the challenges posed by geo-economic confrontation, Sabancı Group targets to capitalize on opportunities in new growth platforms, transform and diversify its portfolio through dynamic management. Strategic partnerships and collaborations, impact investments seeking solid synergies and value creation opportunities with the ambition to support Sustainable Development Goals facilitate Sabancı Group's growth, while proactive risk management mitigates potential disruptions and safeguard financial health.

# Sustainability Trends and Our Response to Emerging Risks

## Business & Economic Sustainability Trends

### EMERGING TECHNOLOGIES: CLIMATE & NATURE TECH

#### TREND

Emerging technologies in climate and nature are driving significant advancements, presenting both risks and opportunities in the sustainability landscape. Innovations in renewable energy, such as enhanced solar and wind power, offshore wind farms, and next-generation solar technologies, are increasing efficiency and reducing costs. Energy storage solutions, including advanced battery technologies and grid-scale storage, are significant for integrating renewable energy into the grid. Carbon capture, utilization, and storage (CCUS) technologies, like direct air capture and carbon utilization, offer potential for reducing atmospheric CO<sub>2</sub> levels. Climate-resilient infrastructure and smart cities are optimizing resource use, while nature-based solutions are ensuring carbon removal mechanisms. Lastly, climate finance and carbon markets, such as green bonds and carbon trading systems, are providing financial incentives for sustainable practices. Embracing these technologies can mitigate risks associated with climate change and environmental degradation while unlocking new opportunities for sustainable growth.

#### EMERGING RISK

Failing to invest in emerging climate and nature technologies in a timely manner, along with potential inadequacies or failures of these investments, can result in significant financial losses and hinder progress toward sustainability goals. Additionally, the rapid pace of innovation may overcome the ability of existing infrastructure and workforce to adapt, increasing vulnerability to cyber threats and other disruptions. It is significant for organizations to proactively invest and strategically plan to stay ahead in the evolving sustainability landscape.

#### RELATED MATERIAL ISSUES

Digital Technologies, Innovation and R&D, Climate Emergency, Responsible Investment and Sustainable Business Models

# Sustainability Trends and Our Response to Emerging Risks

## Business & Economic Sustainability Trends

### EMERGING TECHNOLOGIES: CLIMATE & NATURE TECH

#### OUR RESPONSE

As Türkiye's first holding company that committed to achieving Net Zero emissions by 2050, we place energy and climate technologies at the core of our growth strategy within the 'new economy' framework. We introduced several groundbreaking climate technologies to Türkiye, including the first green hydrogen generation facility in Bandırma. Our international investments extend to hydrogen equipment in Singapore and hydrogen storage technologies in Switzerland. In the United States, we engage in investments such as cutting-edge fusion and deep geothermal energy technologies through Sabancı Climate Ventures.

Our commitment to the new economy is concrete, with an ambitious goal to increase our renewable energy capacity to 75% by 2030 and achieve 100% by 2050. In parallel, our global footprint is expanding, as evidenced by our investment in U.S. solar power plants, poised to reach 500 MW within a year – a figure we plan to double swiftly.

By 2026, our renewable portfolio will exceed 4 GW, encompassing Europe's largest onshore wind energy project in global phase. For further details please visit [Investing in New Growth Platforms](#) section.

#### OPPORTUNITIES

By pioneering climate and nature technologies, Sabancı Group withholds a competitive advantage in the rapidly evolving sustainability market. Collaborating with technology partners and research institutions accelerates innovation and drives product development, positioning the Group as a leader in sustainable solutions and opening up new market opportunities globally. Sabancı Group's commitment to expanding renewable energy capacity presents investment opportunities in various sectors such as solar, wind, hydrogen production, and storage technologies. Sabancı Group's investments locally and internationally present opportunities for technology transfer and knowledge exchange. Overall, Sabancı Group's initiatives provide a platform for various stakeholders to capitalize on the growing demand for sustainable energy solutions and contribute to the transition towards a low-carbon economy.

# ECHOES OF \_\_\_\_\_ HARMONY

## Strengthening Responsible Business Model Through Governance

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In Zen gardens, raked patterns symbolize order, mindfulness, and intentionality, while circular patterns signify eternity and unity, reflecting a commitment to responsible and purposeful action.

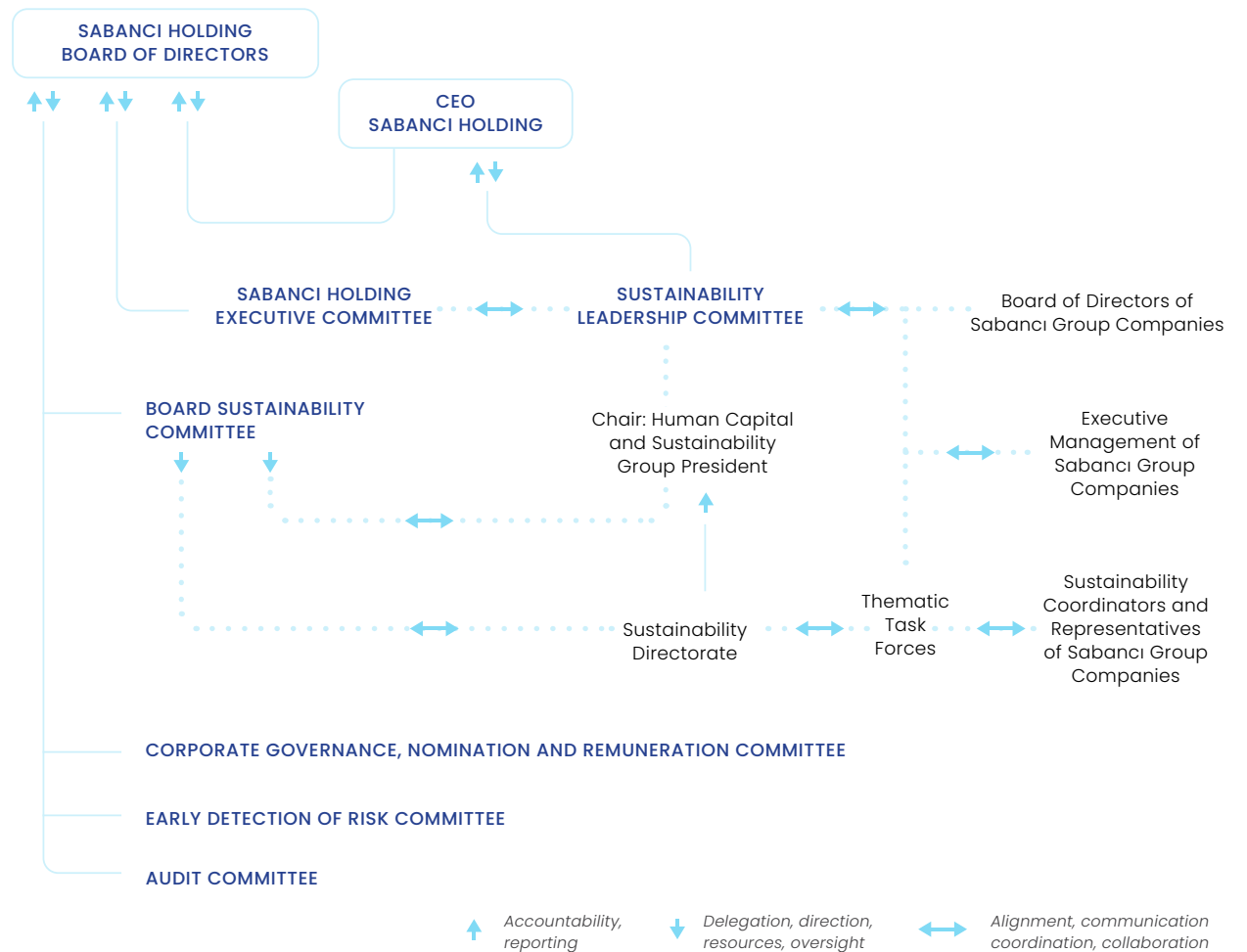
**At Sabancı Holding, our corporate governance model reflects these principles by emphasizing accountability, transparency, responsible business conduct, and effective stakeholder management, contributing to the sustainability and resilience of the Sabancı Group.**

# Risk and Opportunity Management – Our Governance Model

Sabancı Holding diligently assesses risks and opportunities emerging from both global and local developments. We formulate strategies to navigate them through a holistic approach, involving diverse teams. This strategy, centered on double-materiality analysis, empowers us to coordinate actions that capitalize on opportunities and mitigate risks throughout our entire Group. Our risk and opportunity management framework considers not only financial aspects but also extra-financial factors relevant to our diverse business portfolio, ensuring robust opportunity management and agility. By incorporating double-materiality analysis into our strategy, we ensure that our decisions not only consider traditional financial metrics but also account for their broader societal and environmental implications. This integrated approach enables us to align our business practices with sustainability goals while simultaneously maximizing long-term value creation for all stakeholders.

## Corporate Governance as the Pillar of Success

Sabancı Group acknowledges that a sound corporate governance system is the key driver of financial and extra-financial success. Based on this understanding, we design corporate governance practices that apply across Sabancı Group with primary attention to accountability, transparency, responsible business, and effective stakeholder management that contribute to the sustainability and resilience of Sabancı Group.



# Integration of Sustainability into Strategy

With our purpose to 'unite Türkiye and the World for a sustainable life with leading enterprises', Sabancı Holding integrates sustainability fully into its strategy to create long-term value. Sabancı Holding Board of Directors, the highest governing body, considers sustainability an integral part of its agenda and oversees sustainability performance through a variety of committees.

**The Corporate Governance, Nomination and Remuneration Committee, the Early Detection of Risk Committee, the Audit Committee and the Board Sustainability Committee operate under the Board of Directors and contribute to oversee strategies designed to respond sustainability related risks and opportunities.**

**Corporate Governance, Nomination and Remuneration Committee** aims to maintain the continuity of the

management process based on the ethical values of the company, having internal and external accountability, risk awareness, and that is transparent and responsible in its decisions; and oversees the benefits of the stakeholders, and has a sustainable success goal. The duty of this Committee is to make suggestions and recommendations to the Board of Directors with regard to establishing the corporate governance principles in line with the principles of the Capital Markets Board, or other internationally recognized Corporate Governance Principles.

The Corporate Governance, Nomination and Remuneration Committee ensures the implementation of the Corporate Governance Principles within Sabancı Holding and if these principles are not implemented, the Committee makes suggestions for improvement to the Board of Directors. The Committee also oversees the activities of the Investor

Relations Department. Alongside the determination of the principles and evaluation of the performance and remuneration of the Board of Directors and Senior Executive Managers, the Committee submits the nominations for independent Board directors to the Board of Directors by evaluating the independence qualifications of the candidates, also taking into account the candidates nominated by the management and the shareholders. The Independent Board Member Candidate submits a written declaration to the Corporate Governance, Nomination and Remuneration Committee at the time of nomination. According to the bylaws, the Corporate Governance, Nomination and Remuneration Committee must convene 4 times at minimum. The Committee convened eight times in 2023.

**The Early Detection of Risk Committee (EDRC)** reviews the company's exposure

for strategic, operational, financial and compliance risks that may jeopardize Sabancı Holding's development and continuity. Then, EDRC evaluates, identifies, and determines necessary risk measures and management processes. Finally, it informs the Board of Directors of critical risks so proactive measures are put in place and fully implemented.

The EDRC reviews risk management systems at least once a year. Tolerance and critical levels of prioritized risks are updated annually. The review process includes quantitative and qualitative approaches – statistical analysis by historical data, Monte Carlo simulations – incorporating Sabancı Holding's strategic direction and financial performance targets. Committee meetings are held at least six times a year. Guest participants may be invited to EDRC meetings if relevant to the agenda. In 2023, the EDRC convened six times and



# Integration of Sustainability into Strategy

presented its evaluations to the Board of Directors, which is proven by the external independent auditor in 2024.

**The Audit Committee** supervises Sabancı Holding's accounting system, financial reporting, disclosure of financial statements, progress and effectiveness of independent audit, and internal control systems, on behalf of the Board of Directors. The Audit Committee reports its activities, evaluations, and suggestions with respect to its duties and area of responsibility to the Board of Directors in writing.

The Chair and the Members of the Audit Committee are appointed by the Board of Directors from among the Independent Members. The Audit Committee held four meetings in 2023 and the main agenda items were the review of the independent audit report and the examination of the presentations of the Audit Department.

## Role of Board Sustainability Committee

The Board Sustainability Committee plays a significant role in supporting the Board of Directors by monitoring local and international sustainability related developments and guiding the Executive Committee. It oversees transparency and sustainability reporting, policy formulation, and ESG issues, ensuring alignment with stakeholder expectations.

The Committee is comprised of a Rapporteur and a maximum of three Board Members including Chair who are appointed by the Board of Directors. The Chair of the Committee is selected from among the independent Board Members. The Committee meets in ordinary session at least twice a year. The Board Sustainability Committee convened five times in 2023.

The Board Sustainability Committee, in coordination with the Sabancı Holding Human Capital and Sustainability Group Presidency, oversees sustainability-related issues raised by the Sustainability Leadership Committee or directly by the Sustainability Directorate.

The Board Sustainability Committee monitors:

### a) Sustainability Governance

- Structure and functioning of sustainability governance which was established to implement sustainability initiatives in accordance with expectations of internal and external stakeholders.

- Treating all risks which may arise in environmental and social issues, and which may transform into financial risks at times, including reputation risks, with the coordination of the Early Detection of Risk Committee (EDRC).

- Having the necessary knowledge level to comply with all local and international developments to execute managerial duties of Sabancı Holding executive level in sustainability areas.

### b) Sustainability Performance

- Keeping performance indicators and targets of Sabancı Group up to date.

### c) Transparency

- Disclosure of Sustainability Report and environmental and social performance at the Investor Relations web site or other platforms suggested by Human Capital and Sustainability Group Presidency.

### d) Policies

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

# Integration of Sustainability into Strategy

## Empowering Executive Leadership for Sustainability

Our Executive Committee supports sustainability leadership within the organization, facilitating informed decision-making through proactive engagement with sustainability initiatives. Sabancı Holding's Executive Committee not only plays an important role in sustainability leadership within Sabancı Group but also provides and facilitates the culture of sustainability integrated strategic decision-making. Hard and soft controls are implemented to foster a cohesive approach across all executive functions.

## Sustainability Leadership Committee

The Sustainability Leadership Committee, chaired by the Human Capital and

Sustainability Group President, leads sustainability initiatives and the Group's sustainability agenda and advises the Thematic Task Forces accordingly.

The Sustainability Leadership Committee includes all Strategic Business Unit Group Presidents, who are members of the Board of Directors of Group companies in their respective areas, that are responsible for monitoring the progress of the sustainability agenda.

The Committee follows international developments, regulations, and trends in sustainability. The Committee reports directly to the CEO via the Committee Chair. The Chair of the Committee informs the Board Sustainability Committee biannually and receives their guidance and approval.

In 2023, the Committee met four times.

## Thematic Task Forces

Consisting of sustainability coordinators and representatives from Group companies, the Thematic Task Forces operate with agile working logic, that are responsible for program and project design to implement items detailed in the action plan. They report their work to the Sustainability Leadership Committee through the Sustainability Directorate. This collaborative structure ensures alignment of sustainability goals and actions across Sabancı Group.

In 2023, the Thematic Task Forces met 13 times.

## Role of Sustainability Directorate

The Sustainability Directorate is a key driver of Sabancı Holding's sustainability efforts, overseeing various

aspects of sustainability initiatives, facilitating connections between the Board Sustainability Committee, the Sustainability Leadership Committee and the Thematic Task Forces. It coordinates meetings, selects discussion topics, and invites relevant stakeholders to both Sustainability Leadership Committee and Thematic Task Force meetings as necessary to ensure comprehensive engagement.

Comprising a dedicated team of four full-time professionals, including a director, manager, and two specialists, the Directorate acts as a strategic advisor by prioritizing key sustainability topics, offering insights into sustainability trends and best practices, thereby guiding decision-making processes.

# Integration of Sustainability into Strategy

## Sustainability Directorate plays a major role in the governance model

Sustainability Directorate:

- Collaborates closely with senior management and key stakeholders to embed sustainability principles into corporate strategy. By aligning sustainability goals with business objectives, the Directorate ensures that sustainability becomes an integral part of decision-making processes at all levels of the organization.
- Conducts thorough assessments to identify material sustainability issues that are most relevant to operations, industry, and stakeholders.
- Establishes clear and measurable sustainability targets that address priority areas such as carbon emissions reduction, resource efficiency, diversity and inclusion, and community engagement.

- Conducts scenario planning exercises to anticipate and mitigate potential sustainability related risks that could impact long-term viability. By identifying emerging trends, regulatory changes, and stakeholder expectations, the Directorate helps Sabancı Holding adapt and thrive in a rapidly changing landscape.
- Promotes a culture of innovation and resilience by exploring new technologies, business models, and partnerships that enhance the Holding's ability to address sustainability challenges.
- By recognizing the interconnected nature of sustainability challenges, collaborates with international organizations, industry peers, and multi-stakeholder initiatives to exchange best practices, advocate for policy change, and drive collective action on global issues such as climate change, human rights, and supply chain sustainability.
- Develops a long-term vision for

sustainability that goes beyond short-term targets and incorporates a holistic understanding of the Holding's role in creating a more sustainable future. This involves anticipating future trends, identifying emerging opportunities, and positioning the Holding as a leader in sustainable business practices.

- Raises awareness of sustainability issues among employees and empowers them to contribute to sustainability goals through training programs, internal communications, and engagement initiatives.

**By taking a proactive and strategic approach to sustainability planning, the Sustainability Directorate helps the Holding navigate complexity, manage risks, and seize opportunities for innovation and growth while creating value for all stakeholders.**

The Sustainability Directorate reports directly to the Human Capital and Sustainability Group President, ensuring alignment with organizational strategies and objectives. It plays a significant role in reporting progress on sustainability initiatives and outcomes to relevant stakeholders, fostering transparency and accountability.

# Integration of Sustainability into Strategy

Name of Task Force/Committees	Level of Participation	Number of Meetings in 2023	Examples of Issues Discussed	
<b>BOARD SUSTAINABILITY COMMITTEE</b>	Independent Board Members, CEO, Sustainability Leadership Committee Chair, Sustainability Director and Sustainability Manager	5	<ul style="list-style-type: none"> <li>Decarbonization Project Second Phase and Outcomes</li> <li>Sustainability Indices</li> <li>Interim GHG Emissions Reduction Targets</li> <li>SDG-linked Investment Pledge</li> <li>International Sustainability related Regulations</li> <li>Local and Global Developments</li> </ul>	
<b>SUSTAINABILITY LEADERSHIP COMMITTEE</b>	Group Presidents, Corporate Brand Management and Communications Department President, Investor Relations Director, Sustainability Director, Sustainability Manager	4		
<b>OTHER EXECUTIVE MEETINGS</b>	Executive Members, Sustainability Director, Sustainability Manager	2		
<b>NATURE THEMATIC TASK FORCE</b>	Sustainability team of Holding, Sustainability Coordinators, Representatives and manager-level representation from other functions at Group companies (i.e. human capital, R&D, risk management etc.)	6		<ul style="list-style-type: none"> <li>Biodiversity</li> <li>Voluntary Carbon Markets</li> <li>Sustainability Assurance Process</li> <li>Water</li> <li>Circular Economy</li> </ul>
<b>SUSTAINABLE BUSINESS MODELS THEMATIC TASK FORCE</b>	Sustainability team of Holding, Sustainability Coordinators, Representatives and manager-level representation from other functions at Group companies (i.e. human capital, R&D, risk management etc.)	5		<ul style="list-style-type: none"> <li>Sabancı Group Responsible Investment Policy</li> <li>EU Taxonomy</li> <li>Best Practises on Sustainability Governance, Accountability, Innovation and Disclosures</li> <li>COP28</li> </ul>
<b>SOCIAL THEMATIC TASK FORCE</b>	Sustainability team of Holding, Sustainability Coordinators, Representatives and manager-level representation from other functions at Group companies (i.e. human capital, R&D, risk management etc.)	2		<ul style="list-style-type: none"> <li>Gap Assessment Analysis</li> <li>Social Return on Investments</li> <li>DE&amp;I</li> <li>Business Practises Considered to Contribute to DE&amp;I</li> </ul>

# Three Lines Model in Sabanci Holding

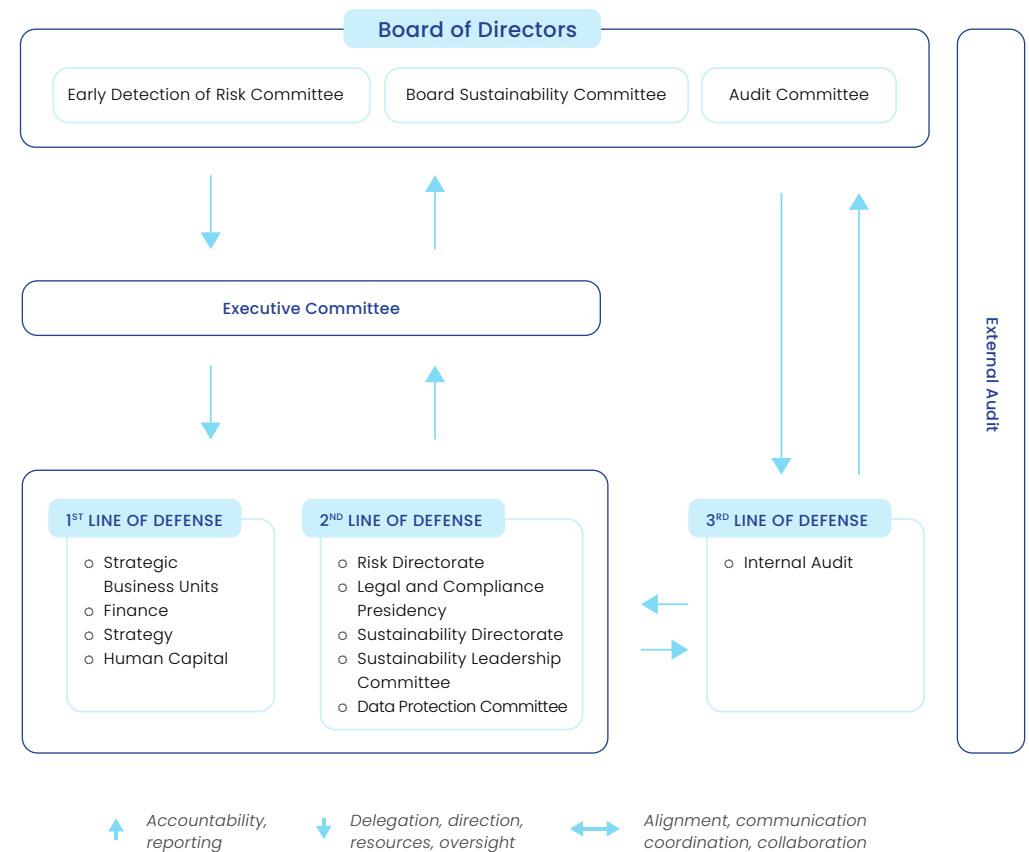
Sabancı Holding adopts the three lines model that identifies clear processes and roles to guide Sabancı Group toward effective governance, risk management and internal controls. To embed sustainability considerations, all roles work in close collaboration to ensure feedback loops and collectively contribute to the creation and protection of value with the prioritized interests of stakeholders, thus make the business model future-proof.

**The first line of defense** comprises Strategic Business Units (SBUs) and support functions like Human Capital and Finance. These entities, guided by Sabancı Holding's Strategy House, are responsible for strategic decision-making and risk assessment within the framework of the Enterprise Risk Management System. They play a vital role in identifying and mitigating risks during daily operations.

**The second line of defense** supports the first line by independently evaluating decisions and identifying additional risks. Oversight bodies like the Sustainability Leadership Committee and Legal and Compliance Presidency assess decisions made by the first line and report findings to the Board Sustainability Committee and Early Detection of Risk Committee. Two directorates, Risk Directorate and Sustainability Directorate, under the second line monitor financial and non-financial risks and escalate significant issues to relevant committees or senior management.

**The third line of defense** is Sabancı Holding Internal Audit Department, which provides independent assurance on the effectiveness of control, governance, and risk management practices. Using a risk-based approach aligned with the Holding's strategies, audits are conducted, and results reported to senior management as well as the Audit Committee. Follow-up on action plans ensures timely mitigation of identified risks.

**Overall**, this three-tiered approach ensures robust governance, risk management, and compliance practices within Sabancı Holding, safeguarding its sustainability and continuity.



# Enterprise Risk Management at Sabanci Group

Sabancı Group is committed to robust risk management practices to ensure the continuity of its operations, safeguard stakeholder interests, and drive sustainable growth. Our approach to risk management is built upon proactive strategies designed to identify, assess, and mitigate potential threats effectively.

## Key Principles and Framework

At Sabancı Group, we adhere to corporate risk management principles aimed at maximizing stakeholder value while minimizing risks that could hinder our progress. We manage risks both at the Holding and at the Group level. Our framework encompasses a blend of quantitative and qualitative metrics to gauge risk exposure accurately. We prioritize risks based on their potential impact and likelihood, addressing them through strategies of avoidance,

transfer, reduction, or acceptance. Each prioritized risk's tolerance and critical levels are reviewed and updated annually. At Sabancı, risk management is a proactive process which includes different stress scenarios pursued regularly by considering an integral and forward-looking view of all risks. Not only for financial risk such as foreign currency and inflation but also for non-financial risk, stress scenarios are used. In 2023 an earthquake and a fire crisis scenarios are used to assess the readiness of the Sabancı Holding. Sensitivity analyses are also used to see the impact of different components.

## Committee Oversight and Governance

Our risk management operations are overseen by dedicated committees, including the Risk Coordination

Committee and the Early Detection of Risk Committee (EDRC). These committees play a critical role in evaluating risk operation results, updating risk tolerance levels, and ensuring alignment with our strategic objectives. Additionally, guest participation in EDRC meetings enriches our discussions with diverse perspectives.

## Risk Management Across Group Entities

Our banking subsidiary, Akbank, maintains a multidimensional approach to risk management, legal compliance, and environmental-social impact assessments across key operational domains including balance sheet management, capital allocation, and product development. With its prudent risk management practices, the Bank contributes to Sabancı Holding's long-term strategies and goals.

At Sabancı Group's non-bank subsidiaries, executive leadership and Senior Management oversee corporate risk management practices. Under the guidance of relevant Boards of Directors and affiliated risk committees, risks are identified, prioritized based on likelihood and potential impact, and systematically monitored. These entities regularly report potential risks to the EDRC and the Board of Directors, ensuring transparency and accountability. Furthermore, the management of financial, strategic, operational, and compliance risks across Group subsidiaries is overseen by the Holding's Strategic Business Unit Presidents, in collaboration with key departments including the Office of the Chief Financial Officer, the Risk Management Directorate, and the Legal and Compliance Group Presidency.

# Enterprise Risk Management at Sabanci Group

## Key Focus Areas

Sabancı Group prioritizes risk management across various categories, including financial, strategic, operational, and compliance risks. This methodology is backed by the risk surveys that are repeated every year. In December 2023, the Risk Management Department organized an event inviting all the employees of the company to present the findings of the risk survey and the mitigation strategies for 2024.

### Financial Risks

The Finance and Risk Management teams oversee and control financial risks using various metrics, ensuring they remain within defined thresholds both at the company and consolidated levels.

### Strategic Risks

Strategic risks encompass corporate, industry, economic, regulatory, reputational, and sustainability factors. Sabancı Holding employs a dynamic approach to managing strategic risks, focusing on cultivating highly profitable and sustainable business lines to gain a competitive edge. Sustainability risks, including compliance with policies, regulations, and international standards, as well as transition risks related to investments for a lower-carbon economy, are systematically addressed to align with the company's long-term strategic objectives.

### Operational Risks

Regular audits by the Audit Department identify and mitigate operational risks in company processes and systems. The Information Technology Department

proactively manages technology risks, such as damage to information systems and cyberattacks, through preventive measures, regular testing, and backup plans. Sabancı Group utilizes cyber risk insurance to bolster cybersecurity and mitigate technology-related risks. The Human Resources Department oversees occupational health and safety risks, while the expansion of crisis management and business continuity efforts in 2023 included disaster management studies.

### Compliance Risks

Sabancı Holding prioritizes compliance with relevant laws, rules, and regulations. The Legal and Compliance Team conducts thorough risk analyses pertaining to competition law, sanctions/export controls, third-party due diligence, and data privacy to ensure effective compliance across the organization.

## Business Ethics, Anti-Bribery and Anti-Corruption

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

# Enterprise Risk Management at Sabanci Group

Holding and Group companies' senior management are responsible for implementing SA-ETHIC, or in this context, for their companies' specific business ethics rules and for creating a culture that supports its implementation. SA-ETHIC and any relevant policy are reviewed, updated, and documented by the Human Capital and Sustainability Group Presidency with the recommendations of the Board of Ethics and Legal and Compliance Department, after the approval of the Holding CEO and Chair of the Board of Directors, announced to the Holding and Group companies.

- The Holding and Group companies' Human Resources are responsible for informing all employees (including our part-time and contracted employees) at least once a year about SA-ETHIC to ensure the clarity of policies and rules, providing training, and ensuring constant

communication with employees.

- The Holding and Group companies are responsible for employees reading the ethical rules, being informed about this matter, and ensuring they sign the Employee Statement.
- At the beginning of each year, the Holding and Group companies ensure all employees renew their notifications by signing the Business Ethics Compliance form.

Within the scope of Sabanci Holding, there are no lawsuits filed and/or concluded against ESG issues, which are important in terms of ESG policies and/or which will significantly affect the activities, for the 2023 fiscal year.

Sabanci Group does not tolerate bribery or corruption under any circumstances. We expect all Group managers and employees to comply with the duties and responsibilities in the Anti-Bribery and

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

We follow black-listed individuals and companies in close coordination with public authorities. We black-list suppliers deemed objectionable or risky by public institutions for any reason, act contrary to our Group culture, or violate our processes, and we terminate our business relationship with them. We can thus identify suppliers, contractors, and customers who are known or suspected of being involved in bribery. We apply sanctions on people who urge, encourage, and legitimize violating acts, as well as those who tolerate such acts

by not reporting them despite being aware of them. Nevertheless, those suppliers can be re-evaluated every year and added to the suppliers' list once they have remedied the violations.

The Sabanci Holding Board of Ethics is responsible for supporting the Board of Directors in fulfilling oversight and audit functions. All stakeholders can report ethical violations to the Board of Ethics by e-mailing [etik@sabanci.com](mailto:etik@sabanci.com), dialing +90 212 385 85 85, or mailing to the Sabanci Holding Headquarters. The Board of Ethics is responsible for reviewing all reported notifications thoroughly according to the privacy policy and resolving them as soon as possible. The person reporting to the Board of Ethics is under the protection of this Committee and is guaranteed that they shall not endure any repression, pressure, or penalty for raising concerns.



# Enterprise Risk Management at Sabancı Group

[Sabancı Group Code of Business Ethics](#) and [Anti-Bribery and Anti-Corruption Policy](#) cover corporate issues, primarily the fight against bribery and corruption, human resources and environmental matters, and compliance with operating principles and legal obligations. The respective Audit Departments carry out periodic or on-demand custom audits under the control of the Audit Committee per International Internal Auditing Standards and Ethical Rules to ensure compliance with legal regulations, contracts, company policies and procedures and ethical rules; to prevent errors and irregularities; to protect assets; to ensure the effectiveness of the risk management and internal control environment, the accuracy and integrity of operational and financial information, and to identify opportunities for improvement. The audits encompass all Group companies entering the

sustainability reporting scope, and the business units to be audited are prioritized from a risk perspective. In addition, the Internal Audit Units of Group companies also carry out regular audits for the same purpose under the supervision of Audit Committees at least once every three years.

The audit scope covers all Group companies and the units to be audited within the relevant year are prioritized from a risk perspective. Audit activity covers notifications and complaints submitted through the Ethics Hotline or other channels, and special examinations into violations against legal regulations, our code of ethics and the other company regulations. The number of ethical notifications made in 2023 is 896 excluding the bank. Of these notifications, 4% were made to the Board of Ethics, and the rest were made directly

to the companies. Notifications and violations are divided into the following five categories: negligence, poor and irresponsible management, bribery and corruption-conflict of interest, mobbing and harassment, working conditions-wages-job complaints, complaints and notifications from customers and suppliers. Following the evaluation of the notifications, all cases were examined, and ethical violations were observed at a rate of 50%. Of the violations, 44% were related to administrative issues. Bribery and corruption-conflict of interest issues follow this at 37%. As a result of the investigations, the employment contracts of 169 employees were terminated in 451 cases due to ethical violations. At H.Ö. Sabancı Holding A.Ş. in particular, no ethical notifications or cases have occurred.

## Training on Ethics, Anti-Bribery and Anti-Corruption

To foster a culture of integrity and compliance within Sabancı Group, we provide comprehensive training on Ethics, Anti-Bribery, and Anti-Corruption. We annually provide refresher training for current employees to keep their SA-ETHIC knowledge up-to-date and raise awareness. We ensure that every new employee in the Group receives SA-ETHIC training. The university students participating in the New Generation Career Experience Program also receive SA-ETHIC training. At the end of the training, we request a written statement from the employees signifying their willingness to comply with SA-ETHIC.

**In 2023, we provided approximately 16 thousand hours of Ethics Training and 11 thousand hours of Anti-Bribery and Anti-Corruption Training.**

# Enterprise Risk Management at Sabanci Group

## Compliance

Compliance with laws, regulations, and ethical standards is essential at Sabanci Holding. Our standards apply to all Group companies and require acting lawfully, ethically, and in the best interests of Sabanci Group wherever our business operates.

In addition to the areas on competition and sanctions/export controls, in 2023, Sabanci Group finalized its policies and procedures on compliance including third parties and data privacy through collaboration among all strategic business units.

## Competition and Anti-trust

We ensure fair and ethical competition within our Group, aligning with competition laws. In mergers and acquisitions involving Group companies,

we conduct thorough competition risk assessments and fulfill mandatory filings prior to transaction closure.

## Sanctions and Export Controls

Operating globally, Sabanci Group navigates complicated trade sanctions and export control laws, prohibiting certain product and service transfers to or from specific countries or entities. We have established policies and procedures to ensure compliance with all applicable sanctions and export control regulations.

## Third Parties

Engaging with various third parties, including suppliers, distributors, intermediaries, agents and consultants, increases the likelihood of Sabanci Group's accountability for potential non-compliance of business partners. To mitigate such risks, we have implemented policies and procedures for third party

risk assessment, enhanced due diligence, and risk mitigation measures.

## Cybersecurity and Data Privacy

Ensuring the safeguarding of personal data, confidential information, and IT systems from unauthorized access, use, or disclosure is paramount for Sabanci Group. The Data Protection Committee adopts and enacts industry best practices to keep pace with emerging developments, offering company-wide guidance and collaborating with the cyber security team to implement security measures. Procedures are introduced to govern data loss prevention, information security, cloud computing systems, and personal data security breaches. Regular privacy training is provided to employees across the Group.

## Intersection of Sustainability with Strategic Risk Management

In today's complex business environment, the intersection of sustainability with strategic risk management is critical for long-term success. At Sabanci Group, we recognize the connection of sustainability with our business model, strategy, and risk management framework. Through a holistic approach, we navigate through a broad spectrum of sustainability risks with foresight, supporting resilience, innovation, and stakeholder value creation. Our risk spectrum encompasses physical risks, compliance risks, transition risks, and emerging sustainability risks, ensuring a thorough understanding of the challenges we face.

## Mitigating Physical Risks

Physical risks, ranging from natural disasters to resource scarcity, pose

# Enterprise Risk Management at Sabanci Group

significant threats to our operations and communities. Leveraging sector-specific practices and robust supply chain management resilience measures, we fortify our infrastructure against wildfires, hurricanes, water scarcity, and other climate-related hazards. By prioritizing water efficiency measures, biodiversity conservation, and ecosystem protection, we mitigate risks and foster sustainable growth in harmony with nature.

## Navigating Compliance Risks

Adherence to evolving regulations and ethical standards is central to our commitment to sustainability. We adopt a proactive stance towards compliance risks, aligning with GHG emissions regulations, advancing sustainable development goals, and upholding human rights across our value chain. Through continuous monitoring, digitalization, and capacity-building

initiatives, we ensure compliance with regulatory requirements and mitigate legal penalties, reputational damage, and loss of social license to operate.

## Managing Transition Risks

As technology develops rapidly and industries undergo transformative shifts towards sustainability and digitalization, we recognize the inherent risks and opportunities. Our sustainable business model prioritizes investments in green technologies, innovation, and talent development, positioning us to thrive in a rapidly changing landscape. By embracing circular economy principles, decarbonization strategies, and sustainable supply chain practices, we mitigate transition risks and capitalize on emerging market trends.

## Embracing Emerging Sustainability Risks

Anticipating future challenges is integral to our risk management philosophy. We closely monitor emerging sustainability risks, such as climate-related litigation, social unrest, and technological disruptions, and proactively develop mitigation strategies. Through scenario planning, stakeholder engagement, and horizon scanning, we enhance our resilience to unforeseen threats and seize new opportunities for sustainable growth.

## Sustainable Value Creation

Our commitment to sustainability extends beyond risk mitigation guiding every aspect of our business strategy and decision-making process. By embracing integrated thinking and fostering collaboration across functions, we unlock synergies, drive innovation, and

create shared value for all stakeholders. Through transparent reporting, stakeholder engagement, and continuous improvement, we strive to be a catalyst for positive change in society and the environment.

## Future Outlook

Moving forward, Sabancı Group remains committed to proactive risk management practices that enable us to navigate uncertainty effectively while seizing opportunities for growth and innovation. By prioritizing risk management at every level of our organization, we aim to uphold our reputation as a trusted and responsible corporate entity through effective reputation management, leaving a legacy of prosperity for generations to come.

# Board of Directors

## 1 GÜLER SABANCI

Chair

## 2 EROL SABANCI

Vice Chair

## 3 SUZAN SABANCI

CBE Board Member

## 4 E. MELİSA SABANCI TAPAN

Board Member

## 5 SERRA SABANCI

Board Member

## 6 CENK ALPER

Board Member and CEO

## 7 HAYRİ ÇULHACI

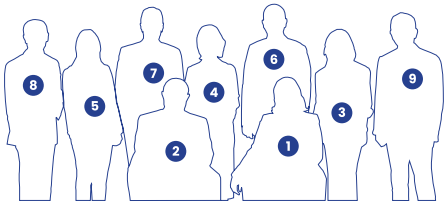
Independent Board Member

## 8 HÜSEYİN GELİS

Independent Board Member

## 9 MEHMET KAHYA

Independent Board Member



Please click [here](#) for the detailed resumes of the Members of the Board of Directors.

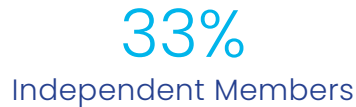
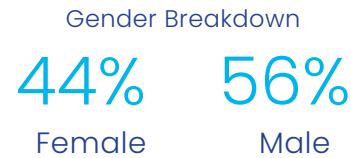
# Skill Matrix

At Sabancı Holding, we believe that a Board of Directors enriched with a broad spectrum of skills, knowledge, and experience enhances its functionality and the quality of its decision-making processes. *Studies indicate that companies with diverse boards see a 36% increase in profitability compared to their counterparts.*

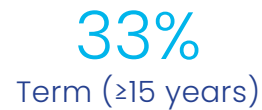
Our nomination process for the Board of Directors goes beyond merely ensuring gender equality in diversity and inclusion. We meticulously assess candidates' competencies, considering a wide array of factors, including industry expertise, management experience, proficiency in ESG matters, crisis management skills, and a capacity for global and long-term strategic thinking.

We uphold a strict non-discrimination policy, ensuring that no candidate is discriminated against based on gender, age, ethnicity, religion, language, race, or any other characteristic.

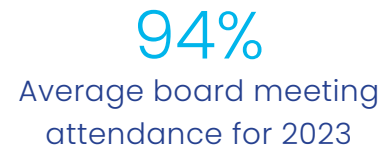
## BOARD MEMBERS COMPOSITION



## TERM AND TENURE OF BOARD MEMBERS



## BOARD MEETING ATTENDANCE



## BOARD OF DIRECTORS EXPERIENCE COMPOSITION



# Executive Committee

**1 CENK ALPER**

Board Member and CEO

**2 BURAK ORHUN**

Material Technologies

**3 CEVDET ALEMDAR**

Mobility Solutions

**4 FİLİZ KARAGÜL TÜZÜN**

Corporate Brand Management and Communications

**5 FUAT ÖKSÜZ**

Audit and Secretary General

**6 GÖKHAN EYİĞÜN**

Strategy and Business Development

**7 HAKAN BİNBAŞGİL**

Banking

**8 HALUK DİNÇER**

Financial Services

**9 KIVANÇ ZAIMLER**

Energy

**10 MAX SPEUR**

Digital

**11 N. ORHUN KÖSTEM**

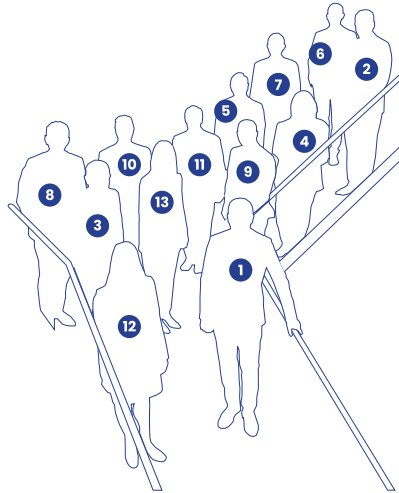
Finance

**12 ŞEBNEM ÖNDER**

Legal and Compliance

**13 YEŞİM ÖZLALE ÖNEN**

Human Capital and Sustainability



Please click [here](#) for the detailed resumes of the Members of the Executive Committee.

# Committees and Policies

Sabancı Holding has established a robust framework of committees dedicated to upholding the principles of good corporate governance and sustainability. These committees serve a vital supervisory function, overseen and audited by the Board of Directors, ensuring the integrity and effectiveness of the entire Holding.

Regular reviews of the structure, activities, and impact of these committees are conducted to uphold their effectiveness. Furthermore, meticulous documentation and traceability of committee processes are maintained to ensure accountability and transparency.

The Board of Directors has established four key sub-committees; namely the Audit Committee, Corporate Governance, Nomination and Remuneration Committee, Early Detection of Risk Committee, and Sustainability

Committee. Each of these sub-committees reports directly to the Board of Directors, aligning their functions with the overarching goals of the organization.

Additionally, the Holding has formed other committees such as the Board of Ethics, Data Protection Committee, Risk Coordination Committee, Sustainability Leadership Committee, Investment Committee, Communication Committee and more. Sabancı Holding's Sustainability Director is a member of the Investment Committee, underlining the sustainability integrated governance, decision-making structure, and business model of Sabancı Holding. This strategic inclusion ensures that all investment decisions are aligned with Sabancı Holding's commitment to sustainable practices, promoting long-term value creation and responsible growth. By embedding sustainability at the core of its governance framework, Sabancı

Holding is better positioned to address ESG considerations, ultimately driving the business towards a more resilient and sustainable future.

Additionally, the Sustainability Team is an integral part of the Mergers and Acquisitions (M&A) process, ensuring that all potential acquisitions align with Sabancı Holding Responsible Investment Policy. The team conducts thorough ESG due diligence and sustainability business model assessment on prospective companies, evaluating their environmental, social, and governance practices to identify any risks and opportunities. This assessment helps to ensure that new investments contribute positively to Holding's sustainability objectives and long-term strategy. By incorporating ESG due diligence into the M&A process, Sabancı Holding reinforces its commitment to responsible growth and sustainable value creation.

All these committees collectively address various aspects of governance, risk management, and sustainability, reflecting the Holding's comprehensive approach to responsible business practices.

Sabancı Holding's unwavering commitment to core values such as trust, integrity, accountability, and transparency underscores its responsibility to all stakeholders. These values not only guide the Holding's actions but also serve as the cornerstone of its reputable standing in the business community.

For detailed information on the committees please refer to [Integration of Sustainability into Strategy](#) section.

# Committees and Policies

## BOARD OF DIRECTORS

### Board Committees

- Audit Committee
- Corporate Governance, Nomination and Remuneration Committee
- Early Detection of Risk Committee
- Sustainability Committee

### Executive Committees

- Board of Ethics
- Data Protection Committee
- Risk Coordination Committee
- Sustainability Leadership Committee
- Investment Committee
- Communication Committee

## Policies and Principles

- Donations and Grants Policy
- Dividend Policy
- Disclosure Policy
- Wages Policy
- Corporate Social Responsibility Policy and Principles
- Health and Safety Policy
- Communication Principles
- Environmental Policy
- Transfer Pricing Policy
- Anti-Bribery and Anti-Corruption Policy
- Responsible Investment Policy
- Equality, Diversity and Inclusion Regulation
- Diversity Policy for the Board of Directors
- Remuneration Policy For the Board of Directors and Senior Executive Officers
- Data Protection Law
- Sabancı Group Code of Business Ethics
- Women’s Empowerment Principles
- Equity at Work Declaration
- Tax Policy



*For detailed information about each policy, please click on the headline of the relevant policy.*



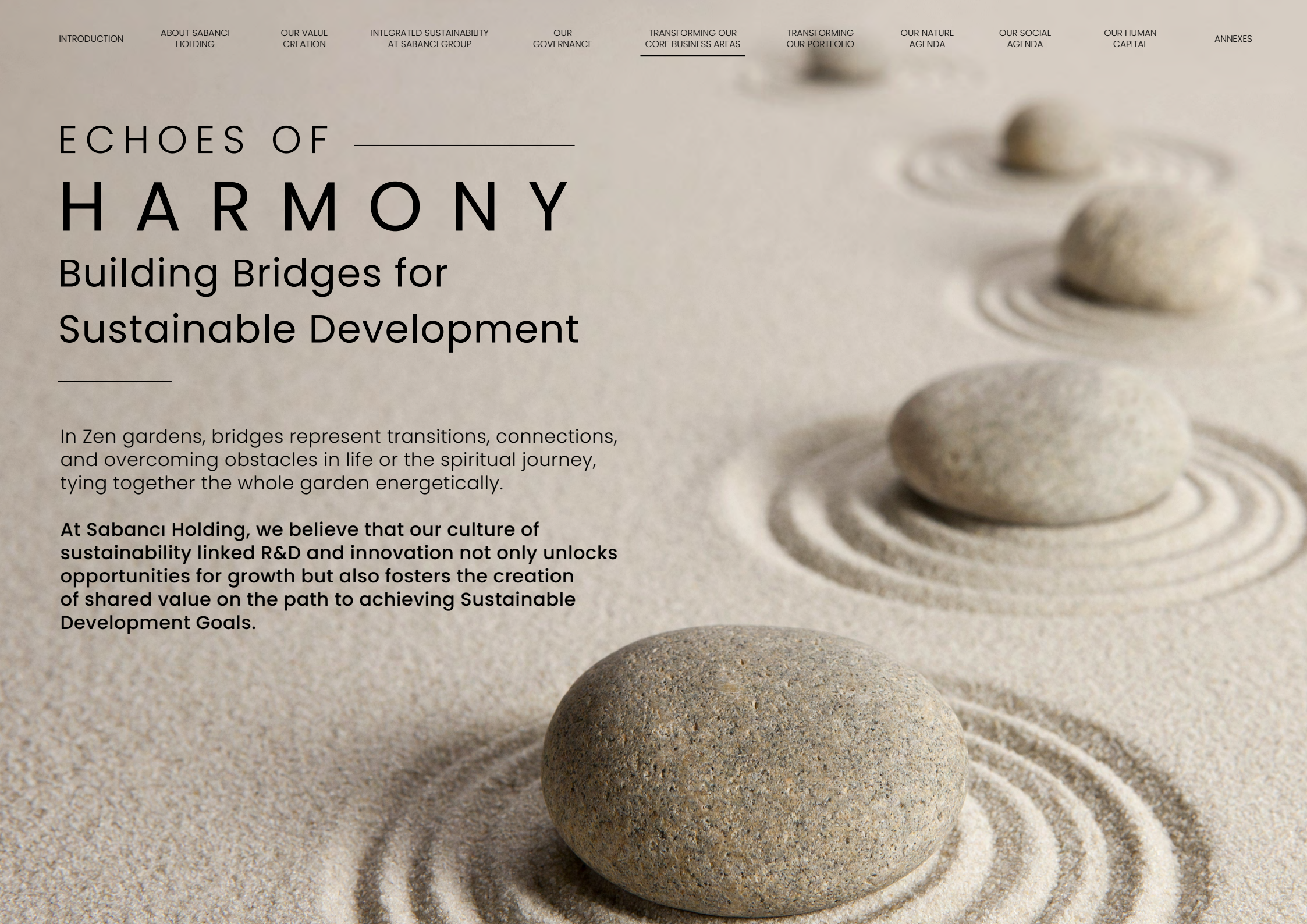
# ECHOES OF \_\_\_\_\_ HARMONY

## Building Bridges for Sustainable Development

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In Zen gardens, bridges represent transitions, connections, and overcoming obstacles in life or the spiritual journey, tying together the whole garden energetically.

**At Sabancı Holding, we believe that our culture of sustainability linked R&D and innovation not only unlocks opportunities for growth but also fosters the creation of shared value on the path to achieving Sustainable Development Goals.**



# Transforming Our Core Business Areas

We build ecosystems that create synergies among each other, enabling us to enhance our intellectual capital in the new economy.

We believe that growth in sustainable business models is deeply intertwined with business development and innovation. For this reason, Sabancı Holding forms business development and innovation teams with diversified backgrounds to transform those new economy themes into fresh business opportunities on the various growth platforms.

We build ecosystems that create synergies among each other, enabling us to enhance our intellectual capital in the new economy. For example, when an idea is put forward through X-Teams, which is a cross sectoral agile business

development platform aiming to identify potential business areas aligned with the Group’s strategies, it can be converted into products and services at Group companies’ R&D and innovation centers. Alternatively, the idea may be evaluated within the Sabancı ARF program that supports open innovation and provides mentoring, structural support, and pre-seed investment to help entrepreneurs take off.

Additionally, during M&A decision-making processes, the question of how the potential M&A decision can support the strategic directions and capital allocation criteria of the Holding, including sustainability, is considered.

While making decisions on innovation and business development, Group companies also act within this framework to ensure sustainable development. They create various in-house entrepreneurship and business development programs

such as Enerjisa NAR, Enerjisa İVME, Brisa Raket, SabancıDX Corporate Entrepreneurship Program, Akbank+, Akbank Lab, and Aksigorta PURA to capture opportunities and trace future technologies and innovations in the realm of sustainability. In such programs, we engage and partner with external ecosystem players where relevant, in order to formulate scalable business opportunities that serve to a sustainable economy.

## Improving the Resilience of Our Businesses to Future Trends

Sabancı Holding recognizes the significance of strong governance of global trends and risks as a cornerstone of its approach to strengthening business resilience in a complex global environment. In line with this outlook, Holding systematically analyzes potential global trends and risks, considering the perspectives of its stakeholders and

assessing the financial impacts of those risks and trends through both inside-out and outside-in methodologies. These analyses are integral to Sabancı Holding’s Enterprise Risk Management (ERM) strategy, ensuring that all trends and risks are effectively managed. Sabancı Group companies are also deploying their key sources to further improve their performance against any emerging risks. Through the expansion of sustainable products and services, strengthened with ongoing R&D and digitalization efforts, both Holding and Group companies are enhancing their resilience against current and most expected future sustainability-related trends.

For further details on the trends and risks identified through last year’s global analysis and Sabancı Group’s response, please refer to [Page 33 of this report](#).

# R&D and Innovation

In 2023, Sabancı Holding continued its strategic emphasis on research and development (R&D) and innovation, aligning efforts with our commitment to driving sustainable growth and embracing emerging technologies.

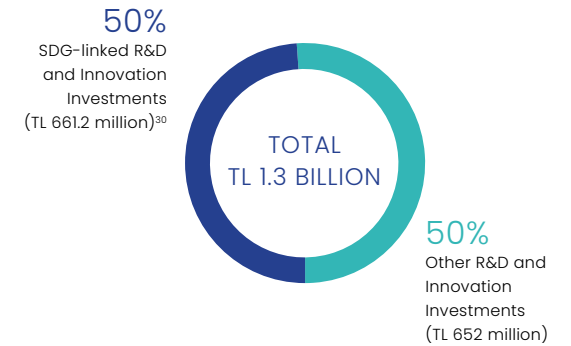
Recognizing the role of digital technologies in shaping the future economy, we intensified our efforts to move digitalization initiatives forward. Through strategic partnerships and targeted investments, we aimed to enhance digital capabilities and foster innovation in the rapidly evolving digital landscape.

Moreover, sustainability remained a cornerstone of our innovation agenda. We deepened our commitment to SDG-linked R&D and innovation activities, to address pressing environmental challenges while unlocking new opportunities for growth. By investing in sustainable growth platforms, we sought to create shared value for stakeholders and contribute to the achievement of

the UN Sustainable Development Goals (SDGs).

In parallel, we continued to make strategic investments in emerging technologies, recognizing their disruptive potential in reshaping industries and driving sustainable growth. Through partnerships with innovative startups and ventures, we aimed to leverage the ecosystem's growth potential and foster collaboration between startups and established enterprises. From digital factory platforms to industrial wearables and AI-powered virtual assistants, our investments spanned diverse sectors, positioning us at the forefront of technological innovation.

## R&D AND INNOVATION INVESTMENTS ✓



We aim that 70% of our R&D and innovation investments serve UN SDGs by 2025.<sup>30</sup>

<sup>30</sup> Includes Aksigorta, Agesa, Akçansa, Brisa, Carrefoursa, Çimsa, Kordsa, Teknosa, Temsa, Enerjisa Enerji, Enerjisa Üretim, SabancıDx

# R&D and Innovation

Furthermore, we spread a culture of innovation across our organization and portfolio companies, fostering creativity, experimentation, and cross-functional collaboration. Through initiatives such as hackathons, innovation challenges, and talent development programs, we empowered our teams to think boldly and drive meaningful change in the rapidly evolving business landscape.

At Sabancı Holding, the innovation and transformation process is seen as a funnel that includes **Discovery, Ideation, Incubation & Commercialization, and Scale-Up**, respectively. These elements are positioned to foster growth and innovation across the Group companies. **The innovation and transformation funnel is based on four key stages: X-Lab, X-Teams, the accelerator program Sabancı ARF, and Sabancı Ventures.**

**X-Lab** focuses on establishing an innovative perspective by using design thinking, lean start-up and other innovation-based methods within Sabancı Group companies.

**X-Teams** verifies the problem area, evaluates scalability, searches and analyzes suitable solution areas/new technologies in order to assess Sabancı Group's competencies within this framework and to develop a roadmap forward.

**Sabancı ARF (Almost Ready to Fly)** is the Group's early-stage acceleration program. This 20-week program includes seed funding at the outset and a potential follow-on investment on demo day, mentorship, networking and collaboration opportunities with Group companies. Sabancı ARF is designed for selected start-ups (open to both Group companies and external start-ups by application) to help them scale up quickly.

**Sabancı Ventures** is the corporate venture capital arm of the Group. As a corporate VC fund, Sabancı Ventures invests in commercialized post-revenue scale-ups and seeks out solid synergies and value creation opportunities for both its investment targets and Sabancı Group companies.



<sup>31</sup> European Institute of Innovation & Technology (EIT) ClimAccelerator Climate KIC is a global programme for start-ups to innovate, catalyse and scale the potential of their climate solutions.

# R&D and Innovation

## Sabancı Global Technology Center GmbH (SGTC)

In 2023, Sabancı Holding, has invested EUR 2.2 million to Sabancı Global Technology Center (SGTC) located at the Technical University of Munich (TUM).

SGTC sets an example of robust university-industry collaboration in Europe and underscores Sabancı Group's commitment to foster sustainable development.

The state-of-the-art facility will serve as a hub for innovation and research for Sabancı Group companies Çimsa and Kordsa.

SGTC is equipped with **eight specialized cutting-edge laboratories** fostering advanced research in fields such as

material technologies, and construction reinforcement. Products developed in Çimsa and Kordsa factories in Türkiye will be reintroduced to the European market at SGTC.

SGTC's model, serving Sabancı Group's purpose to 'unite Türkiye and the World' will also be one of the driving forces behind Türkiye's value-added export mobilization.

With a diverse team comprising **professionals from six different nations**, SGTC embodies international collaboration and expertise. Moreover, the **Çimsa and Kordsa teams are led by two women executives, surpassing the UNESCO Institute of Statistics' level of 30% women employed in R&D activities worldwide.**

Committed to sustainability driven innovation, **Sabancı Group increased the total number of R&D and technology centers to eight, six in Türkiye and two abroad with SGTC in Germany and Kordsa's Asia Pacific Technical Center in Indonesia both opened in 2023.**

Moreover, Sabancı Holding explores variety of models for university-industry collaborations such as MIT Energy Initiative Future Energy Systems Center in the USA, of which Enerjisa companies are members and Composite Technologies Excellence Center, established through the Sabancı University-Kordsa collaboration.

In summary, our R&D and innovation efforts in 2023 were characterized by a strategic focus on digital transformation, sustainability, and collaboration with the broader ecosystem. By remaining agile, adaptive, and forward-thinking, we

are confident in our ability to navigate the challenges ahead and unlock new opportunities for growth, differentiation, and value creation.

## [Highlights From Sabancı Group Companies](#)

### ÇİMSA

Çimsa continues to take significant steps towards shaping the future with its research and development (R&D) and innovation-focused strategy in the sustainable building materials field. In line with short and long-term sustainability goals, R&D efforts include developing new applications to minimize the use of clinker to consume fewer natural resources and reduce environmental impact, increasing the use of alternative fuels and raw materials, exploring hydrogen utilization, carbon capture and utilization, enhancing energy efficiency,

# R&D and Innovation

advancing digitalization, and utilizing artificial intelligence. Sustainability serves as the main lever for R&D activities, with all projects being produced within this framework.

In addition to SGTC in Munich, the Sabancı Technology Center, in synergy with Çimsa's R&D Center, Formülhane, in Mersin, serves as a crucial key for Çimsa to become a pioneer in sustainable and value-added products internationally, establishing a strong bond with its customers and designing innovative products tailored to customer needs.

Çimsa organized the Innovation & Inspiration Day event at the Sabancı Technology Center with nearly 100 business partners. Alongside Çimsa's top management, speakers from the Technical University of Munich (TUM), Friedrich-Alexander University (FAU),

Middle East Technical University (METU), and the Global Cement and Concrete Association (GCCA) participated in the event. Customers from various countries gathered to exchange views on developments in the cement and concrete sector, providing stakeholder insights and sharing information to identify sustainable and value-added product needs.

## AKÇANSA

Akçansa aims to reduce its environmental impact by integrating advanced technologies into its production systems through R&D and innovation activities, contributes to the industry with a 'grow together' approach and continues to be a key solution partner for mega projects in the country. Supporting the transition to a low-carbon economy in line with the principle

of 'working responsibly for the future', Akçansa established the CO<sub>2</sub> Roadmap in line with its 2030 Sustainability Targets and the Low Carbon / Low Clinker New Product Development Plan and manages all its R&D and innovation investments with a focus on sustainability.

Akçansa conducted a total of 2,461 experiments, including 1,612 concrete experiments, at the Betonsa Technology Centre laboratory, focusing on issues such as new product development, product optimization studies, and evaluation of customer and stakeholder requirements. Projects include, but are not limited to, research on the use of microalgae as alternative fuel and CO<sub>2</sub> capture in the cement production process, utilization of demolition wastes in concrete production and construction, development of cement and concrete products with high consistency and

performance, and superior durability and waterproof concrete products. Akçansa conducts research on the applications of carbon capture, utilization, and storage (CCUS) technologies in the field of building materials under the Sabancı X-Teams Project.

Akçansa aims to improve its innovation capability, increase its level of innovation management maturity, and embed innovation in its culture and business processes through activities to raise awareness of innovation, intrapreneurship, design thinking, and lean initiative concepts. The 'Inovasyol' (Road to Innovation) Intrapreneurship Programme serves this purpose by collecting, prioritizing, and implementing new ideas.

# R&D and Innovation

## KORDSA

Science and innovation are at the core of Kordsa's business model. Kordsa places R&D, innovation, technology, and digitalization as facilitators of its sustainability targets, and continuously invests and renders projects in these fields.

Kordsa facilitates decreased fuel consumption by reducing rolling resistance of tires, helps production of lighter vehicles through its composite technologies and contributes to its stakeholders' sustainability goals by using recycled materials in tire reinforcement technology and bio-based materials in composite technology. Kordsa provides construction reinforcement technologies for sustainable building projects, which stand out with their low carbon emission and durability features.

## RFID Tag

Kordsa and SES RFID Solutions GmbH cooperate to provide unique Radio Frequency Identification (RFID) tags for vehicle tire identification and tracking. The collaboration combines the patented SES technology with Kordsa's material expertise to develop a small, flexible RFID tag to embed in vehicle tires before vulcanization. Once embedded in tires, the RFID tag allows global traceability from production to end of life with data benefits for the tire manufacturers, automotive OEMs, distributors, and fleet management companies. Joint patent for newly developed RFID technology solution applications have been made.

## Cord Fabric Solutions for Electric Vehicle Tires

While the automotive industry is rapidly shifting towards electric vehicles (EV), this change necessitates new generation tires. This transformation in the industry

requires the design of tires with increased features such as higher durability, lower rolling resistance, less weight, better strength, high wear resistance, low noise and better sustainability. Kordsa develops cord fabric solutions to meet the increasing demand of electric vehicles. These solutions are aimed to meet the tire specifications required by electric vehicles.

## Development of Bio-Based Resins

Petroleum-based phenolic resins have been used in the thermosetting polymers industry for many years for their advanced mechanical properties, flame retardant characteristics, flexibility and high thermal stability properties. Kordsa has developed flame retardant bio-based resin systems alternative to phenolic resins that comply with both the requirements of the aviation industry (FAR 25.853) and railway (EN 45545) standards.

## Kratos Structural Reinforcement

Kordsa offered the Kratos Structural Reinforcement product line to the construction industry to provide a convenient and high-performance solution to structural reinforcement. Kordsa's dedicated efforts are centered around the development of an innovative retrofitting system that serves a dual purpose: augmenting the service life of existing structures and facilitating the design and construction of exceptionally resilient new buildings.

## Airbag Yarn

With its knowledge and experience in yarn production technologies, Kordsa has started and progressed its efforts to operate in the airbag sector. The technological studies required to fulfill production requirements are handled with an innovative approach by the R&D department.

# R&D and Innovation

## BRISA

Brisa focuses on innovative production techniques and raw materials that enable it to emerge as a stronger actor in the international arena of R&D.

Brisa, the mobility leader of the Turkish tire industry, has been investing in R&D since 1985. Located in the Izmit Plant, which was certified in 2017, Brisa is accelerating value-added product development activities at its R&D Centre.

In addition to innovative process and development technologies in the field of R&D, the Company also puts new products into market in a shorter time as required by the market and leverage many benefits such as cost advantages as a result of raw material sources being approved within a shorter time.

Furthermore, Brisa carries out R&D and technology development operations aimed at electric vehicles, which will shape the future of the automotive industry. Accordingly, manufacturing technologies are being renewed primarily to meet the expectations of vehicle manufacturers from electric vehicle tires. Studies are conducted to enhance performance, diminish noise levels, minimize energy losses associated with tires, decrease tire weight, and prolong tire lifespan.

With all investments and studies, Brisa developed 122 new products by spending TL 272.2 million in 2023 (2022: TL 231 million) and was recognized as the company with the highest amount of R&D investments in its sector in the Türkiye R&D 250 Survey.

## TEMSEA

With its sustainability-oriented mobility strategy, Temsa conducts R&D studies highlighting its innovative approach to tackling sustainability and climate-related problems. Temsa focuses on projects to expand its vision not only in the field of buses and transportation, but also in alternative routes. This comprehensive approach will be an important turning point for both the company and the environment.

Diversifying its revenue in the Mobility Solutions and Equipment for Climate Technology sector by adding battery packs and battery management systems to its portfolio, alongside producing electric buses, Temsa explores new market opportunities. Developed internally by the R&D center, these products have a wide range of usage

areas, from storage to marine, farming to refrigeration. The E-quad last-mile micro mobility vehicle has also commenced mass production, reflecting the Group's commitment to sustainable mobility.

### Temsa Battery Pack

It is an air-cooled battery pack that can operate between -20°C and -60°C, has a capacity of 35, 38, 70, 102 kWh, NMC cell type and works with CANBus 2.0b 29Bit communication protocol. New products using LFP, LFMP, Na-Ion cells are also being studied for the second-generation battery. The battery management system software and cards used in these batteries are R&D and produced by Temsa Tech. Thanks to the software, all diagnostic information about the batteries is received, this information is evaluated on big data servers and the necessary parameters for next generation battery development are



# R&D and Innovation

collected. Battery packs are also offered for sale to other OEMs (Original Equipment Manufacturers).

## Refrigerated Trailer Electrification (Refrigerated Truck)

Temsa paves the way for sustainable logistics transportation with its Refrigerated Trailer Electrification Project. In order to electrify the trailers used to transport cold chain products, Temsa launched this project in 2022 and produced the first electric refrigerated truck chassis in Türkiye. The project uses Temsa batteries to enable the electrification of trailers carrying cold chain products. Trailers cooled using diesel fuel are now cooled in a more efficient and environmentally friendly way by controlling and operating the compressor thanks to the Temsa battery pack, hybrid inverter and solar panels. The primary goal of the project is to

achieve a 100% reduction in the amount of fossil fuels used in cooling energy. By achieving this, Temsa emphasizes the goal of saving fuel and reducing carbon emissions. With the Refrigerated Trailer Electrification project, Temsa is not only transforming the logistics industry, but also contributing to an environmentally friendly future.

## My Energy is Sun

The objective of the project, that Temsa has implemented in cooperation with Enerjisa Enerji, is to create a new market and alternative use for used bus batteries without disposing of them as waste. For the purpose of the My Energy is the Sun Project, Temsa developed a DC electric vehicle charging station, which will be integrated with solar energy systems and function off the grid via battery support. This project, which was completed in 2022, stands out with the use of solar

energy as a renewable energy source and provides charging services for up to 4 vehicles with net zero emissions. Presenting this project to both local and global markets, Temsa expands its innovative product portfolio with its energy-providing vehicle charging unit. The project represents a concrete example of Sabancı Holding's future vision.

## Agricultural Battery

With the Agricultural Battery project, Temsa aims to be part of a transformation that will shape the agricultural technologies of the future. The liquid cooled LFP battery pack with a capacity of 74 kWh, which lays the foundation of this project, offers an energy solution in the agricultural sector. Designed to meet the power needs and vibration values of tractors, this special battery pack contributes to the

sustainability of agriculture by reducing diesel fuel consumption. The prototype agricultural battery prevents the use of 22 tons of diesel fuel over its lifetime, offering both an economic advantage to farmers and a positive impact on the environment. The conversion of diesel tractors to electric tractors saves 2,000 liters of diesel fuel per vehicle on an annual basis, while significantly reducing carbon emissions. This is an important step in terms of the environment and climate change.

## E-QUAD

E-quad, a 100% electric cargo vehicle designed to reduce carbon emissions and traffic congestion in cities, and which can also be driven by pedals; with a cargo capacity of 200 kilograms and 2000 liters, the LFP serves as an environmentally friendly vehicle with its replaceable battery.

# R&D and Innovation

## ENERJİSA ÜRETİM

With the steps taken in 2021 and 2022, Enerjisa Üretim turned all its wind and thermal power plants into hybrid power plants by adding solar power plants. It commissioned a 41 MW solar power plant at the end of 2022 and completed the 35 MW power plant investment in 2023.

Aligned with its goal of becoming Net Zero by 2045 by using its renewable energy resources, Enerjisa Üretim completed the infrastructure installations of charging stations with 22 kVA AC power in all its hydroelectric power plants.

Driven by its vision for maintenance, which includes integrating innovative technologies, adopting cost-saving strategies, implementing innovative approaches, and prioritizing innovation, Enerjisa Üretim conducted an inspection

of the emergency valve at Sarıgözü HEPP using an underwater robot. This initiative enhanced the reliability, effectiveness, and sustainability of Sarıgözü HEPP's operation.

Furthermore, converting Hacınoğlu HEPP into a Dark Plant, enabled Enerjisa Üretim centralized monitoring using radar and high-level camera systems, thereby bolstering the plant's security.

**The Dark Plant initiative** implemented in its hydroelectric power plants reflects Enerjisa Üretim's vision shaped by foresight and innovation and its commitment to sustainability delivering energy efficiency gains and ensuring business continuity.

Enerjisa Üretim's Bandırma Energy Base generates electricity with 5 different innovative energy generation methods, including groundbreaking technologies

such as battery storage and hydrogen generation. The base positions itself as an innovation and R&D center by closely following the latest technological developments in the sector and hosting various innovative projects.

### Türkiye's first Hydrogen Valley

A pioneering project that Enerjisa Üretim started in 2023, in partnership with the South Marmara Development Agency, Sabancı University and 16 local and foreign stakeholders, both local and international, with a budget of EUR 36.8 million and supported by an EU grant of EUR 8 million, continues with feasibility studies. The EUR 8 million grant from the European Union's Horizon Europe program is the largest grant issued for such a project in Türkiye to date. As part of 'South Marmara Hydrogen Coast' Valley initiative, Enerjisa Üretim pioneers the establishment of Türkiye's first green

hydrogen facility at its Bandırma Energy Base, with the goal of generating at least 500 tons of green hydrogen per year. In 2023, Enerjisa Üretim met 42% of the hydrogen consumption used for the cooling of Bandırma 2 generator, thanks to our hydrogen generation electrolyser.

## ENERJİSA ENERJİ

### Local Collaborations

In 2023, collaborations were established with Keiretsu Forum Türkiye and the Corporate Ventures Platform. The collaboration with Keiretsu Forum Türkiye entails the introduction and review of selected startups for investment opportunities on a monthly basis. Corporate Ventures Platform, on the other hand, aims to listen to successful corporate entrepreneurship projects from their founders, share best practices and development suggestions by bringing

# R&D and Innovation

together innovation managers and member institutions with companies that have been organizing corporate entrepreneurship for many years while also looking for ways to create a subcommunity within the platform for entrepreneurs in the incubation period.

## University Collaborations

Since 2017, Enerjisa Enerji has been collaborating with ITU Arı Teknokent's incubation centre, ITU Çekirdek, as a key stakeholder. To date, the startups supported by Enerjisa Enerji have received approximately USD 40M from local and global investors, and their total valuation is estimated to be over USD 250M. The company has conducted pilot studies with Kozalak and Delifer Energy and continues to monitor the development of startups like Eyes of Solar and Energyment. During the Big Bang event on December 14, 2023,

TL 300 thousand in grants were provided to selected startups. Buradayım, one of Enerjisa Enerji Corporate Entrepreneurship and Innovation initiatives, was also among the Big Bang finalists.

Enerjisa Enerji evaluates venture capital fund investments to have an impact as an investor in the entrepreneurial ecosystem: access knowledge in new technologies, new business models, products and venture investment processes. An investment has been made in Revo Capital Fund II. Having reached the size of EUR 90 million, the fund's investors include the International Finance Corporation, the European Bank for Reconstruction and Development, the European Investment Fund and the German Development Finance Institution. Through this investment, the Company aims to offer business development opportunities to ventures, thereby

strengthening the technology startup ecosystem in Türkiye. The fund's first exit transaction was completed in 2023 with a partial exit from Builder AI.

## SABANCIDX

SabancıDx runs various software development and innovation projects out of its R&D Center in Istanbul, Türkiye which is certified by the Ministry of Industry & Technology. Through next generation technology and software developed at its R&D Center, SabancıDx offers innovative solutions to carry the companies to the future with strong steps, end-to-end to the changing and digitalizing world.

## Hybrid Cloud Solution with Azure Stack HCI Investment

By signing a strategic, innovative partnership agreement with Microsoft to contribute to Türkiye's strength in cloud technologies, companies in Türkiye can now access hybrid cloud solutions tailored to both local and global needs. Through this collaboration, Turkish companies can experience the advantages provided by Microsoft's Azure cloud solutions via the infrastructure provided by SabancıDx, as a 'Hybrid Cloud.'

While investing in Türkiye's cloud technology infrastructure, SabancıDx Digital Campus will support its customers' digital transformation processes in Türkiye with artificial intelligence and cloud experts through the Artificial Intelligence Supported Hybrid Cloud Solution Center to be opened.

# R&D and Innovation

## Cloud-Native Environments with Container Technologies

Container technologies and cloud-native environments have become innovative fundamental to modern software development and deployment. These technologies enable rapid development, deployment, and scaling of applications while simplifying infrastructure management.

When combined with the Net Zero emission goal, these technologies become key to creating sustainable and environmentally friendly innovative IT solutions. Container technologies package and isolate applications and dependencies independently of runtime environments, ensuring consistent operation across different environments and eliminating the 'it works on my machine' problem between development and operations teams. The cloud-native

approach refers to the development and deployment of applications designed to run in cloud environments. This approach is based on principles such as microservices, continuous integration and delivery (CI/CD), DevOps, and immutable infrastructure. Combining these technologies with Net Zero aims to optimize energy efficiency and resource usage, reducing carbon footprint. Container-based applications reduce energy consumption by preventing unnecessary resource usage and allocating resources only when necessary. In particular, the use of renewable energy sources by cloud providers and infrastructure design focused on energy efficiency are critical to achieving Net Zero goals.

## AKBANK

### Akbank Innovation Centre

Akbank Innovation Centre (Akbank LAB) was launched to develop innovative projects for the needs of the Bank's business units and to achieve the goal of perfecting customer experience with financial solutions that will carry Akbank into the future.

While preparing the Bank for the technology of the future by evaluating collaboration options with players in the entrepreneurship ecosystem, Akbank embraces innovation as a part of its culture and takes steps to support the innovation ecosystem in Türkiye.

Akbank keeps employees informed of new developments by sharing bank-wide 'Innovation Bulletins' consisting of global developments, and shares evaluations

on developments in the field of financial technology and innovation, as well as Akbank LAB's current activities on Akbank LAB Medium account.

With nexTalk events, which Akbank holds live on Youtube, the Bank talks to experts in the sector about its focus areas.

With Akbank LAB, the Bank designs ideas developed in line with focus areas and goals into implementation of value-added financial services. After the evaluations, the Bank tests the feasibility of the successful ideas by passing them through the 'PoC' (proof of concept) stage and assesses the gains for the Bank and its customers.

In this context, 16 of the 40 projects have been disseminated and implemented in many areas such as machine learning, blockchain, artificial intelligence, big

# R&D and Innovation

data, facial recognition, and customer experience.

In this context, the Akbank LAB Innovation Centre People and Culture team, Waste Log, which digitalizes waste processes in the first period of the Akbank+ Program, and Voltla, which improves the experience of electric vehicle owners, received an investment of USD 500 thousand from Akbank. Following the successful completion of the first term, the second term of the program continued with the development of the business ideas of 15 in-house entrepreneurs of Akbank. In 2023, 5 business ideas from different focus areas were included in the program. With the interim presentation to be held in the coming days, 3 business ideas will continue to the next phase of the program, the Entrepreneur Journey Phase.

## **AKBANK+**

With Akbank+, the Bank enables in-house entrepreneurs to work on their ideas on a full-time basis. While the personal rights of the participants as Akbank employees continue, all participants can also pursue their activities as full-time entrepreneurs.

Within the scope of the program, 6 ideas worked on by Akbank employees are studied for the 'empathy', 'identification' and 'idea generation' steps of the design-thinking methodology during a 10-week incubation phase, and then 3 ideas determined by the presentations to be made to Akbank's Investment Committee move on to the second phase of the program in 14 weeks and turn into MVPs (Minimum Viable Products) in line with the 'prototype' and 'test' steps.

Akbank implements the program together with GOOINN, which provides consultancy services in the field of innovation and entrepreneurship. In addition, once the business models of the participants are clarified, the Bank creates an advisory board that will provide mentorship to ideas in the process of MVP development and their investment journey.

## **Akbank Hackathon – Disastertech**

This year's Akbank LAB Hackathon focused on developing solutions to protect and save lives before, during, and after natural disasters.

Akbank Hackathon: DisasterTech event, organized in collaboration with Akbank LAB and imece with 176 different teams to which nearly 500 people applied in total, kicked-off online on October 14, 2023.

Within the scope of the event, 33 teams that were selected worked on various projects.

In the Akbank Hackathon: DisasterTech event; developers, software developers, designers and students interested in this field aimed to develop innovative solutions for disaster management. The teams focused on developing safer and more resilient disaster management systems by using the technology. As a result of the evaluations made by the jury members, the first team of finalists won TL 100 thousand TL, the second team TL 60 thousand TL, and the third team won TL 40 thousand.

# Digitalization for Sustainable Business Models

The digital strategy of Sabancı Group aims to accelerate the digital transformation of its companies and Türkiye, while also enabling scalable business models and international expansion.

To support this vision, Sabancı Holding established the Digital Strategic Business Unit (SBU), which is dedicated to fostering existing digital capabilities and accelerating new investments in key areas.

In 2023, under the leadership of Mr. Max Roger Speur, the Digital SBU focused on enhancing cloud business infrastructure and services through SabancıDx and supporting digital marketing and

cybersecurity growth through its companies Opportune and Radiflow.

Looking forward, Sabancı Group's digital and tech retail business unit plans to intensify its sustainability initiatives, expand product offerings, and implement a blended digital and physical strategy.

The vision is to create an integrated digital value proposition for connected enterprises, leveraging cloud, big data, and transformation capabilities.

The Group's extensive know-how, strategic partnerships, and global resource access are significant in driving growth across the digital value chain.

Future initiatives will prioritize investments in emerging markets and next-generation technologies, ensuring a sustainable and innovative digital future for Sabancı Group.

Sabancı Holding is committed to integrating digitalization into its sustainability strategy, recognizing it as an important driver for achieving Group's future-focused sustainability targets.

By leveraging technology, Holding aims to embracing significant trends and opportunities that enhance our business models and sustainability practices.

To ensure accountability and progress, digitalization-related annual KPIs are integrated into the performance assessment of our related Executive Committee members. These top decision-makers, who also serve on the boards of various Sabancı Group

companies, play a leading role in accelerating Sabancı Holding's digital transformation efforts.

Sabancı Holding leverages the capabilities of its enabler companies, SabancıDx and Teknosa, for digital transformation strategies while also digitize data management systems ensuring the transparency and accuracy of sustainability related data in its internal processes.

Accordingly, in 2023, Sabancı Holding invested in Pulsora's, which is a digital platform for ESG data management, USD 20M Series A funding round through Sabancı Climate Ventures. This investment is an indicator of a commitment to leveraging advanced technology to improve data quality and accuracy. With Pulsora's expertise, Sabancı Holding aims to enhance the data collected by Group companies,

# Digitalization for Sustainable Business Models

covering environmental, social, occupational health and safety (OHS), economic, and governance metrics.

## Growing Ambition in AI Technologies

SabancıDx has solidified its position as a leading provider of multi and hybrid cloud solutions, aligning with the Digital SBU's strategic objectives in the digital market.

A strategic partnership with Microsoft has enhanced Sabancı's cloud value proposition, incorporating Azure capabilities within Türkiye. This cooperation focuses on offering hybrid cloud solutions to meet both local and global customer needs. Additionally, the collaboration with Microsoft extends to the Cloud Solution Center, which bolsters hybrid cloud and artificial intelligence competencies within Türkiye's digital ecosystem. This agreement also presents

significant expansion opportunities for SabancıDx in Southeast Europe, Central and Eastern Europe, and the Middle East and Africa, facilitating market access and generating foreign currency revenue. Beyond the Microsoft partnership, SabancıDx has initiated cloud infrastructure partnerships with major brands, utilizing the expertise of digital native talent to implement and manage cloud solutions effectively, thereby better serving its expanding customer base.

Furthermore, Sabancı Ventures acts as a 'sensor' for Group companies to identify new growth areas, actively evaluating investment opportunities with innovative business models and/or cutting-edge technologies. SV focuses on digital-related areas such as Internet of Things (IoT), artificial intelligence (AI) and big data, climate tech, insurtech, health tech, fintech, mobility, material technologies and cloud tech.

## Highlights from Sabancı Group Companies

### ENERJİSA ÜRETİM

Enerjisa Üretim leverages its digital capabilities to predict the future and build tomorrow today. Renewable energy is made feasible through decentralized energy generation, digital transformation, and efficient data management by fast, competent, and talented teams. The knowledge and experience gained during this digital structuring and transformation are marketed to external stakeholders through Senkron Energy Digital Services.

Enerjisa Üretim launched OnePact AI, an advanced analytical tool powered by Microsoft's Azure OpenAI Service, designed to optimize operational efficiency by combining data from 40,000 IoT points with operational information. This AI application improves

demand-supply balance, digital power management, and maintenance, while supporting ESG objectives by providing data-driven strategies to reduce emissions and promote sustainable energy practices.

Through the Enerjisa Production Center Operation Control, Monitoring, and Development Operation SENKRON, the company organizes remote operation, performance, and status monitoring processes for power plants in Türkiye and abroad.

The SENKRON Performance Monitoring and Development team offers internal and external performance and

# Digitalization for Sustainable Business Models

24/7 status monitoring services for approximately 4 GW capacity across five different technologies. These services include real-time monitoring, alarm situation investigation, and monthly evaluation reports.

**In 2023, Enerjisa Üretim fully integrated Dikili, Çeşme, and Akköy wind power plants into the SENKRON infrastructure, initiating remote operation and performance monitoring activities, and extending these efforts to 55 MW capacity hybrid solar power plants.**

To simplify the increasing number of power plants and processes, Enerjisa Üretim started the joint SCADA project,

aiming to operate power plants according to instantaneous target load demands without requiring operator intervention, with completion expected in 2024.

Enerjisa Üretim also developed digital twins using 126 machine learning models across 409 features for instant and status monitoring alarms and early fault detection. These models make predictions at 10-minute intervals and perform monthly analyses by comparing them with real values.

## SABANCIDX

As the leading technology company in Türkiye, SabancıDx provides customers with innovative solutions needed in a competitive environment. SabancıDx comprehensively meets all companies' needs in cloud technologies, preparing customers for the technology needs of

the future with managed technology services and products developed in the digital transformation field. While providing services from a single point in cloud solutions and managed services, SabancıDx empowers businesses with innovative technology solutions that encourage productivity and success.

**With the Artificial Intelligence Supported Hybrid Cloud Solution Center, SabancıDx brings together global competencies and local needs, offering flexible and reliable solutions for customers in Türkiye and worldwide.**

An example for SabancıDx's cloud transformation solutions is a **Hybrid**

**Cloud Infrastructure Migration Project** provided for a leading insurance/finance company that involves transitioning the company's existing technological infrastructure to a cloud-based infrastructure and architecture. This transition aims to create a faster, more secure, and flexible working environment. The project utilizes the high standards of an internationally certified data center, providing significant advantages in environmental sustainability, energy efficiency, internet access, and data security, while also working towards NetZero certification.

Key improvements include infrastructure renewal, transitioning virtualized systems to a modern private cloud environment, and reinstalling the OpenShift container platform in the new architecture. Additionally, the establishment of a new Emergency Response Center is a significant part of the project.



# Digitalization for Sustainable Business Models

Another example for SabancıDx's **Cloud Infrastructure System Solutions** is a cloud infrastructure system preparations project provided for a new insurance/finance company. Client's insurance application, which entirely relies on new cloud technologies, has been designed and implemented with a carbon advantage from scratch.

**Through Türkiye's largest 'Cloud Born' infrastructure platform project, all future needs of the client can be addressed flexibly and rapidly in a carbon-advantageous cloud environment, using only the necessary resources.**

SabancıDx also offers a range of digital products that enhance efficiency and support sustainability.

**Edoksis** facilitates electronic document management for over 4,000 corporate customers, significantly reducing paper waste through millions of electronic transactions.

**Pratis** digitizes procurement processes for over 150 companies, saving costs and reducing environmental impact by eliminating the need for physical documents and meetings.

**HrWe**, along with its applications **Hrweb**, **Perfx**, **Thanxie**, and **Boospace**, supports digital HR transformations, enabling efficient, paperless management of payroll, performance, recognition, and office reservations, thereby enhancing employee experience and operational efficiency.

## ÇİMSA

Çimsa identifies and implements digitalization projects focused on areas of development with the aim of embracing the evolving requirements of a digitized world, where the transition to productive (GEN AI) models of artificial intelligence (AI) systems is accelerating.

### Çimsa's Digital Roadmap

In support of digital transformation in 2023, Çimsa has undertaken projects such as strengthening technical infrastructure for establishing cybersecurity and digitizing data management, creating shipment planning infrastructure to enhance customer satisfaction, implementing Enterprise Resource Planning (ERP) infrastructure for overseas subsidiaries, digitally transmitting order forms via production automation system,

establishing Digital Archive on the production automation system for ready-mix concrete plants and aggregate quarries, and installing autonomous control systems on equipment within factories.

### Digital Twin Project: CemClone

With the CemClone project, Çimsa aims to create digital twins in cement industry facilities to enhance processes, performance, and efficiency. The project continuously collects data through sensors strategically placed within the facility, creating a detailed digital model that reflects the physical reality of the facility, allowing for precise simulation. This enables facilities to analyze potential impacts on predetermined scenarios, facilitating process optimization and assisting in efficiency-focused emission reduction within the decarbonization roadmap.

# Digitalization for Sustainable Business Models

## Artificial Intelligence Applications

In this context, in 2023, Çimsa implemented projects in cement factories aimed at establishing an artificial intelligence-supported real-time predictive maintenance system on critical equipment, ensuring:

- Enhanced equipment performance and extended usage life,
- Optimization of water consumption through algorithms for more effective utilization of water resources,
- Integration of artificial intelligence image processing systems into cameras in facilities, and
- Procurement of drones capable of capturing footage in outdoor and indoor areas where operational and maintenance planning processes pose risks, thus supporting occupational health and safety

Furthermore, in 2023, Çimsa accelerated the adaptation of current technology processes and aimed to enhance operational efficiency using artificial intelligence. To achieve this goal, Çimsa joined the supporters of the Türkiye Artificial Intelligence Initiative, contributing to the development of the artificial intelligence ecosystem in Türkiye.

## BRISA

Brisa is also taking strong steps in the field of digitalization. Within this framework, software have been developed that automate technical design processes with artificial intelligence. Thus, development processes have been perfected and accelerated. Besides developing innovative services for its customers to meet future mobility needs, the Company also develops image processing and end-to-end data analysis systems to

ensure the highest performance in production processes.

As part of the digitalization process that provides efficiency and an effective management approach, Brisa offers trainings to its business partners on digitalization and changing customer expectations within the scope of the 'My Business Partner is Digitalizing' project. With this project, the presence of business partners on digital platforms is strengthened, and it is aimed to create customer traffic to the stores of business partners by using digital marketing tools.

## Smart Digital Applications in Brisa Facilities

Brisa connects employees in the İzmit and Aksaray facilities through augmented virtual reality applications, enabling instant communication and remote support using smart glasses. In the Aksaray facility, the tire

production process is digitized with robotic applications and data analytics, enhancing product quality and process efficiency. Smart machines and tools generate 800 million data flows daily, allowing for the analysis of ideal conditions and production angles for tires.

The fully automatic tire transfer system ensures zero-defect production without the tires touching the ground, resulting in a 30% energy savings. Additionally, a digital twin of the facility enables remote monitoring and intervention within a maximum of two minutes to address any issues.

## KORDSA

Kordsa strengthens its efforts on sustainability with its digitalization strategy. Continuous improvements are achieved by meticulously monitoring emissions in the field and analyzing

# Digitalization for Sustainable Business Models

the data. Thanks to IoT sensors and automation technologies, energy efficiency in offices is maximized.

In its advanced data analytics studies integrated into the digitalization strategy, Kordsa aims to achieve results that enhance energy and resource efficiency through data-oriented solutions. **In 2023, SabancıDx and IndoKordsa launched the 'Indonesia Twisting Energy Optimization Partnership' to reduce electricity consumption in the twisting process using AI.** This project successfully reduced electricity consumption by 208 kWh per production ton.

As part of Kordsa's 'Digitally Integrated Kordsa' strategy, which the company calls Kordsa 5.0, the company has **completed the 'Project Janus,' its enterprise resource planning (ERP) system, across 4 countries on 3 continents.** Project Janus

will enable Kordsa to build a data-driven business culture within the company. This will allow new products to be transferred to production lines much faster, and the relevant facilities will be able to switch to production with digital infrastructure.

Kordsa is implementing this project simultaneously in its facilities in Türkiye, Indonesia, Thailand, and Brazil, aiming to create a data-driven business culture.

*Project Janus has been honored with the prestigious SAP Transformation Award. Project Janus won the 'SAP Digital Transformation Award of the Year in the Chemical Industry' at the 'SAP Transformation Awards' of the year, which is given to the most innovative and successful technology transformation projects in its field.*

## ENERJISA ENERJİ

While supplying energy to its customers, Enerjisa Enerji adds value to the world, humanity and its own operations by using the power of technology. Enerjisa Enerji applied its sustainability framework to its digital transformation model and tracked how its projects impact society, environment and business.

### IoT Project

Enerjisa Enerji's IoT project aims to enhance various teams, including network operations, investment, and energy management, by collecting data effectively. System integration projects have resulted in significant time savings and operational efficiency.

Key initiatives include:

- **Supply Continuity:** Improvements in the Outage Management System ensure

supply continuity and minimize power outages in the field.

- **Maintenance:** Digitalization projects focus on making maintenance and repair operations more efficient, minimizing occupational health and safety risks, and monitoring and reporting field operations to ensure network supply continuity.

- **Safety First:** Occupational health and safety (OHS) is a top priority. Digitalization projects aimed at OHS minimize risks that could cause work accidents and implement digital technologies to ensure the highest safety measures during field operations.

- **Customized Solutions:** Timely data processing, monitoring, and integration into decision support processes are crucial. The 'E-Central' project, part of Enerjisa's 'Energy of My Business' model, aims at real-time monitoring and reporting of assets and operations. E-Central facilitates the management

# Digitalization for Sustainable Business Models

of energy efficiency systems through a centralized monitoring application, offering operations, maintenance, and asset management on a single platform with modern mobility and AI-supported algorithms.

## TEKNOSA

Teknosa aims to be alongside its customers in all their needs with a unique customer experience and digitalization in its strategic roadmap. It enhances customer satisfaction through seamless experiences offered across multiple channels, fast and high-quality services, customer service programs, and service-oriented training provided to employees. The Company continuously improves its operations with a strategy that also focuses on sustainability to create differentiation with the experience and values it offers across all channels. In this

context, both online and store designs have been renewed.

## Next Generation Digital Applications

Artificial intelligence and digitalization have become crucial, especially in retail with dynamic and intense data structures. Teknosa continues to actively work on high-priority digital projects to maintain its competitive advantage and leadership in the field:

- An AI-Based Data-Driven Negotiation digital tool, particularly enhancing purchasing capabilities, will be launched in 2024.
- Pilot applications for the Digital-Assisted Sales Force tool, which will elevate the field team to global best practices, are planned to be implemented in 2024.

## CARREFOURSA

Carrefoursa began its e-commerce operations in 2005 and has significantly expanded since 2018. Currently, it operates with 141 vehicles from 58 stores across 18 provinces in Türkiye. Several digitalization projects are underway to enhance customer experience and streamline processes, including route optimization, aisle-based picking, integration of various payment systems, and user-friendly interface designs. The C-Mobil application, available to all employees, aids in identifying and segmenting customers through CRM and retail digital applications. Additionally, robotic process automation is utilized to boost operational efficiency and reduce errors.

- **Route Optimization:** Delivery addresses are automatically sorted for drivers,

ensuring faster deliveries and reducing carbon emissions.

- **In-Store Routing:** This project enables pickers to collect customer orders according to the store map and product layout, speeding up the order-picking process.
- **Aisle-Based Picking:** Orders are sorted into aisles for simultaneous picking, improving efficiency and accelerating the picking process.

## AKBANK

With a strong digital technology infrastructure and strategic collaborations in innovation, Akbank aims to create added value and a positive impact on stakeholders. By accurately analyzing changing trends and customer expectations, the bank strives to offer an easy, simple, and practical banking experience with personalized

# Digitalization for Sustainable Business Models

solutions. Achieving an 85% digital penetration rate and implementing a cultural transformation program that supports digital transformation, Akbank has successfully continued to provide uninterrupted quality services to its customers throughout the year.

## ReFi Türkiye Program and Efforts in Regenerative Finance

The 2<sup>nd</sup> edition of the ReFi Türkiye program, focusing on Regenerative Finance, was successfully completed through the Social Innovation Platform, imece. Utilizing Web3 technologies, the program seeks finance-based solutions to global issues such as climate change, environmental pollution, and carbon emissions. This year, efforts continued to increase literacy in Regenerative Finance by providing various content to the ReFi Türkiye program.

Key initiatives included the publication of the ReFi Türkiye video series, the ReFi Türkiye Report, and an ecosystem map. The 'ReFi Türkiye Interview Series' on Akbank's YouTube channel covered three main topics: social and environmental meta-crises and the age of regeneration, the history and uses of blockchain technology, and the foundational questions of 'What is ReFi?', 'Why ReFi?', and 'Why Türkiye?'. The ReFi Ecosystem Maps, created on the Graphcommons platform, visually brought together institutions, projects, and individuals within the ReFi environment both in Türkiye and abroad.

Additionally, in collaboration with Sabancı University's Centre of Excellence in Finance, the 'Web3 Economy Training' introduced the Web3 economy to 50 young professionals from various sectors, ranging from law to digital fashion. For

more details on the program and its outputs, visit [refiturkiye.com](http://refiturkiye.com) and [rapor.refiturkiye.com](http://rapor.refiturkiye.com), and access the video series on Akbank's YouTube channel.

## AKSIGORTA

With the increase in vulnerable populations and the rise in extreme weather events, the importance of innovative collaborations in the insurance industry and transparent, swift claims processes that do not disadvantage the customer has grown significantly.

## ClaimsChat

The ClaimsChat application developed by Aksigorta facilitates prompt customer response in the event of damage. This application leverages artificial intelligence to create a WhatsApp group comprising an expert, file manager, service representative, and customer

representative. A transparent and fast communication environment is facilitated through the creation of a WhatsApp group immediately upon receiving the customer's damage notification. Upon completion of the process, artificial intelligence conducts an emotional analysis of the entire conversation, after which the relevant information is transferred to the CRM. In addition, Aksigorta, which has digitalized the offer stage through its chatbot application, ensures the provision of all operational services in a timely and reliable manner. Aksigorta remains in touch with its customers throughout the claims process, ensuring that all necessary documents are collected, and their demands are met through ongoing correspondence.

## Aksigorta Digital Assistant ADA

ADA is a digital assistant developed by

# Digitalization for Sustainable Business Models

Aksigorta. It provides users access to a comprehensive range of information related to insurance products, policy transactions, claims processes, and customer services. ADA is the first artificial intelligence application within our country's insurance industry. The Center provides individuals with the opportunity to address a wide range of matters, including inquiries pertaining to claims files and notifications concerning depreciation notices. Furthermore, individuals have the option to seek assistance from the ADA for support in addressing these matters.

The contents of the ADA Chatbot are:

- Creation of a Supervisor Chatbot tailored for the call center.
- Introduction of a feature to include the status of files undergoing claims investigation in WhatsApp Push notifications.
- Deployment of CRM integrations aimed

at promoting customer adoption of the Aksigorta Mobile application.

- Implementation of enhancements to the menu of the Voice Response Systems for the ECS project.
- Utilization of the CRM Dashboard to digitally display customers' journeys in the live and self-service channels,
- Deployment of necessary integrations and displaying them on the website to facilitate the receipt of depreciation notices by ADA.

The ADA, which began delivering voice support in the call center in 2022, provides customers with information regarding claims files and their current status. With the inauguration of the voice support service, Aksigorta customers can contact ADA's call center 24 hours a day, seven days a week at 444 27 27 to learn the latest status of their claims files, including file status changes, payment dates, and payment amounts.

## Detection of damage through AI-driven image

AI-driven image recognition technology operates on the damage photos sent when the claims report is filed, identifies the affected vehicle, determines the specific areas where damage has occurred, and assesses the type and extent of the damage. Based on the findings, a determination has been made regarding the repair or replacement of the part. The system utilizes various variables, including labor and parts catalog prices, to determine the potential compensation amount. Additionally, it determines the need to assign an expert to handle the case. The system effectively decreases file completion time and offers financial benefits by minimizing the need for unnecessary expert appointments.

## AGESA

Within the framework of its support for technology-based business ideas in the insurance sector, Agesa took its place in the Big Bang Challenge, where the best of the initiatives supported by İTÜ ARI Teknokent's Incubation Center İTÜ Çekirdek every year are determined. The contribution of initiatives to sustainability is among the company's priority parameters in its selection process for grant support. This year, Agesa provided TL 150 thousand support within the scope of grant support, mentorship and collaborations in the field of sustainability. Agesa employees who participate in İTÜ Çekirdek's mentoring program continue to provide start-up mentoring within the framework of the program.

# Environmental Investments and Expenditures

As Sabancı Group, we classify environmental expenditures into two categories: those required for regulatory compliance purposes (mandated by law) and those not mandated by law. In 2023, the environmental expenditures of Group companies exceeded TL 354 million. Of these environmental expenditures, 67% consists of those not mandated by law (i.e., those that extend beyond regulatory compliance).

Environmental investments in our growth areas approached TL 8.9 billion in 2023 alone. We follow these investments across three categories regarding their contribution to sustainable development.

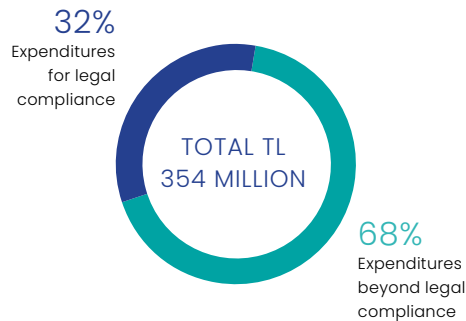
Accordingly, the largest environmental investment in 2023 was realized in the mitigation investments category with 64%.

**1.Mitigation Investments:** Mitigation investments include activities that greatly mitigate resource use or GHG emissions and directly contribute to sustainable development.

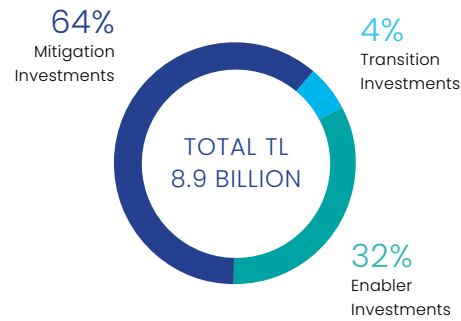
**2.Transition Investments:** This refers to investments in products and services that are resource-intensive and/or carbon-intensive in nature but can be considered a transition to more sustainable technologies, such as cement products produced using alternative raw materials and/or fuels.

**3.Enabler Investments:** Environmental investments made for enabling purposes refer to investments in products that are not considered direct resource use or carbon emission reduction activities but provide inputs to related industries or enable deployment.

## BREAKDOWN OF ENVIRONMENTAL EXPENDITURES<sup>32</sup> (2023) ✓



## ENVIRONMENTAL INVESTMENTS IN OUR GROWTH AREAS<sup>33</sup> (2023) ✓



<sup>32</sup> Usually refers to operational expenses (OpEx) or capital expenditures (CapEx), such as the purchase of energy efficiency equipment or modernization. It is aimed at making existing activities more sustainable. Routine maintenance-repair, environmental measurement, etc. expenses are not included. It expresses expenditures that results reduction in raw materials, waste or GHG emissions.

<sup>33</sup> Usually refers to capital expenditures (CapEx). Growth investments in Sabancı Holding's core business areas are included in this category. This includes the relevant M&A activities.

# SDG-Linked Products and Services

Sabancı Holding's commitment to transform its portfolio towards sustainable business models is deeply rooted in its strategic framework emphasizing the need for decarbonization across various industries.

This commitment includes investments in SDG-linked products and services which are significant steps upon accelerating the transformation towards decarbonized businesses in a diversified portfolio, aligned with our focus on responsible investment and sustainable business models.

We monitor products and services that reduce resource usage and GHG emissions, facilitate the transition to more sustainable technologies, support the deployment of these technologies, and create a positive social impact.

We initiate a mindset shift across all Sabancı Group companies while also regulating and monitoring SDG-linked products and services according to our internal classification system based on global standards and best practices to guide our investment decisions on SDG-linked economic activities. We continuously improve and foster our transformation towards a sustainable portfolio, as a driver of positive change.

We intend to echo this mindset of investing for a better and sustainable future across all Sabancı Group companies. We monitor SDG-linked products and services under four categories: mitigation, transition, enabler and creating a positive social impact.

## SDG-LINKED PRODUCTS AND SERVICES

**1. Mitigation:** Covers products and services that provide benefits for the direct mitigation of environmental resource use and GHG emissions.

**2. Transition:** Refers to products and services that are resource-intensive and/or carbon-intensive in nature but are related to the transition to more sustainable technologies.

**3. Enabler:** Covers products and services that create a positive environmental impact on customer operations or serve as inputs for sustainable industries.

**4. Creating a positive social impact**

## SELECTED EXAMPLES FROM INDUSTRIES

**Energy:** Green tariffs, renewable energy sales  
**Financial services and banking:** Sustainable funds investing in environmentally friendly industries  
**Mobility solutions:** Electric vehicles

**Material technologies:** Cement products with increased service life

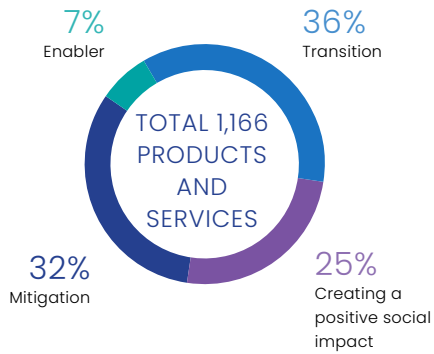
**Energy:** E-mobility charging stations  
**Other:** E-mobility charging stations in a parking lot, in-store repair for electronics in cases where it is difficult to access maintenance and repair services  
**Material technologies and mobility solutions:** Batteries, light materials that reduce the carbon footprint for the end user

**Energy:** Customer solutions that provide energy security in businesses such as hospitals or in regions lacking access to energy and experiencing frequent interruptions



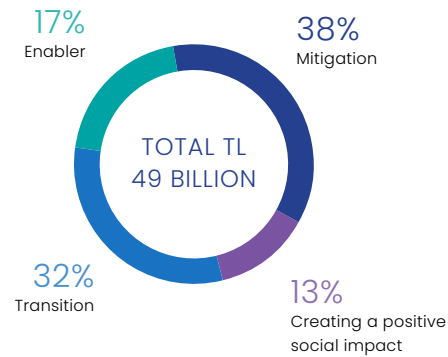
# SDG-Linked Products and Services

## NUMBER OF SDG-LINKED PRODUCTS AND SERVICES ✓



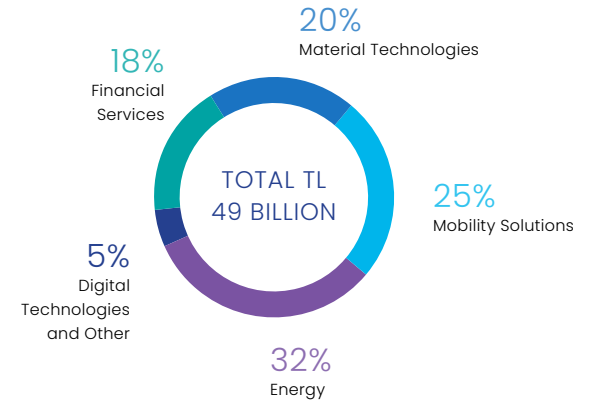
The total number of SDG-linked products and services in our Group reached 1,166 in 2023.

## DISTRIBUTION OF REVENUES ✓



The revenues from SDG-linked products and services amounted to TL 49 billion.

## SDG-LINKED PRODUCT AND SERVICE REVENUES SECTORAL DISTRIBUTION<sup>34</sup> ✓



The largest revenue stream in total was generated through the mitigation category. In terms of sectoral distribution, our energy companies have the highest share of SDG-linked product and service revenues.

<sup>34</sup> Akbank is not included. Akbank's performance regarding its sustainable business model is monitored under the Sustainable Finance heading.

# SDG-Linked Products and Services

## Highlights from Sabancı Group Companies

### ÇİMSA

#### Izo Power 42.5

One of the renewed sustainable members of Çimsa Super Grey Cement Family, Izo Power 42.5, reduces carbon emissions by 15% compared to classic Portland cement; while Master Power, produced in compliance with the 'significant contribution level' of the European Union Taxonomy, achieves reductions of up to 50%.

#### CEM-II Product Portfolio

Declaring 2023 as the Year of Grey Cement Product Transformation, Çimsa identified blended cement types parallel to the technical specifications required by its customers and introduced to the

market the CEM-II product portfolio with ideal recipes prepared through the R&D center's efforts. Through customer-based planning within the scope of products available in different strength classes of CEM-I Portland cement, 37% of the total gray cement product portfolio was transferred to the CEM-II product group.

#### Iconicrete Ready-Mix Concrete Product Family

Çimsa focuses on the different needs of its customers with its value-added product series that offer innovative solutions in the ready-mixed concrete business line. In this context, in 2023, Çimsa introduced IconiCrete, a premium ready-mixed concrete series developed for a wide range of needs in creating sustainable living spaces in the building materials industry. Shaped by the principles of quality, consistency and

reliability, these products have been developed for a variety of applications, from airport runway concrete to architectural design wonders, and are renewed every day to meet the changing demands of the sector.

#### Çimsa's Ready-To-Fly Concrete: Flycrete

In the event of natural disasters or situations threatening national security, the rapid and effective implementation of renewal and repair processes is a critical factor in quickly restoring living spaces and infrastructure to normalcy. Considering the potential use of calcium aluminate cement in ready-mix concrete and the construction industry, Çimsa goes beyond tradition with FlyCrete, its next-generation product that gains high strength within a few hours, allowing for quick repair and renovation solutions.

With FlyCrete, Çimsa facilitated the renewal of damaged areas exposed to continuous heavy loads at Türkiye's 2<sup>nd</sup> largest airport, without affecting flights, in just 3 hours. Commercialized in 2023 as a first in Türkiye and third globally, FlyCrete simplifies critical processes and creates value in society. The use of FlyCrete in critical infrastructure showcases its potential to maintain and improve essential services and facilities in urgent cases. By facilitating rapid repairs and renovations, FlyCrete helps maintain the functionality and safety of damaged areas in infrastructure, contributing to the goal of making cities safe, resilient, and sustainable.

[Çimsa received patent application approval for FlyCrete, the innovation champion product of the 14<sup>th</sup> Golden Collar Awards, in 2023.](#)

# SDG-Linked Products and Services

## AKÇANSA

By innovative technologies, Akçansa designs environmentally friendly and innovative products with high added value and efficiency.<sup>35</sup>

### Green For Cement

'The Green for Cement' group includes 'Actioncem', with low carbon, 'Solidcem' resistant to environmental impacts and 'Duocem' with high strength and durability as sustainable cement product categories.

### Green For Concrete

'Green For Concrete' group includes the ready-mixed concrete specialty products 'Performix', 'Solidmix', 'Hidromix', 'A+Concrete', '100+Concrete' and 'Yolbeton', which are developed in line with the needs of customers and create added value with their sustainable and long-lasting features.

## Ecocrete

The new generation ready-mixed concrete product 'Ecocrete' targets the lowest possible carbon footprint by using sustainable technologies. In 2023, 16% of Akçansa's ready-mixed concrete products were produced with the Ecocrete brand.

Akçansa initiated a life cycle analysis project for ready-mixed concrete products and prepared the first and only Environmental Product Declarations in the sector in 2020.

[Updating EPD certificate for all its ready-mixed concrete products in 2023 voluntarily, Akçansa provides the environmental impact of the concrete its customers use and facilitates their green building certification processes such as LEED, BREAM, Green Star.](#)

## BRİSA

[Brisa provides the market tires with lower rolling resistance, less emissions and noise, lower weight, energy-saving, long-life tires that use recycled materials.](#)

Brisa has a rich product portfolio consisting of Lassa Ecopia and Greenways series and environmentally friendly tires with Bridgestone Driveguard and RFT (Run Flat Tire) technologies.

Brisa is preparing extensively for the electrification transformation, developing state-of-the-art tires for rapidly expanding electric vehicles and cooperating with global vehicle manufacturers.

Brisa positions itself not only as a tire manufacturer, but also as a mobility company that offers services beyond the tire. To this end, Brisa acquired Arvento Mobil Systems, the leader in vehicle tracking systems, in 2022.

Brisa aims to offer different mobility solutions and products to its sector by combining Arvento data with its service network and tire products.

## KORDSA

Guided by its robust R&D and innovation strategy rooted in collaborative partnerships, Kordsa focuses on sustainable materials and application of circular economy practices.

### Recycled Polyester Raw Materials for Technical Textile Applications

Within this R&D project Kordsa developed tire reinforcement products with 100% recycled polyester raw material content. Kordsa reduces product carbon footprint by manufacturing recycled polyester (rPET) tire cord fabric for sustainable tires. The İzmit Facility of Kordsa was entitled to receive the ISCC (International Sustainability Carbon Certification)

<sup>35</sup> <https://www.akcansa.com.tr/en/sustainable-product-movement-from-akcansa-green-for-cement-and-green-for-concrete/>

# SDG-Linked Products and Services

Plus Certificate, which is among the most reputable and comprehensive certification programs in the field of sustainability, with its production process in the field of circular polyester.

## Recycled Nylon Usage for Technical Textile Applications

Kordsa transforms its production/ technological nylon scraps through recycle machine into recycled raw materials and reuses them in the production as recycled nylon raw material input. Within this R&D project Kordsa succeeded in producing nylon tire reinforcement products with 40% recycled nylon raw material content.

## Bio-based Resin Systems as an Alternative to Phenolic Resins

Kordsa and its subsidiary Axiom Materials in USA, optimized honeycomb applications by using a bio-based green alternative resin that produced from

sugar cane waste instead of petroleum-based resins. This bio-based resin has a 77% lower product carbon footprint.

Kordsa became the first company in the world to develop this solution and Kordsa applied for a patent.

## Sustainable Engineering Plastics Formulations

High value-added recycled polyamide compounds developed within Kordsa were offered directly to the market for the first time in 2023. The polymer used in the products within the scope of the compounding business unit is obtained from mechanically recycled polyamide material.

## TEMSA

TEMSA contributes to 'smart mobility' solutions and 'decarbonization' that will shape the sustainable future of the automotive industry.

**TEMSA is the only manufacturer in Europe that can offer its customers an electric model in every segment.**

LDSB E, TS45E and MD9 ELECTRICITY CLASS II vehicles with 350-400 km range are designed for short intercity distances.

**Avenue EV**, which is offered to customers in a wide geography, especially in the European market, can be fully charged in just 15 minutes and can travel up to approximately 80 km, thanks to its short-term charging feature.

**Avenue Electron** is an urban electric bus with the capacity to increase range thanks to its single-pedal driving system, customizable digital instrument panel, energy-saving air conditioning system and gear selector programs.

## FUELCELL 12M

FuelCell 12m project, that Temsa carried

out in collaboration with Skoda, focused on developing a new 12-meter hydrogen-powered vehicle design. Hydrogen vehicles operate with zero emissions and additionally enjoy the advantages of fast refueling and long range. Refueling takes only 3 to 5 minutes, while a full tank of fuel can cover an average of 500 - 600 kilometers.

## TROLLEYBUS 12M

Trolleybus 12m project, completed in collaboration with Skoda, is an innovative approach in Trolleybus vehicles segment to making urban transportation more environmentally friendly. Thanks to their batteries with a range of up to 50 kilometers, assurance is provided against problems that may occur on the city line.

## HD12 FUEL CELL

HD12 Fuel Cell project started in 2023 and is targeted to be completed in 2026. Temsa is using Toyota's fuel cell

# SDG-Linked Products and Services

technology and batteries to develop long-distance buses with an all-electric powertrain, manufactured according to General Safety Regulation (GSR) rules.

The main goal of the project is to become a pioneer in H2 Coach vehicles in the field of zero emission transportation. The project in cooperation with CaetanoBus brings long-distance advantages and the latest technological contribution to the bus industry paving the way for a green alternative for the buses of the future.

## ENERJİSA ENERJİ

Enerjisa Enerji contributes to the energy ecosystem by offering sustainable products and services through a responsible value chain approach and innovation.

*Enerjisa Enerji offers end-to-end solutions to enhance energy efficiency and reduce the carbon emissions of corporate*

*customers under the roof of 'The Energy of My Business (İşimin Enerjisi)' through 19 sustainable products and services.*

Please refer to [the link](#) to learn more about Enerjisa Enerji's sustainable products and services under the frame of The Energy of My Business.

## ENERJİSA ÜRETİM

*With 8 wind, 2 solar and 12 hydroelectric power plants, 46% of Enerjisa Üretim's installed power consists of renewable power plants. This ratio will increase to 60% when YEKA-2 and capacity increase projects under construction are completed.*

Furthermore, Enerjisa Üretim's Bandırma Energy Base generates electricity with 5 different innovative energy generation methods, including ground-breaking technologies such as battery storage

and green hydrogen generation. Enerjisa Üretim positions the base as a platform that shapes the transformation of the energy sector.

## CARREFOURSA

*Committed to sustainability, CarrefourSA offers 110 products and services designed to generate positive social impact and promote waste prevention and reduction.*

Among the facilitating products is the service of e-charging station points located at 17 locations for electric vehicles.

CarrefourSA also has 61 different products that aim to achieve waste prevention and reduction supported by various projects. Besides, there are 26 products that have been designed by CarrefourSA to ensure positive social impact upon the society.

The **'Bring Your Own Container'** project, launched to reduce packaging waste and prevent single-use plastic, allows customers to buy only what they need in the meat, fish, bakery, legume, nuts, and delicatessen departments using their own containers. By doing that, the company provides an eco-friendly service enabling customers to further reduce plastics and waste. Initially piloted at CarrefourSA Selamiçeşme gourmet store, this initiative is now available in all fresh food departments across 41 stores, including İstinye Hyper, Fulya Hyper, Metropol Hyper, and 36 gourmet stores. To raise awareness, customers receive a 10% discount on products purchased with their containers.

## TEKNOSA

*In 2023, Teknosa's repair and maintenance services have significantly contributed to product sustainability.*

# SDG-Linked Products and Services

Teknosa successfully improved the performance of over 245 thousand products, with an impressive 93% returned to the same consumer. Through initiatives like the **Buyback** and **Refurbished Phone Service**, Teknosa responsibly managed 58 thousand old phones, refurbishing and reselling a substantial portion online. Teknosa will expand refurbished phone sales to stores in 2024 further amplifying its sustainability efforts and reaffirming its commitment to reducing electronic waste.

Teknosa also offers a range of 148 energy-efficient household appliances and 17 air conditioners across all its sales channels. Customers are educated about the benefits of these products, and the

Company offers discounts of up to 250 TL on A-rated energy-efficient household appliances, along with up to 25% off on Screen Protection and TeknoGaranti Services, contributing to the longevity of products.

## AKSIGORTA

### Citroën Ami (E-Vehicle Insurance)

Working through the regulatory issues by collaborating with Citroën, Aksigorta started providing insurance (damage cover of the other party in case of a collision and Third-Party Financial Liability assurance coverage) to Citroën Ami, facilitating customers to use this e-vehicle.

### E-Kasko (Electric Cars Insurance)

Aksigorta has launched an exclusive insurance for electric vehicles including specific benefits such as incorrect charging, battery coverage or running out of charge. Moreover, Aksigorta donates to the Aegean Forest Foundation for planting saplings for electric vehicle customers.

### Cover For Electric Charging Stations

Electric charging station insurance is mandatory according to the legislation, but obligation was postponed to 2024. As insurance companies hesitated to insure electric charging stations due to high and uncertain risks, Aksigorta has been swift and ready since 2023.

### Complementary Health Insurance Specially For Youth (18-30)

With the 'Complementary Health Insurance Youth Campaign', Aksigorta provided young people between the ages of 18-30 with Supplementary Health Insurance with a discount of up to 20%.



[For the Sabanci Group facilities certified with ISO 9000, please read the ISO Certifications Document available at the Download Center section of the Report's website.](#)

Note: For details on the SDG-linked products of Sabanci Group companies, please refer to their individual corporate websites.

# Sustainable Finance

The transformation of finance is essential to achieving a sustainable future. In sustainable finance, environmental considerations might include climate change mitigation and adaptation and the environment more broadly, for instance, preserving biodiversity, pollution prevention, reducing water consumption and the circular economy. Social considerations could refer to inequality, inclusiveness, labor relations, investment in human capital and communities, and human rights issues.

During the reporting year, our Group companies in the financial services and banking sector have continued efforts to increase their sustainable finance activities. Meanwhile, the rest of the Group enjoyed the **lower finance cost and favorable conditions** in its **new investments through green and sustainable finance solutions**. Finally, we benefited from financial incentives to

enhance our investments in renewable energy technologies through Sabanci Climate Ventures. **In 2023, Sabanci Climate Ventures secured tax equity financing totaling USD 184 million for the Cutlass Solar II Project, a 272 MW solar energy investment in the US.** This project represents a significant step in our commitment to sustainable energy and demonstrates our ability to leverage financial opportunities for impactful initiatives.

## Highlights from Sabanci Group Companies

### AKBANK

In 2023, through updating its Sustainable Finance Framework with a Second Party Opinion, **Akbank expanded its focus to encompass green, blue, and social thematic areas, pioneering initiatives in Türkiye.** This evolution includes financing

for climate adaptation, green hydrogen and hybrid maritime transportation vehicles, and financing investments that support the redevelopment of the earthquake zone. With its updated framework, the Bank uses green and social criteria to categorize the projects to which it provides sustainable financing in accordance with international principles such as the ICMA Green Bond Principles and the LMA Green Credit Principles and IFC's (International Finance Corporation) Blue Finance Guideline.

In its commitment to transparency and measurable impact, Akbank analyzes the environmental and social benefits of the sustainable financing initiatives. For instance, **in 2023 alone, the renewable energy project financing contributed to a reduction of approximately 130 thousand tCO<sub>2</sub>e**, while the social loans supported various stakeholders, including women-owned and young SMEs in earthquake-

affected areas. Moreover, with its commitment to Net-Zero Banking Alliance (NZBA), Akbank sets ambitious targets, aiming to become a Net Zero Bank by 2050. **The Bank exceeded its TL 200 billion Sustainable Financing goal for 2030 by the end of 2023 and raised it to TL 800 billion.**

To foster widespread understanding and adoption of sustainable finance principles, Akbank completed ESG, sustainable finance and climate change trainings for all corporate and commercial branch employees in 2023. Simultaneously, the Bank prioritizes customer learning, guiding them through regulatory requirements and market dynamics, particularly in areas like carbon emissions reporting and green transformation. **Transition to green economy efforts extend beyond financing;** Akbank actively engages with customers in carbon-intensive sectors,

# Sustainable Finance


encouraging and supporting their transition towards green technologies and practices.

## **Akbank sets the share of sustainable funding target as 100% for 2030.**

In 2023, sustainability-linked and gender equality-themed Tier 2 (global first gender-themed Tier 2) transactions totaled USD 300 million. Türkiye's first social-themed syndication loan will provide USD 500 million in support for financing foreign trade transactions affected by the earthquake. Akbank issued 8 social bonds totaling USD 243 million with a maturity of 1 year.

In 2023, the volume of ESG-themed funds reached TL 3.2 billion with 174 thousand investors, representing a 165% increase in the number of investors compared to 2022. As the **first Turkish bank among deposit banks to set long-term targets**

in this regard, Akbank is committed to **increasing the sustainable investment fund balance to TL 15 billion in Assets under Management by 2030.**

In 2023, Akbank increased its sustainable project finance loans 3.6 times compared to 2022. Through innovative products and strategic partnerships, Akbank continued to empower customers on their sustainability journey. Akbank has eighteen Sustainable Finance Products and Services . **Delivering firsts such as Sustainable Deposit accounts, Blue Financing products and comprehensive SME Eco Transformation Package,** Akbank offers tailored solutions across segments, facilitating the transition to a low-carbon future.

**Akbank provided USD 50 million in funding for green projects and women's entrepreneurship.**

Recognizing and rewarding green initiatives shows the Bank's commitment to driving impactful change in the finance sector. With the updated criteria and enhanced customer engagement, Akbank fosters a growing ecosystem of companies committed to environmental stewardship and transforming society towards a more sustainable and resilient future.

## **AKSIGORTA**

Aksigorta will announce a target compatible with the Paris Climate Agreement by choosing assets that comply with its understanding of sustainable living, sustainable future and sustainable investment. In terms of its overall investment portfolio strategy, Aksigorta aims to invest in companies that demonstrate sensitivity to ESG issues, thereby ensuring a reasonable return and a sustainable future. In line with

these principles, Aksigorta will invest in the shares of companies with high ESG performance, listed in the 'sustainability' and 'corporate governance' indices of Borsa Istanbul (BIST), as well as in debt instruments issued by these companies, lease certificates, and other capital market instruments. Aksigorta will also invest in index funds, thematic funds, and green bonds that align with these ESG criteria. In 2023, Aksigorta invested approximately TL 600 million in Ak Asset Management's Sustainability Fund.

## **AGESA**

Agesa offers a Sustainability Equity Pension Fund within the scope of its nine pension plans. According to the strategy of the Fund, at least 80% of the fund portfolio is continuously invested in shares of domestic and foreign companies listed on globally recognized sustainability indices, such as the 'BIST



# Sustainable Finance

Sustainability Index,' American depository receipts, and global depository receipts, as well as participation shares of exchange-traded funds established to track sustainability indices domestically. The fund aims primarily to invest in companies with high performance in environmental, social, and corporate governance (ESG) aspects within the Sustainability Index, targeting high real return performance for medium to long-term growth. In 2023, through the implementation of revised fund distribution proposals within FonPro, a portion of the stock allocation was specifically allocated to the sustainability fund. This strategic allocation was designed to foster the continual growth and expansion of the fund. Assets under Management (AuM) reached TL 1.2 billion TL.

## ENERJİSA ÜRETİM

In 2023, Enerjisa Üretim financed the company's renewable energy investments and wind power plant purchase by signing a loan agreement of USD 110 million with the European Bank for Reconstruction and Development (EBRD).

Furthermore, Enerjisa Üretim initiated measures to explore financing options for the Renewable Energy Resources Zone YEKA-2 projects.

## BRİSA

In 2023, Brisa performed its first sustainable financing transaction with the EBRD.

The loan agreement in the amount of USD 100 million is to be used to finance a new capital expenditure program for the period 2023-2025. This program includes

capacity expansion through acquisition of new machinery and equipment at Aksaray plant, and modernization and improvement investments to increase the production of fuel-saving and low-carbon emission products at İzmit plant. This investment plan, with substantial sustainability benefits, will support Brisa to achieve its sustainability goals by reducing net greenhouse gas emissions through Scope 3.

## KORDSA

Kordsa and Garanti BBVA International signed a sustainability-related loan agreement in the amount of USD 50 million.

The terms of the loan are based on three key performance indicators: annual reduction in Scope 1 and Scope 2 greenhouse gas emissions, the proportion of suppliers with emission

reduction objectives aligned with the Science Based Targets initiative, and the annual increase in health and safety training. The sustainability performance targets will be audited by independent third-party assurance. The agreement is part of Kordsa's efforts to reduce the environmental and social impact of its activities, while also decreasing emissions throughout its supply chain. It places a particular focus on the raw materials it procures, using the emission reduction objectives of the Science Based Targets initiative. This sustainable financing loan underscores Kordsa's pioneering sustainable practices and supports the transformation of its suppliers as they work to mitigate the environmental impact of their activities.

# ECHOES OF \_\_\_\_\_ HARMONY

## Investing with Purpose for Impactful Change

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In Zen gardens, plants, such as Bamboo and Bonsai Trees, are used sparingly but their symbolic impact is immense, representing resilience, harmony, patience, and the balance needed in life.

**At Sabancı Holding, we consistently invest in sustainable businesses, including energy and climate technologies, material technologies and mobility solutions, and digital technologies, to foster resilience for future generations and drive impactful change towards a sustainable economy.**



# Transforming Our Portfolio

Sabancı Group reinforces its role as a global player with its contribution for a sustainable future and creates enduring value for its stakeholders.

By combining its solid financial structure, dynamic portfolio management and robust sense of corporate governance with its innovation and technology-oriented business approach, Sabancı Group is not only delivering a strong growth from its core businesses but also gaining significant opportunities in new growth platforms.

## ENERGY & CLIMATE TECHNOLOGIES



## MATERIAL TECHNOLOGIES & MOBILITY SOLUTIONS



## DIGITAL TECHNOLOGIES



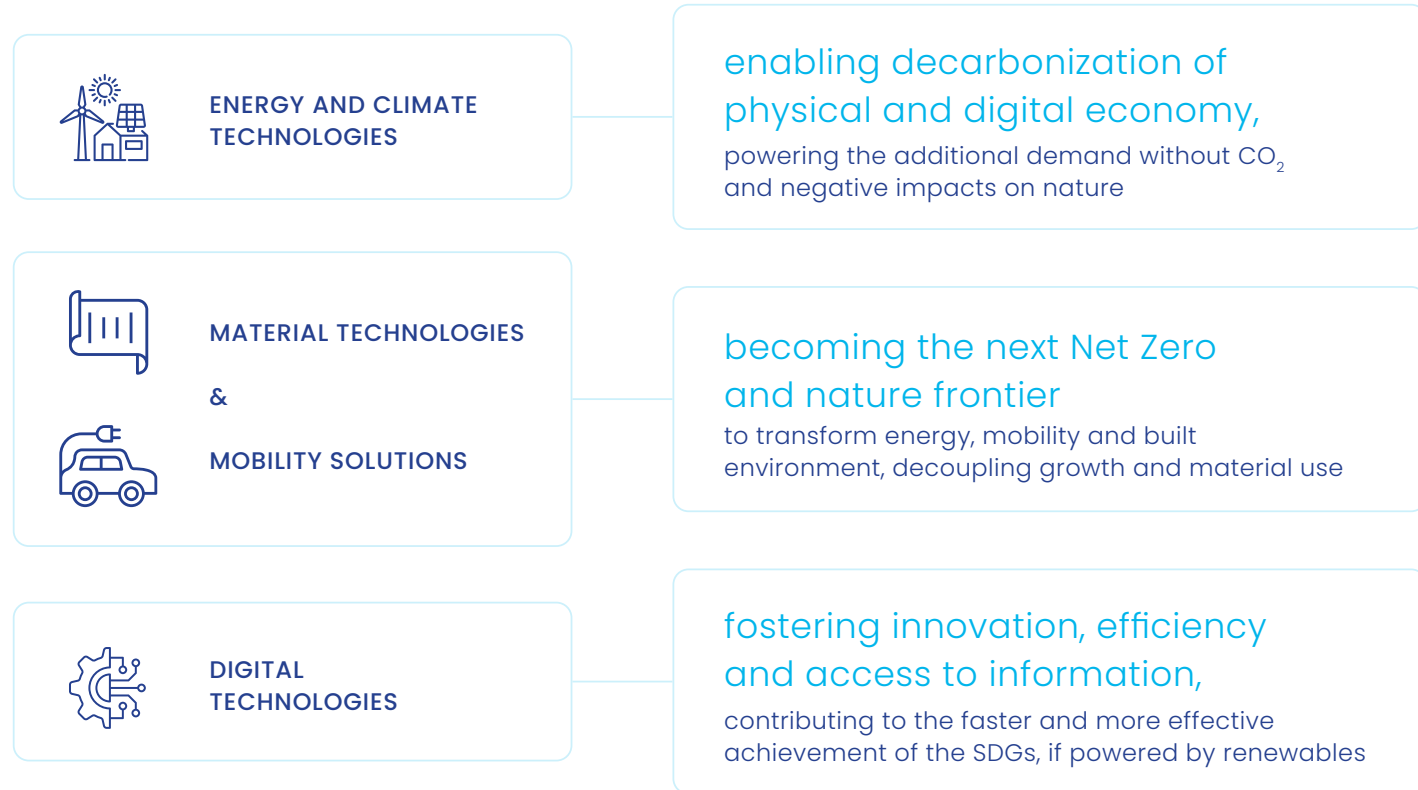
# Investing in New Growth Platforms

We believe that Sabanci Holding can seize opportunities through strategic business development initiatives fostering growth platforms, while encompassing a wide range of sustainable investment themes to keep pace with innovations on this front.

We continuously monitor global trends and align our strategy accordingly for sustainable growth.

Accordingly, Sabanci Holding focuses on specific initiatives under the theme of the “New Economy”, including energy and climate technologies, material technologies and mobility solutions, and digital technologies.

Our Growth Platforms will be key in capturing the demand on Nature and Climate-driven Transformation



# Investing in New Growth Platforms

As Sabancı Group, we started to track SDG-linked activities in 2022.

During 2023, TL 0.7 billion have been allocated for investments in these activities.

**Our CapEx and OpEx will reach USD 5 billion in SDG-linked activities by 2027,**  
with climate mitigation and adaptation having a share of 70%.

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

**We are doubling non-bank CapEx (Capital Expenditures) to Revenues**

to accelerate both organic and inorganic growth, 25/75 split between core & new investments.

**75% of non-bank CAPEX is allocated for transformation & adjacencies**  
focusing on energy and climate technologies, material technologies and mobility solutions, and digital technologies  
**to achieve higher FX generation, to increase the share of non-regulated business and to reach our Net Zero emissions target.**

In our mid-term guidance for 2021 to 2025 period, we announced our target for the share of New Economy, that is revenues generated from energy and climate technologies, material technologies and digital technologies, in combined non-bank revenue at the end of period to reach approximately 13%.

Our performance for the period 2021 to 2023 was on track, as **the share of new economy reached 11% compared to 6.6% in 2021.**

# Energy and Climate Technologies

Sabancı Group's energy companies are successfully carrying out their sustainability related activities in line with Sabancı Holding's strategic plan. The Group's energy companies, with a sharp focus on sustainability, lead the industry in operational quality, health and safety measures, and digital transformation. Besides employing the most qualified human resources in the sector, **the Group's energy companies use digital applications at a rate above the European average.**

Over the past few years, Sabancı Group's generation company has invested in digital solutions for power plant management, predictive maintenance, data services, and business transformation.

**To commercialize these solutions while securing a competitive advantage,**

**Senkron Energy Digital Services B.V. was established in Amsterdam.**

In November, Senkron Energy announced **a cooperation with Microsoft to develop digital solutions for renewable energy generation development** at the Conference of the Parties of the United Nations Framework Convention on Climate Change (COP 28 UNFCCC).

Sabancı Group's distribution and retail company further improved its sustainability performance and ratings this year, especially in terms of CDP Climate Change, and CDP Water Security.

On the way forward through investments in e-mobility, distributed generation and energy efficiency, **Sabancı Group's distribution and retail company is set to remain a leader of Türkiye's energy transformation.** Grid expansion and

modernization will be the priority in the electricity distribution segment, as Sabancı Group pioneers the application of cutting-edge technologies in this field.

**To meet Sabancı Holding's Net Zero emissions goal, the Group's generation company in Türkiye also follows a 4-pillar approach while transforming its generation portfolio until 2045:**

- **Commit to 100% low/zero-carbon technologies in new energy investments, targeting 7,500 MW by 2030.**
- **Achieve carbon neutrality by 2045 with a just transition.**
- **Focus on green hydrogen, agrivoltaics, wind turbines, carbon capture, and battery storage.**
- **Conserve local ecosystems, aiming for net positive biodiversity.**

While strengthening its leading position in Türkiye with Enerjisa companies, Sabancı

Group aims to transfer its experience in the energy sector to the global arena and identify early-stage energy and climate technologies for venture capital investments to create new business areas.

Toward this objective, Sabancı Climate Technologies was established in 2022 as a 100% Sabancı Holding subsidiary under the energy business unit.

Sabancı Renewables, a subsidiary of Sabancı Climate Technologies, focuses on renewable power plant investments in the US.

**In 2023, Sabancı Renewables increased its total obtained project licensed capacity in the US market to 504 MW with two solar power plants.** Field operations are ongoing for additional solar power plants in the US, with the first

# Energy and Climate Technologies

plant expected to be commissioned by mid-2024.

Sabancı Climate Ventures is structured as the venture capital arm of Sabancı Climate Technologies. Sabancı Climate Ventures aims to invest in venture capital funds and startups while supporting promising technologies by establishing a strong link between emerging and developed markets.

In 2023, Sabancı Climate Ventures continued its investments in a US-based venture capital fund and obtained the right of direct investment in startups in this fund portfolio. **Sabancı Climate Ventures directly invested in five of the world's leading climate and energy technology startups originating from the USA's top universities.**

In the US market, the Group's energy business unit monitors investment opportunities in renewable energy in various scales, locations, and technologies. Primary objective of Sabancı Renewables is to develop a more than 1,000 MW well-diversified renewable portfolio consisting of on-shore wind and utility-scale solar projects, much like its first two investments, within the next three years. The venture capital arm plans to invest further in venture capital funds and startups.

In Türkiye, Sabancı Group aims to bolster its leading position in renewable energy generation. **The goal is to deploy a wind fleet of about 1,500 MW towards the target of 5,000 MW+ total installed capacity.** Some 1,000 MW YEKA is scheduled for implementation with a total

investment of USD 1.2 billion and gradual commissioning by the first quarter 2026. **The generation portfolio is planned to reach installed power of about 5 GW with renewable energy constituting 60% of the portfolio.** More than 150 MW of hybrid solar capacity is scheduled for completion between 2022-2026.

Growth in new geographies in energy trading is a core objective of the Group's generation company in addition to growth in commercialization of its digital products, services, and know-how.

**Further technology analyses, feasibility studies, and market research are ongoing for green hydrogen generation on a larger scale.** Additional collaborations are planned with local customers for

potential on-site generation facilities for green hydrogen. Relationships with European counterparties are being cultivated to develop ideal logistics and production solutions. **Sabancı Group's energy business unit plans to explore opportunities for green hydrogen export to Europe.**

# Material Technologies and Mobility Solutions

In line with its strategic priorities to focus on expanding its core businesses and investing in new growth platforms; Sabancı Holding restructured its Industrials and Building Materials strategic business units into Material Technologies and Mobility Solutions to further strengthen its focus on material technologies and leadership in mobility solutions.

In 2023, Sabancı Holding invested EUR 2.2 million in the Sabancı Global Technology Center (SGTC) located at the Technical University of Munich (TUM). SGTC will facilitate the reintroduction of products developed in Çimsa and Kordsa factories in Türkiye to the European market.

This newly established university-industry collaboration platform between Technical University of Munich and Materials SBU extends the unit's R&D, technology, and

sustainable product development capabilities to the international arena in a major way.

This Center will significantly contribute to Sabancı Holding's vision of being 'Sabancı of the World' and the promise of 'Uniting Türkiye and the World.'

## Material Technologies

In advanced materials, the Group's material technologies business took the first step of its journey to transform its reinforcement unit with composites.

Demand to transition from traditional materials to composites grows every day in a wide range of usage areas, expanding out from aerospace to automotive, motorsport, sports equipment, marine and wind turbines.

**In the aerospace industry, Kordsa offers AX180 flame retardant epoxy resin for aircraft cabin interiors and seats instead of solutions that release harmful gases during the production process.**

The company signed an agreement to supply epoxy-based products to a leading global aerospace parts manufacturer.

**In automotives, innovative KCF650 carbon fabrics provide lightening, hardness, and chemical sealing in the event of explosion malfunction of electric vehicle battery boxes.**

**The Kratos® product line, designed to serve reinforcement applications in construction was enhanced with carbon fiber wrappings and strips, used for earthquake resistance.**

Furthermore, Kordsa is currently focused on offering green products developed jointly with global tire manufacturers to replace those manufactured with conventional chemicals.

Kordsa has applied for **44 patents** developed at the Composite Technology Excellence Center (CTCE).

**By acquiring the Italian composite company Microtex, Sabancı Group's material technologies operations are expanding beyond the US to Europe.**

Combined with the R&D capabilities of CTCE, Microtex is diversifying its composites product portfolio to strategic segments such as motorsport and luxury vehicles.



# Material Technologies and Mobility Solutions

Kordsa's highlights of the year included growth in the composite business line, the opening of new technical centers and the introduction of 100% recycled polyester cord fabric products to consumers.

Further research and development activities conducted in **partnership with Sabancı University, focusing on recycling polypropylene products and bio-based resins, were merged with the company's polymerization capabilities to lay a solid groundwork for the future of sustainable plastics.**

In 2023, Material Technologies Strategic Business Unit (SBU) made significant strides in decarbonization, transitioning from a conventional cement producer to an **electricity self-sufficient cement player with best alternative fuel ratio in Türkiye** while strengthening also its global position.

**Calcium Aluminate Cement (CAC) is a major component in the transformational strategy of Material Technologies SBU.**

This specialized product holds significant value in the construction industry, bridging the gap between cement and construction chemicals for the Group.

**Çimsa announced a USD 45 million investment to double its calcium aluminate production capacity at its Mersin plant last year.**

The capacity expansion investment became operational in the last quarter of 2023.

**As Türkiye's one and only CAC producer, Çimsa became the third largest producer globally with this major capacity increase investment.**

The expanded production capacity will be primarily dedicated to exports, targeting the US and European markets.

This significant investment aligns with Sabancı Group's commitment to sustainable investments, aiming to deliver high value while maintaining low CO<sub>2</sub> intensity.

Material Technologies companies are continuously searching for innovative technologies and solutions in the construction and building materials industries.

In November 2023, the Material Technologies SBU hosted the first Innovation and Inspiration Day at Sabancı Technology Center with the participation of academics from Europe's leading universities as well as Sabancı Group's building materials customers.

**Furthermore, through a partnership with Zacua Ventures, the Group has invested in 10+ start-ups indirectly while making a direct investment in FenX, a Zürich based waste-derived sustainable insulation material producer. With FenX, portfolio of direct start-up investments increased to three: Ecolocked, Ecoworks, and FenX.**

In alignment with Sabancı Holding's 2050 sustainability targets, the Group's Material Technologies companies have formulated a comprehensive CO<sub>2</sub> reduction roadmap.

This roadmap encompasses a wide spectrum of action items, including **further reducing the clinker usage ratio, integrating more alternative raw materials, and aggressively expanding alternative fuel use.**

# Material Technologies and Mobility Solutions

Additionally, the CO<sub>2</sub> reduction roadmap aims to diversify the portfolio towards sustainable building materials beyond cement through potential acquisitions.

The way forward for the Material Technologies companies is to continue investing in sustainable material technology solutions. These strategic investments will not only enhance global strategic positioning but also contribute significantly to achieving the Group's 2050 sustainability targets, thereby offering long-term value for investors.

## Mobility Solutions

Sabancı Group's bus manufacturer **Temsa** is diversifying its revenue in the Mobility Solutions and Equipment for Climate Technology sector by adding

**battery packs and battery management systems** to its portfolio, alongside producing electric buses, to explore new market opportunities.

**Developed internally by the R&D center, these products have a wide range of usage areas, from storage to marine, farming to refrigeration.**

**Temsa signed a joint development agreement with the European company CaetonaBus to produce hydrogen buses; Türkiye's first inter-city hydrogen bus prototype is scheduled to roll off the assembly line at the Adana facility in 2025.**

The E-quad last and first miles micro mobility vehicle has also commenced mass production, reflecting the Group's commitment to sustainable mobility.

**Brisa's Otopratik and Propratik service points**, the best-known domestic brands in the fast-service category servicing more than 1 million vehicles, **expanded to 154 locations in 58 cities in Türkiye.** E-vehicle charging services were delivered via **68 charging stations in 35 cities.**

Brisa signed an agreement with an American-based, electric light commercial vehicle brand to provide authorized services under Otopratik. A comprehensive training program was carried out to boost the competencies of Otopratik's technicians on hybrid and electrical vehicles. **Efforts are underway to expand the Pratik service point network to over 500 locations by 2028.**

In the field of mobility solutions and equipment for climate technologies, Temsa has introduced vehicles operating with new types of energy to new markets in Europe and America, while Brisa has managed to extend Arvento's digital telematics services to 750 thousand vehicles.

# Digital Technologies

**SabancıDx solidified its position as a provider of multi and hybrid cloud solutions and technologies**, in line with the Digital SBU's strategy in the digital market.

The strategic partnership with Microsoft has expanded Sabancı's cloud value proposition, enabling Azure capabilities within Türkiye. **The cooperation agreement with Microsoft focuses on offering hybrid cloud solutions to respond to both local and global customer needs.**

The collaboration extends to the Cloud Solution Center, providing hybrid cloud and artificial intelligence competencies to Türkiye's digital ecosystem.

**The agreement also presents potential expansion opportunities for SabancıDx in Southeast Europe, Central and Eastern**

**Europe, and the Middle East and Africa, enabling market access and foreign currency revenue generation.**

In addition to the Microsoft partnership, SabancıDx initiated cloud and cloud infrastructure partnerships with major brands, leveraging the expertise of digital native talent to implement and manage cloud solutions, thereby better serving its growing customer base.

**Since 2022, Teknosa's digital-first strategy has positioned the company as a leader in industry innovation and the digital economy.** Teknosa, aiming to deliver an optimal omnichannel customer experience, introduced **Türkiye's first specialized electronics marketplace** and bolstered its digital channels, contributing to Sabancı Holding's overarching goals in digital business.

**In 2023, Sabancı Group's tech retailer made a record TL 582 million investments in technology and digitalization, with plans to make TL 1 billion investment in 2024.** This strategic move aims to enhance both the digital platform and physical stores, ensuring sustainable profitability and market growth.

Teknosa Marketplace, now in its second year, outperformed global benchmarks, contributing 38% to the online channel Gross Merchandise Value (GMV), which surged by 68% to TL 10.1 billion. **Teknosa online channel saw traffic increase by 1.3 times, boosting service quality, and performing a higher Net Promoter Score (NPS) resulting in a satisfying level.**

Teknosa strategically expanded its customer satisfaction efforts, adopting a comprehensive NPS measurement across

all touchpoints, including store, online, services, and returns – a significant evolution from the 2019 approach that focused solely on in-store experiences.

Additionally, **Teknosa launched the Digital-First Company program this year, investing in digital and technological advancements to foster a data-driven culture and AI adoption.** This program aims to boost Teknosa's customer service and efficiency, while strengthening its market position through digital transformation.

# Impact Investment

Sabancı Ventures (“SV”) is the corporate venture capital arm of Sabancı Holding. SV adopts global best practices and creates value for both parties with solid commercial partnership plans, leveraging the know-how, operational excellence, and global network of Sabancı Group companies.

Sabancı Holding incorporates SDG-linked metrics into its investment analysis and decision-making processes in line with the Holding’s Strategy House direction. To this end, those investments deemed acceptable by Sabancı Ventures must support the sustainability values of Sabancı Holding.

SV accepts the UN Principles for Responsible Investment (PRI)’s six principles as a guide for evaluating investment decisions. With the six Principles of PRI, Sabancı Ventures

strives to create a positive impact with its investments besides implementing a portfolio-wide ESG-related risk assessment.

SV establishes whether a potential investment meets the requirements of ESG risk management, the ethical principles of participation, and legal requirements or regulations such as those on anti-corruption. Then, SV aims to identify & eliminate the potential negative social and/or environmental impact of the new investment while incentivizing the other party to adopt a positive social and/or environmental stance.

As a corporate VC fund, Sabancı Ventures invests in post-revenue scale-ups and seeks solid synergies and value creation opportunities between its future portfolio companies and Sabancı Group companies. SV strives to

find exceptional founders with scalable business models and help them realize their global expansion potential. Typically, SV invests in post-seed to Series A stage companies, though it can also invest in later stage companies.

Sabancı Ventures acts as a “sensor” for Group companies to identify new growth areas, actively evaluating investment opportunities with innovative business models and/or cutting-edge technologies.

SV focuses on burgeoning areas such as fintech, martech, cybersecurity, climate tech, Internet of Things (IoT) & wearable, insurtech, cloudtech, healthtech, AI (Artificial Intelligence) and mobility.

## Vertical Invested



Fintech



Insurtech



Martech



Cloudtech



Cybersecurity



Healthtech



Climate Tech



AI



IoT & Wearable

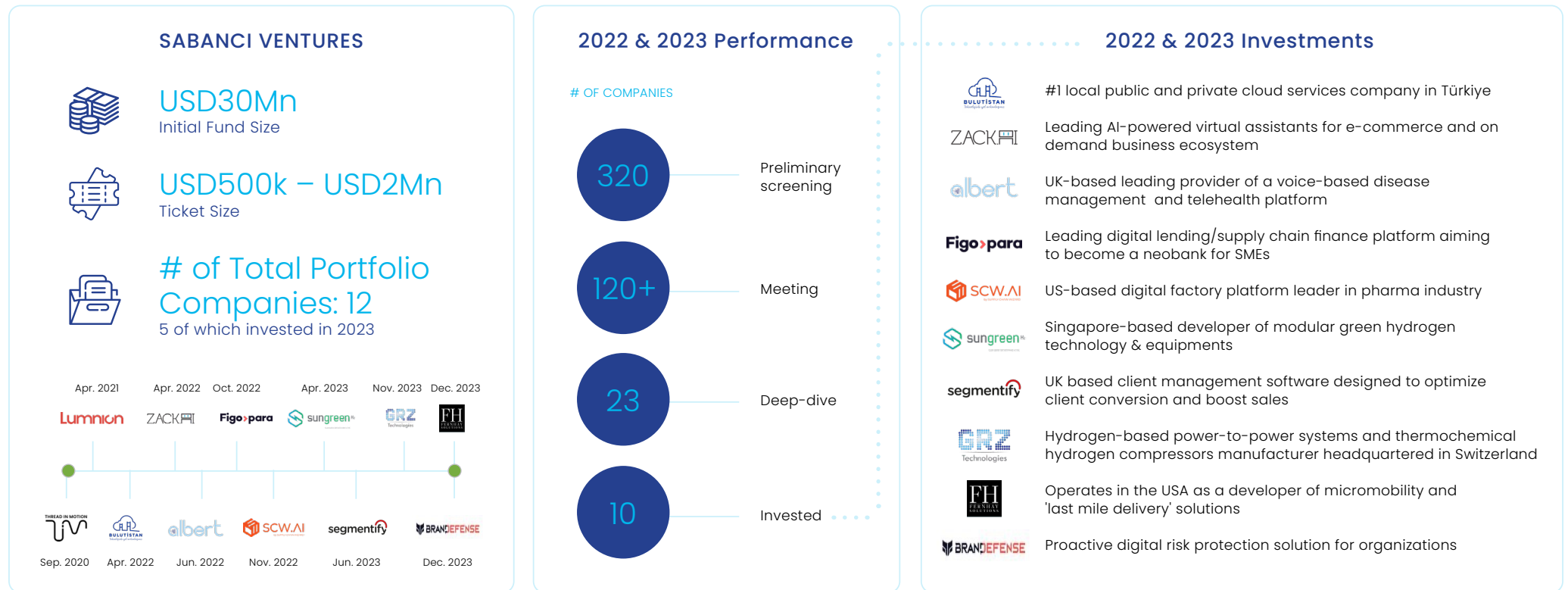


Mobility

# Impact Investment

Sabancı Ventures has made direct corporate venture capital investments in 12 companies in five countries and has deployed over USD 12 million to date. Five of these investments were completed in 2023. As a part of its overall corporate venture capital strategy, Sabancı Group uses several investment vehicles where the total number of direct investments reached more than 17 companies and total investments exceeded USD 45 million between 2020 and 2023.

## Investing in Tech-based Start-ups via Sabancı Ventures



# Impact Investment

Sabancı Ventures invests in companies with the ambition to support SDGs. It discusses impact objectives and identifies at least one SDG and its relevant Key Performance Indices (KPIs) to monitor the impact of investment in pre-investment processes. Once investments are made, Sabancı Ventures continuously monitors & updates the KPI status and determines optimization measures based on those KPIs.



# ECHOES OF \_\_\_\_\_ HARMONY

## Empowering Sustainability, Resonating Within, Impacting Beyond

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In a Zen garden, every stone and plant harmoniously coexist, symbolizing the interconnectedness and balance found in nature's diverse ecosystems.

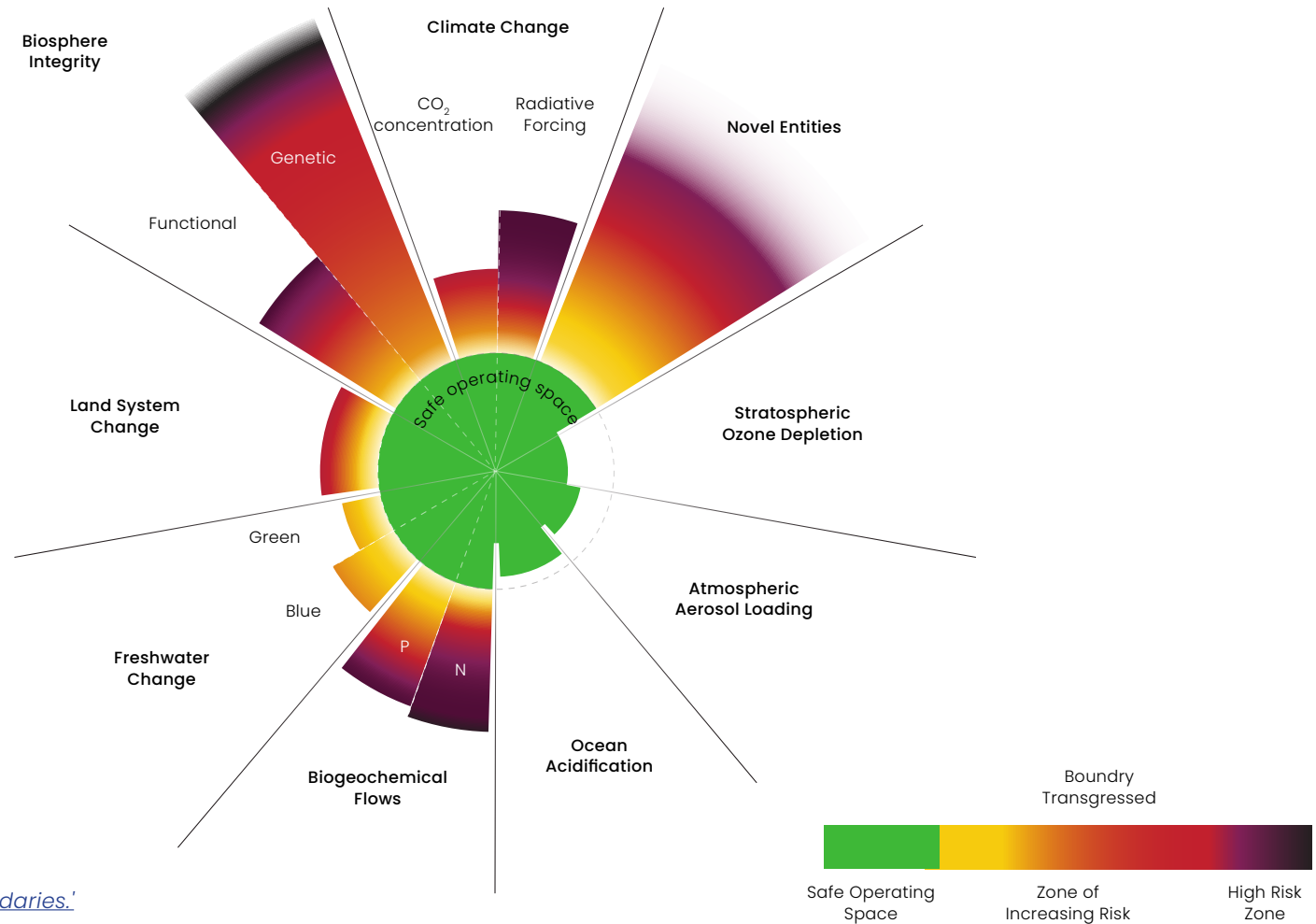
**At Sabancı Holding, our Nature Agenda reflects this harmony through ambitious goals and initiatives in decarbonization, water management, biodiversity, and circular economy, fostering a sustainable relationship between business and nature.**



# Our Nature Agenda

The concept of 'Planetary Boundaries' outlines nine key thresholds that humanity can operate within to sustain development and prosperity for future generations. These are the scientifically defined thresholds representing the safe operating space for humanity within the Earth's systems. The thresholds encompass critical environmental processes and conditions that, if crossed, could lead to abrupt or irreversible environmental changes, endangering both human societies and the planet's ecosystems.

As of now, six of the nine boundaries have transgressed, and the degree of transgression has increased since 2015. In addition, ocean acidification is approaching its planetary boundary.



Source: Stockholm Resilience Centre. 'Planetary Boundaries.'



# Our Nature Agenda

The Climate Emergency is just one dimension of the broader picture. It often dominates discussions due to its immediate and tangible impacts on global ecosystems. However, recent studies show that tackling the Climate Emergency alone is not enough; a holistic, Nature-Based approach should be adopted for lasting solutions.

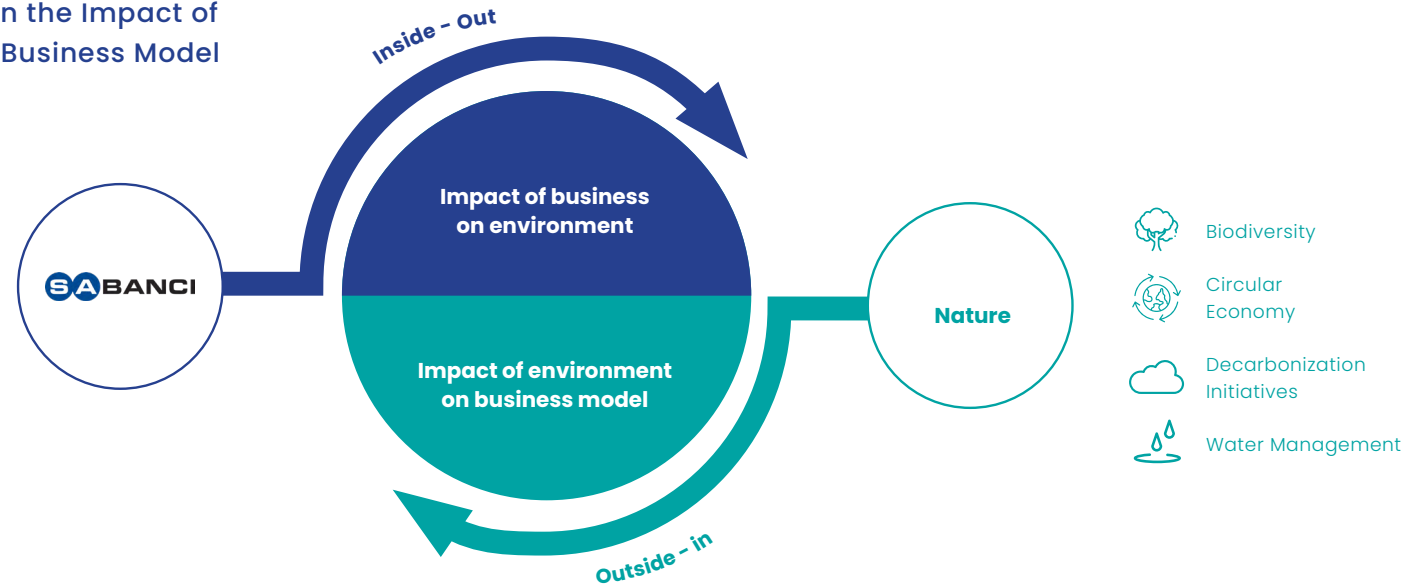
As Sabancı Holding, we recognize the critical role of nature in shaping our sustainable future. Our commitment extends beyond the conventional approach; we aspire to be leaders in championing a Nature-Based approach. By setting ambitious goals to promote biodiversity, conservation, and even regeneration, and to foster

circular business models, our aim is to pave the way for a more harmonious relationship between business and nature.

In this regard, our efforts have expanded from decarbonization to a comprehensive nature program, employing both an outside-in and

inside-out approach in line with the double materiality approach. Sabancı Holding's Nature Agenda includes our efforts in four key areas, namely Decarbonization Initiatives, Water Management, Biodiversity, and Circular Economy.

## The Efforts Extended from Focusing on the Impact of the Operations to the Impact on The Business Model



# Decarbonization Initiatives

[According to the latest WEF Global Risk Report](#), our world is facing major global challenges that matter to our future both in the short and long-term. In a 10-year period, four of the five major global risks are related to climate and environmental issues: extreme weather events, critical change to Earth systems, biodiversity loss and ecosystem collapse, and natural resource shortages.

In addition, scientific research indicates that the pace of change on our planet exceeds the transition toward a sustainable economy and that certain

geographical regions have been warming faster than the global average. Per [IPCC statements](#), over a fifth of the global population lives in regions where at least one season has already experienced warming greater than 1.5°C above pre-industrial levels.

In parallel with these reports, the climate emergency has also been determined as one of the most material issues for our business.
















To respond to this emergency, we set a course for our decarbonization strategy,

which means growing our business in sustainable areas while reducing our negative impact on the planet.

In alignment with our strategic framework, Sabancı Group has formulated a comprehensive decarbonization strategy to address potential risks for achieving the 1.5°C goal. Embarking on this journey in 2021, we have elevated our commitment by introducing interim GHG (Greenhouse Gas) emissions reduction targets within the scope of our Nature Agenda in 2023.

This effort was vital in identifying key areas for improvement towards our Net Zero Emissions target. Specific measures and actions for both Sabancı Holding and its Group companies were outlined to mitigate their environmental impact. Besides our interim GHG emissions reduction target, Sabancı Holding has determined 15 Decarbonization Levers designed to accelerate the transition process, effectively decarbonizing the various industries in which Sabancı Group is actively engaged.

## List of Decarbonization Levers

 Renewable Electricity Usage/Generation	 Switching away from CO <sub>2</sub> Intensive Fuels	 Electrification of Kiln/Boiler	 Theft & Loss Reduction	 Alternative Cooling Gas	 Bio Diesel Blend	 SF <sub>6</sub> Recovery	 Blending of Renewable Natural Gas (RNG)
 Grid Decarbonization	 Raw Material Substitution	 Fleet EV Transformation	 Clinker Substitution	 Alternative Fuels	 Heat Pumps	 Product/Network Optimization	

# Decarbonization Initiatives

Committed to 2050 Net Zero goals, Sabancı Group has set ambitious science-based targets. As a strategic investment holding, we have committed to a 15% reduction in Scope 1 & 2 GHG emissions by 2025 and a 42% reduction in Scope 1 & 2 GHG emissions by 2030 versus 2021 baseline without using carbon offsets based on equity share approach. Our targets align with 1.5°C pathway of the globally recognized [Science Based Targets initiative \(SBTi\)](#).

**100%** of material technologies companies are aligned with the SBTi 1.5°C pathway.

Group companies have begun establishing their Scope 3 GHG emissions targets and are actively engaging in the SBTi approval process. As of 31 December 2023, 60% of Sabancı Holding's Scope 1

and 2 GHG emissions are either in the process of SBTi evaluation or awaiting approval, underscoring our commitment to this ambitious environmental goal. In addition, Akbank's new commitment to becoming a net-zero bank, in accordance with the [guidelines of the Net-Zero Banking Alliance](#), marks a significant milestone in our Scope 3 decarbonization journey.

**100%** of mobility solutions companies are aligned with the SBTi 1.5°C pathway.

**A member of Net-Zero Banking Alliance, Akbank sets ambitious targets, aiming to become a Net Zero Bank by 2050.**

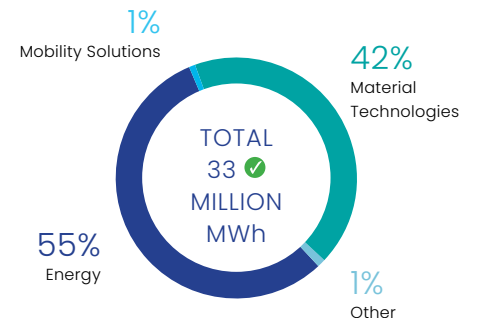
## Energy and GHG Emissions Management

**We achieved almost 70 thousand MWh of energy savings with efficiency projects implemented.**

At Sabancı Group, energy and emission management means reducing the impact of Group companies from different industries by taking various initiatives and innovative actions to support the Group's interim GHG reduction and ultimate Net Zero targets. In parallel with this understanding, our energy intensity decreased by 24% in 2023. Our Scope 1 and 2 GHG emissions decreased by 10% during the reporting year compared to 2022. The reduction was mainly driven by energy efficiency and increased use of renewable electricity across all our

businesses, increased use of alternative raw materials and fuel in material technologies, and the decrease of natural gas use in energy business. Moreover, the ratio of our Scope 1 and 2 GHG emissions to our combined net sales revenue decreased by 21%. We achieved 70 thousand MWh of energy savings<sup>36</sup> with efficiency projects implemented. As a result of carbon emission reduction projects, we prevented approximately 300 thousand tons of CO<sub>2</sub> equivalent GHG emissions. In addition, we procured nearly 1.1 million MWh of our electricity from renewable sources.<sup>37</sup>

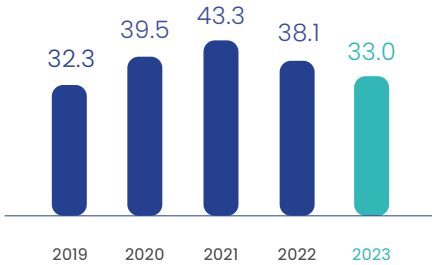
### ENERGY CONSUMPTION BY SECTOR



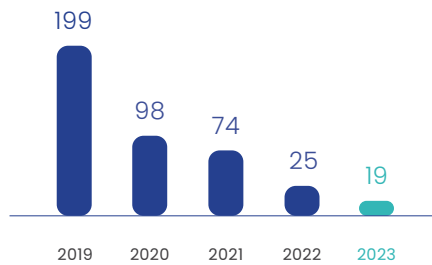
<sup>36</sup> Includes Akçansa, Brisa, Carrefoursa, Kordsa, Teknosa, Temsa, Enerjisa Enerji, and SabancıDx.  
<sup>37</sup> Includes Holding, Aksigorta, Akçansa, Brisa, Çimsa, Kordsa, Teknosa, Temsa, Enerjisa Enerji.

# Decarbonization Initiatives

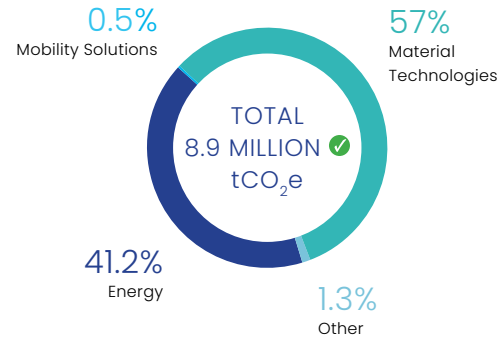
**ENERGY CONSUMPTION BY YEAR (MWh, MILLION) ✓**



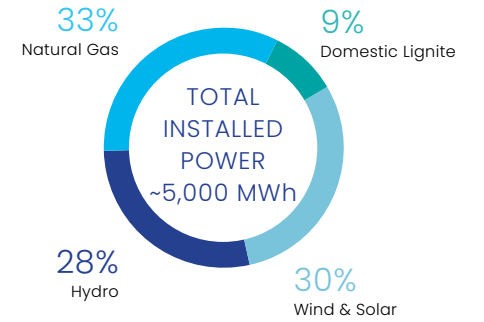
**EMISSION INTENSITY BY YEAR (tCO<sub>2</sub>e/MILLION TL) ✓**



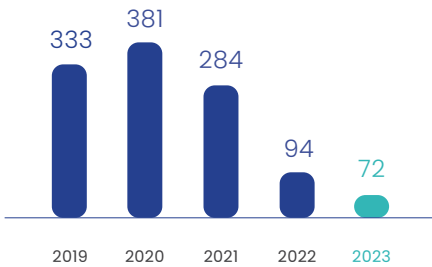
**TOTAL SCOPE 1 AND SCOPE 2 GHG EMISSIONS BY SECTOR**



**ENERJISA ÜRETİM PORTFOLYO<sup>40</sup>**

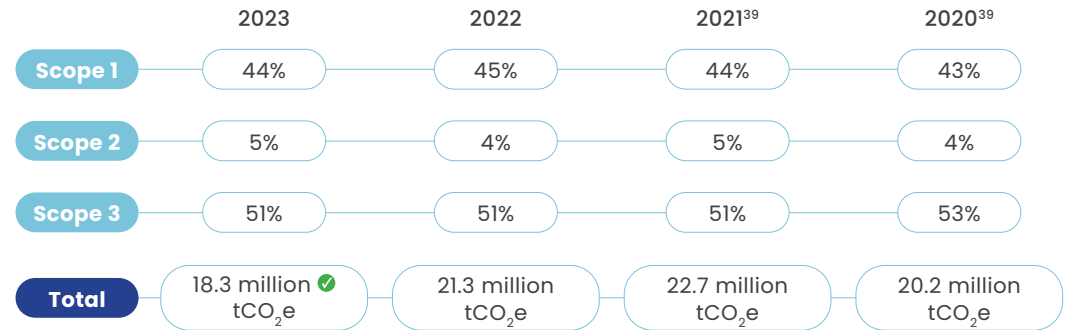


**ENERGY INTENSITY BY YEAR (MWh/MILLION TL) ✓**



Our Scope 1 & 2 GHG emissions decreased by **10%** during the reporting year compared to 2022.

**GHG EMISSIONS BY SCOPE<sup>38</sup>**



<sup>38</sup> In accordance with the Equity Share Approach defined in the Greenhouse Gas Protocol, Sabanci Holding accounts for GHG emissions from operations according to its share of equity in the operation.

<sup>39</sup> The GHG emissions of the Group for the year 2020 and 2021 have been restated due to the change in consolidation approach.

<sup>40</sup> YEKA-2 and capacity increase projects under construction have been included in Wind & Solar.

# Decarbonization Initiatives

## Sabancı Group aims to reach its decarbonization targets through a variety of technological levers and strategic initiatives.

Sabancı Group aims to reach its decarbonization targets through a variety of technological levers and strategic initiatives including renewable electricity use, grid modernization, alternative raw materials and fuel use, process changes, product and network optimization in carbon-intensive businesses.

In our Material Technologies companies, **85%** of cement is manufactured at [CSC Gold certified](#) plants.

[According to the International Energy Agency \(IEA\) data](#), if the Net Zero scenario is applied successfully, renewables' share of power generation is expected to increase by almost 90% by 2050. It is indicated that related activities need to increase rapidly to meet the requirements for the Net Zero scenario to achieve the required percentage. Both wind and Solar PV are expected to play significant roles in renewable power generation by 2030, followed by hydropower, bioenergy, and other sources.

In Türkiye, Sabancı Group operates in every aspect of the electricity value chain open to the private sector from electricity generation to trade, distribution, and retail.

Enerjisa Üretim strengthens its commitment to tackle the climate emergency by:

- Investing in renewable energy, thereby pledging to fight against the climate emergency.
- Supporting its existing facilities with renewable technologies.
- Leading the industry in low-carbon alternatives through research and development investments, such as green hydrogen.
- Reducing its carbon footprint by embracing digitalization in its operations as much as possible and directing the sector towards this direction.

## Our Group's Transition to Clean Energy

In 2023, our Group companies, including Akbank, Aksigorta, Akçansa, Çimsa, Brisa, Kordsa, Temsa, Enerjisa Enerji, Enerjisa Üretim and Teknosa continued to obtain their electricity from renewable sources. Our Group's renewable energy transition plans include both the purchase of renewable energy certificates and on-site renewable energy installations where technically feasible.



[For the Sabancı Group facilities certified with ISO 50001, please read the ISO Certifications Document available at the Download Center section of the Report's website.](#)

# Decarbonization Initiatives

## Highlights From Sabanci Group Companies

### ÇİMSA

In 2023, Çimsa took strong steps to translate its commitment to combating the climate emergency into actions, aligning its operations and value chain with global developments.

In this context, the Validation process was completed in the second quarter of 2024 after Çimsa committed to the SBTi, which contributes to limiting global warming to 1.5°C and guides companies with a vision to combat climate change to achieve this goal, to set a near-term reduction target for carbon emissions in accordance with climate science. In this context, Çimsa committed to reduce its gross Scope 1 & 2 GHG emissions per ton of cement product by 42.1% by 2033 compared to the base year 2021, and to

reduce its gross Scope 3 GHG emissions from purchased clinker and cement by 43.4% by 2033 compared to the base year 2022.

### **Eskişehir Waste Heat Recovery (WHR) Investment**

Çimsa, in cooperation with Enerjisa, started the installation of the Waste Heat Recovery (WHR) Plant with an energy generation capacity of approximately 40 million kWh at the Eskişehir Plant within the scope of the 'Energy of My Business' project. The project, which will be completed by the end of 2024, will use new generation waste heat recovery technology to generate electricity without the use of water and meet approximately 25% of the Eskişehir Plant's electricity needs. With this investment, energy equivalent to the annual electricity consumption of 13 thousand households will be obtained annually and 19 thousand tons of CO<sub>2</sub> emissions will be prevented,

making a significant contribution to the fight against the climate crisis.

### AKÇANSA

Tackling climate emergency, Akçansa joined the SBTi in 2022 to underpin its emissions reduction targets with scientific data and share them transparently and made its commitment to 2023.

Recognizing that the cement industry in Türkiye has a leading role to play in achieving the Net Zero target by 2053, Akçansa takes important steps to tackle climate emergency with innovative process and product solutions. The company reduced its net specific CO<sub>2</sub> emissions per cement product and achieved a 9% reduction in its net specific CO<sub>2</sub> emissions compared to the 2019 baseline.

Akçansa launched the 'Sustainable Product Movement' for its cement products with its investment and product transformation plan, which was designed in the CO<sub>2</sub> emission reduction roadmap the company prepared as part of its targets. In this context, Akçansa invested in silos and feeding systems and established strategic partnerships for the use of fly ash, a by-product of thermal power plants in its region, in cement production.

### BRİSA

Brisa developed its decarbonization roadmap and climate transition plan, on its way to the 2050 Net Zero emissions target. It is the first company in the global tire industry and across all industries in Türkiye to have Scope 1, 2, and 3 emission reductions approved by the SBTi in accordance with the scenario that will limit the rise of the earth's temperature by

# Decarbonization Initiatives

1.5°C. Brisa aims to achieve 56% reduction in its direct emissions by 2030 compared to 2020 and to become Net Zero by 2050.

Brisa's sustainability efforts are designed to create value in concert with its entire ecosystem. Through the SUSPRO program for its suppliers, Brisa ensured that suppliers, which are prioritized on a risk basis in terms of financial, climate and water-related risks, make science-based target commitments. The Company prioritized dealers with high environmental and social impact and certified 25 dealers under its Green Dealer program by assessing their store practices.

## KORDSA

Kordsa targets to reach Net Zero emission by 2050 at the latest to limit global warming to 1.5°C. The company is

committed to the SBTi, and its mid-term targets are approved.

Kordsa's goal is to achieve a 46.2% reduction in Scope 1 & 2 emissions by 2030 compared to 2019's levels. In Scope 3 emissions, Kordsa commits that 64% of its suppliers' emissions covering Category 1, will have science-based targets that meet the latest SBTi criteria by 2027 and to reduce absolute Scope 3 Category 3 and Category 10 emissions by 25% by 2030 from a 2021 base year. In 2023, Kordsa made significant progress by reducing Scope 1 & 2 emissions by 16.8% compared to the 2019 baseline.

In line with sustainability targets, Kordsa prepared and published a decarbonization roadmap plan in 2023. Kordsa constantly researches new technologies and available options for decarbonization.

## TEMSA

TEMSA is dedicated to achieving its 2050 Net Zero emissions goal and 2045 Net Zero waste target by integrating sustainability into every aspect of its business and operations, ensuring the company leaves no one behind. The targets set by TEMSA align with the Science Based Targets initiative (SBTi) for limiting global warming to 1.5°C. Temsa is expecting the announcement of updated guidance for automotive sector to set an absolute emissions reduction target in line with SBTi recommendations.

## ENERJİSA ENERJİ

In line with its climate strategy, Enerjisa Enerji set an ambitious target to reduce its Scope 1 and Scope 2 emissions by 30% by 2030, using 2021 as the baseline year, and to align all business operations

with the Net Zero emissions journey by 2050. This target is a key element in the company's comprehensive climate transition plan and in line with the worldwide commitment to limit the increase in global temperature to 1.5°C.

## ENERJİSA ÜRETİM

**Enerjisa Üretim continuously generates as one of Türkiye's leading players in clean energy with the 46% share in renewable resources in its installed capacity, coupled with its activities in this particular field.**

# Decarbonization Initiatives

Enerjisa Üretim is implementing the EU-supported project to establish Türkiye's first hydrogen valley at the Bandırma Energy Hub, coordinated by the Southern Marmara Development Agency with 16 local and international stakeholders, including Enerjisa Üretim and Sabancı University, and a budget of €36.8 million.

The 'Southern Marmara Hydrogen Coast' Valley Project aims to generate a minimum of 500 tons of green hydrogen annually.

Enerjisa Üretim will generate hydrogen at its Energy Hub in Balıkesir Bandırma. In 2023, 42% of the hydrogen used for cooling the Bandırma-2 generator came from the hydrogen generation electrolyzer.

In addition, to support electric vehicles used in the Bandırma Power Plant, Enerjisa Üretim is developing smart, environmentally friendly solutions, including inductive charging while in motion and static electricity harnessing while parked, in collaboration with Electreon.

## Net Zero Strategy Approach of Enerjisa Üretim

### Avoid

- Renewable installed capacity growth strategy

Enerjisa Üretim plans to increase its generation capacity to over 5,000 MW within 5 years with its investments in both

wind and solar power plants, increasing its share of renewable energy to 60%.

- Increasing battery storage capacity

By initiating storage for its WPP project developments, Enerjisa Üretim have received a pre-license for 500 MW wind energy generation and 500 MWh battery storage capacity for its Malkara Storage WPP, 19 Mayıs Storage WPP and İzmit Storage WPP projects respectively.

### Reduce

- Enerjisa Üretim will gradually exit from their natural gas and lignite power plants and become a Net Zero carbon company by 2045 at the latest.
- Optimizing Bandırma 1-2 operating hours to reduce GHG emissions.
- Early phase out from Tufanbeyli and maximize solar capacity in the same area.
- Blending the hydrogen generated as fuel in natural gas power plants (gradually at rates of 5-10-15-20%).

- Researching Carbon Capture Technologies, CSP (Concentrated Solar Power) and Deep Well Technologies.

Enerjisa Üretim also aims to develop high quality carbon sink project focused on afforestation through a nature-based approach to mitigate its environmental impact.

## CARREFOURSA

Carrefoursa aims to reduce Scope 1 and 2 emissions by at least 42% by 2030 and Scope 3 emissions by at least 67% by 2050.

Regarding Scope 3 emissions, which are particularly challenging to calculate due to the complexities of the supply chain, Carrefoursa conducted a comprehensive assessment for the period between 2017 and 2023 and swiftly began reduction efforts. In this regard, the company completed the preparation process



# Decarbonization Initiatives

for setting science-based targets and focused on emission reduction. During the SBTi preparation process, in-depth assessments were conducted, especially on emissions related to forests, land use, and agriculture (FLAG), and efforts began to create a supplier map in close collaboration with suppliers. This allows Carrefoursa to implement sustainability principles at every stage of the supply chain and take significant steps to reduce its carbon footprint.

## TEKNOSA

For the past two years, Teknosa has been implementing its Scope 1, 2, and 3 emissions reduction plans incorporating 2050 Net Zero emissions target into its strategies. Teknosa recorded a progressive reduction in Scope 1 & 2 emissions of 24.5% in 2022 and a subsequent decrease of 29.8% in 2023 compared to the baseline year of 2021.

Teknosa's initiatives include energy conservation efforts, utilization of alternative fuels, renewable energy generation and procurement. For instance, Teknosa installed 320 solar panels on the roof of one of its stores, generating 175,000 kWh of energy annually. Energy efficiency and transition actions in stores resulted in savings of 3.65 million kWh energy in 2023 alone.

Scope 3 emissions, constituting 98.6% of Teknosa's emissions profile, require intensive efforts due to their indirect nature. To address this, the company offered discounts and promotions to incentivize the preference for high-efficiency products among customers. Additionally, Teknosa engages with its customers in sustainability interaction areas within the stores to raise awareness about sustainability.

Teknosa initiated communication with suppliers to collect sustainability

data and transition to low-carbon products and supplier alternatives. In the near future, the company will provide sustainability scores to suppliers, informing and supporting them in this regard, and integrating sustainability clauses into supplier contracts.

## AKBANK

**A member of the Net-Zero Banking Alliance, Akbank, works towards its goal of 'becoming a Net Zero Bank by 2050'.**

In 2023, Akbank calculated Scope 3 Category 15 emissions in line with [PCAF \(Partnership for Carbon Accounting Financials\) Global Greenhouse Gas Accounting and Reporting Standard for the Financial Sector](#) methodology for various asset classes covering corporate, commercial and SME loan portfolio. Akbank identified the priority sectors that

it will focus on its journey to become a Net Zero Bank and disclosed interim emission reduction targets for four prioritized carbon intensive sectors.

Since 2021, Akbank finances low carbon investments aligned with the criteria stated under its Sustainable Finance Framework. Since 2023, Akbank embedded climate change due diligence process within its lending processes for hard to abate sectors. Location and sector-specific climate risks were analyzed for all Project Finance loans. Akbank will prioritize green and low carbon entities in its lending processes going forward. In addition to climate finance, Akbank also focused more comprehensively on transition finance. The Bank engages and encourages its customers in sectors which have a high environmental footprint and primarily in carbon intensive sectors to make green transformation and offers suggestions for green investments.

# Decarbonization Initiatives

## Akbank provides Transition Loan to its business partners aiming to reduce their carbon emissions.

The Bank offers low carbon, sustainable agriculture-oriented supply chain finance solutions.

## Akbank offers a free of charge digital tool service for calculating client-level carbon footprint & ESG scoring.

In 2023, the Bank organized workshops to raise awareness among its customers about the Border Carbon Adjustment Mechanism.

Working on decarbonization of its operational emissions and its

portfolio emissions by 2050, Akbank recorded advance efforts to mitigate environmental footprint and manage climate risk.

Decarbonization of its operational emissions, Akbank reduced operational emissions by 82% compared to the 2019 baseline in 2023. The Bank set interim emission reduction target in line with 1.5°C scenario to reduce absolute Scope 1 and Scope 2 GHG emissions by 90% by 2030 from 2019 base year. Since the beginning of 2023, 100% of the Bank's electricity is sourced from renewable sources. Akbank also extended capacity building in energy efficiency and waste management.

### AKSIGORTA & AGESA

Aksigorta and Agesa completed the analyses of its Scope 1, 2, and 3 emissions and built a climate strategy in the first phase of being a Net Zero company by 2050 in compliance with the 1.5°C degree

scenario of the Paris Climate Agreement. According to this strategy:

Aksigorta set the target of 53% reduction in the total of its Scope 1 and 2 emissions by 2030 compared to 2019 which is in line with Science Based Target Initiative (SBTi) requirements.

Agesa set the target of 69% reduction in the total of its Scope 1 and 2 emissions by 2030 compared to 2019 which is in line with Science Based Target Initiative (SBTi) requirements.

Our insurance companies are working on setting an SBTi aligned target for its Scope 3 emissions, which mainly stem from their investment process. Aksigorta and Agesa follow the Portfolio Coverage methodology to build their implementation plan. Upon completion of the target determination process, they will submit to SBTi to validate the targets.

Of the 11 Sabancı Group companies reporting to the CDP Climate Change Program, 9 rose to the leadership level with A or A- scores. Accordingly, the number of Sabancı Group companies reporting to CDP and at the leadership level tripled compared to last year whereas Sabancı Holding, Temsa, Brisa included in Global A list while Akçansa, Carrefoursa, Enerjisa Üretim, Enerjisa Enerji, Kordsa, and Teknosa, listed in leadership level with A- scores.

# Water Management

Water is essential for life and sustainable development, yet its availability is threatened by factors like population growth, climate change, and lack of governance practices.

[According to latest United Nations World Water Development Report](#), roughly half of the world's population currently experiences severe water scarcity for at least part of the year. One quarter of the world's population face 'extremely high' levels of water stress, using over 80% of their annual renewable freshwater supply.

[World Bank research](#) states that approximately 2 billion people around the world do not have safely managed drinking water services, 3.6 billion people do not have safely managed sanitation services, and 2.3 billion lack basic handwashing facilities. [The World](#)

[Economic Forum \(WEF\) predicts that by 2030, global freshwater demand will surpass supply by 40%, with an estimated 1.6 billion people lacking access to safely managed drinking water.](#)

Water is intricately linked to numerous challenges, with none arguably as pressing as climate change. The climate crisis profoundly disrupts the water cycle, which is crucial for both people and the planet. [Water lies at the core of this crisis, with nine out of ten climate-related events being water-related.](#)

At Sabancı Group, we see water as a fundamental natural capital for all sectors in which we operate alongside other stakeholders, including society at large. We are aware that water supply disruption will adversely affect all business processes and our societies.

To mitigate potential risks associated with water scarcity and effectively manage this challenge, we initiated a comprehensive water project across the Group in 2023. With this project, our aim was to establish an alignment on key water-related definitions, calculation methodologies and metrics across all Group companies in accordance with their respective sectors.

As a result of this alignment, we defined a medium-term water consumption target across our Group companies and restated our baseline figures due to changes in boundaries and definitions.

Sabancı Holding considers expanding the practice of quantifying water-related risks to all relevant companies, starting from materials and energy businesses.

Our water project is based on a systematic approach aimed at comprehensively understanding and mitigating our water footprint.

Our first step was defining key water concepts for each company within our Group. By identifying key metrics and methodologies, we established a baseline for water consumption and set ambitious targets for reduction and efficiency improvement.

All the methodologies and definitions we used are aligned with global standards and reporting frameworks, ensuring consistency and comparability across all Group companies.

As a result of such alignment, we realized that the cooling water from sea for natural gas power plants constitutes the

# Water Management

majority of our total water withdrawal, although the quality of water is not impacted during the process according to Turkish regulations and the resource water is withdrawn is not a freshwater resource.

After mapping out our water withdrawal breakdown, consumption and freshwater withdrawal, we decided to focus on our water consumption and freshwater withdrawal, in line with the SBTN and similar globally recognized frameworks in the short term.

By consolidating water data and targets at the Holding level, we gained significant insights to inform strategic decision-making in new investments and allocate resources effectively.

Moreover, we recognize the importance of governance in driving performance towards our water targets. We track progress and incentivize action across the organization.

By integrating scenario thinking into our approach, we anticipate and prepare for future challenges and opportunities. Financial quantification of top climate risks, including water, enables us to prioritize investments and allocate resources wisely.

In 2023, our total water consumption decreased to 8 million m<sup>3</sup>. ✓

Across the Group, the percentage of water recycled and reused in 2023 was 38%. In the future, we will continue to prioritize increasing water efficiency through related projects, especially in water and emission-intensive sectors.

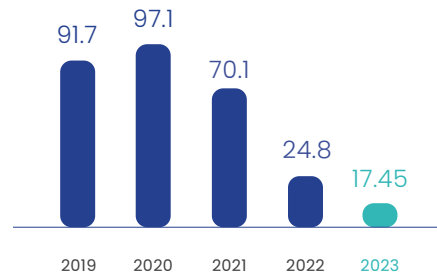
**Sabancı Holding is listed in CDP Water Security in the Leadership level with an A- score.**

**5 out of 8 Sabancı Group companies reporting to the CDP Water Security Program listed among leadership level while Brisa, Carrefoursa and Enerjisa Enerji are on the Global A List whereas Kordsa and Sabancı Holding are among the Water Security Leaders with an A- score. In addition, our cement companies Çimsa and Akçansa have received B scores.**

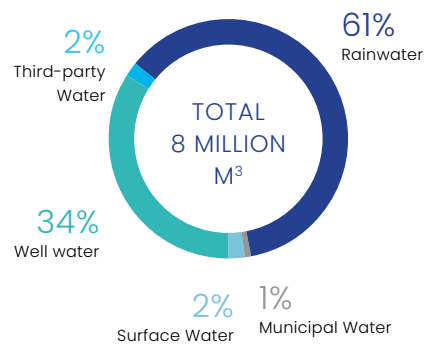
# Water Management

**38%** ✓  
Water recycled and reintroduced to the economy.

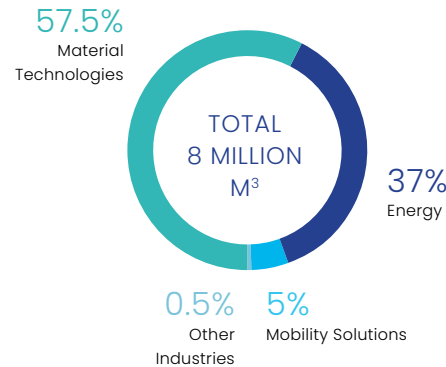
**WATER CONSUMPTION INTENSITY BY YEAR (M<sup>3</sup>/MILLION TL)**



**WATER CONSUMPTION BY SOURCE<sup>41</sup>**



**WATER CONSUMPTION BY SECTOR<sup>41</sup>**



<sup>41</sup> SBS BV is not included.

## Next Steps

Next, our goal is to strengthen governance on water management across our Group, while our individual companies continue investing in enhancing operational water efficiency. We will also explore the possibility of extending the water pricing and water risks quantification approach to all Group companies.

## Highlights From Sabancı Group Companies

### ÇİMSA

Çimsa conducted 'Water Management Project' with the focus of minimizing water consumption in 2023, improving water cycle management and identifying technological innovations for water recycling. This initiative acknowledges water as a strategic resource, given its significant position in the ranking of

chronic physical risks determined by climate scenarios.

Since 92% of Çimsa's water withdrawal is consumed by the cement and 8% by the ready-mixed concrete business line, cement plants were evaluated in detail by source and facility, alongside location-based water stress and drought risks. This evaluation was supported by global reporting frameworks (GRI, CDP), industry guidelines (GCCA), and local regulations.

### AKÇANSA

In 2023, Akçansa initiated its efforts by defining key water concepts and proceeded to establish water-related targets and recommendations. Analysis from these water management studies highlighted the need to prioritize leakage elimination and process optimization in the short term, with plans for capital upgrades of facilities in the long term.

# Water Management

Accordingly, Akçansa updated its water management plans, incorporating projects into its 2030 roadmap. These projects consider wastewater as an alternative resource and address efficient well usage, procurement and network optimization, and the prevention of losses and leaks.

Furthermore, Akçansa assessed the financial impact of top climate risks while managing water scarcity by using the World Resource Institute's (WRI) Aqueduct tool to evaluate potential water scarcity risks at its three cement plants. To further enhance their water risk management, Akçansa conducted stress tests to identify vulnerabilities and ensure the robustness of their water management strategies. This comprehensive approach integrates stress testing into their regular risk assessments, allowing for proactive identification and mitigation of potential water-related disruptions.

## BRISA

Brisa is one of the 15 Turkish signatories of the [CEO Water Mandate](#), an initiative of the United Nations Global Compact (UNGC). Committed to follow sustainable water policies and practices, Brisa initiated long-term business plans in line with its environmental approach of effective use of water resources.

Targets have been set to reduce the amount of water drawn from mains by 75% in 2025 compared to 2008 levels in the Izmit Plant, and by 70% in 2030 compared to 2019 levels in the Aksaray Plant. Thanks to activities being carried out since 2008, well water consumption in the Izmit Plant has been reduced by 79% in 2023 compared to 2008.

Brisa ranked among the global leaders in both the CDP Climate Change and Water Security categories and became the first and only company in the global tire industry to achieve this standing.

## KORDSA

Kordsa is committed to continuously improving its water withdrawal strategies and fostering new R&D initiatives to enhance sustainability practices.

Some examples of this commitment include the new Izmit facility and the Kordsa Indonesia facility's Zero Discharge project.

These initiatives indicate Kordsa's dedication to minimizing its environmental impact and optimizing water usage.

Kordsa's significant progress in water management has been recognized by the CDP.

Kordsa was awarded an 'A-' score in the CDP Water Security program and an 'A' score in the Supplier Relations Rating, reflecting its excellence in water security and strong relationships with suppliers.

# Water Management

## TEMSA

Temsa's water management strategy aims to minimize water consumption and use this scarce resource responsibly.

By closely monitoring water management with strong governance mechanisms and a comprehensive water policy, Temsa aims to use water efficiently in production processes and reduce wastewater.

**Temsa has set a target to reduce water consumption per vehicle by 42% by 2030 compared to 2022 baseline.**

Temsa continues to develop and implement projects in cooperation with its stakeholders to reduce its water footprint.

## ENERJİSA ÜRETİM

In 2023, Enerjisa Üretim enhanced its water management methodologies and focused on increasing water reuse and rainwater harvesting, while long-term plans emphasized a shift to clean energy.

With 98% of its water use coming from specific power plants, the company aimed to reduce and recycle water in these facilities.

For instance, Bandırma NGPP (Natural Gas Power Plant) operates a 3 MW hydroelectric power plant using cooling water return for internal consumption.

Enerjisa Üretim also uses continuous wastewater monitoring and marine monitoring to prevent pollution.

**At Tufanbeyli Power Plant, a dry-type cooling system minimizes water use by reusing withdrawn water for various processes, ensuring no industrial wastewater discharge.**

Moreover, Enerjisa Üretim utilized advanced analytics and new technologies for strategic decision-making in hydropower plants.

By leveraging data from European Centre for Medium-Range Weather Forecasts (ECMWF) and Global Forecast System (GFS), the company optimized short-term streamflow forecasting for reservoir management and implemented early warning systems for meteorological and hydrological risks.

Satellite imagery data was used in the Delft FEWS model to support internal optimization algorithms.

Despite early-year drought impacts, efficient maintenance and operations led to a productive year for the company's hydroelectric power plants.

# Biodiversity

[According to the World Wildlife Fund's \(WWF\) Living Planet Report](#), the Living Planet Index indicates an average 69% decline in monitored populations between 1970 and 2018.

This decline in biodiversity is alarming, especially considering that more than half of the world's total GDP [is estimated by the World Economic Forum \(WEF\) to be moderately or highly dependent on nature and its services](#).

Additionally, research suggests that natural ecosystems have declined by an average of 47% relative to their earliest estimated states.

These alarming statistics indicate the urgent need for concerted efforts to preserve and restore biodiversity.

From a business perspective, this situation also poses significant risks to operations and finance. This risk arises from both companies' impact on natural resources and their direct or indirect dependency on them.

In this context, Sabancı Group companies are continuing their efforts on integrating biodiversity preservation into their operational frameworks.

**In 2023, Sabancı Group launched a comprehensive biodiversity project across the entire organization to address the risks involved and mitigate their potential impact.**

Recognizing that the journey to establish biodiversity targets is not a one-size-fits-all approach, Group companies have embarked on a customized process to align their operations with nature-related standards.

The project commenced with comprehensive training and alignment efforts to ensure that all employees in relevant departments understood the critical importance of biodiversity preservation.

Following this, prioritized Group companies systematically identified priority areas and locations where their operations intersect with sensitive ecosystems [in accordance with the Taskforce on Nature-related Financial Disclosures \(TNFD\) Guidance](#) on the assessment of priority locations.

Through this evaluation, we assessed the potential impacts and dependencies of our activities on biodiversity in relevant geographies providing us a clear understanding of the risks and opportunities associated with our operations. In this direction, we have taken the effective management of our priority issue of biodiversity and nature positive actions one level higher.

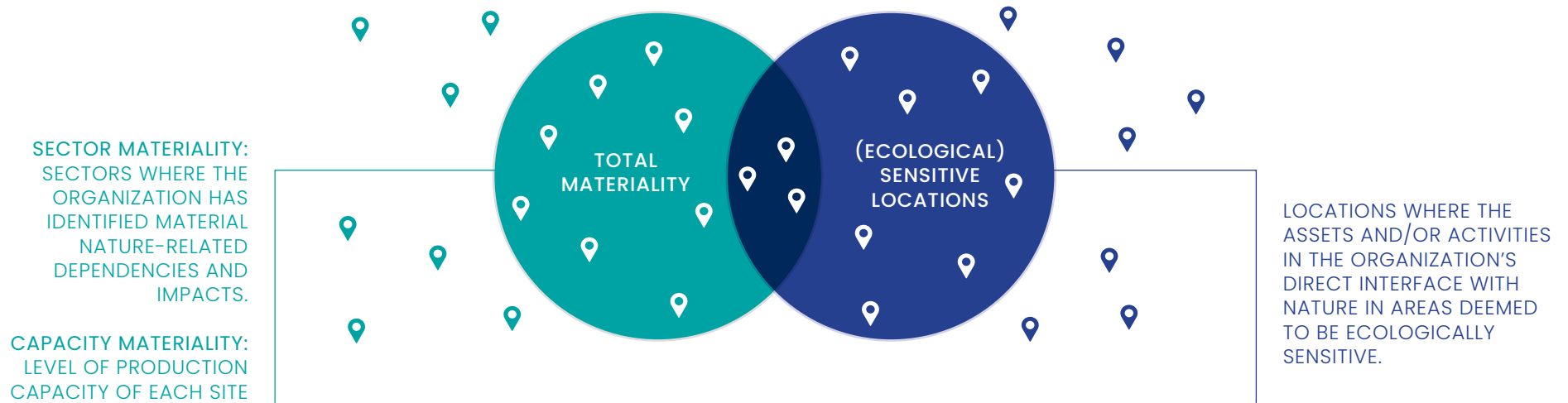


# Biodiversity

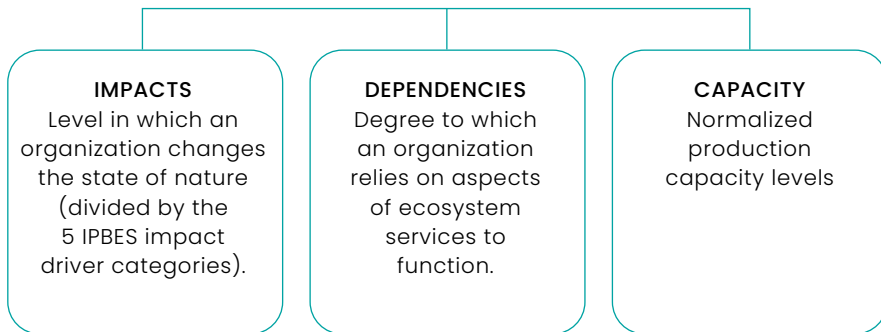
Locations are prioritized according to their materiality and ecological sensitivity

TNFD Guidance on the assessment of priority locations:

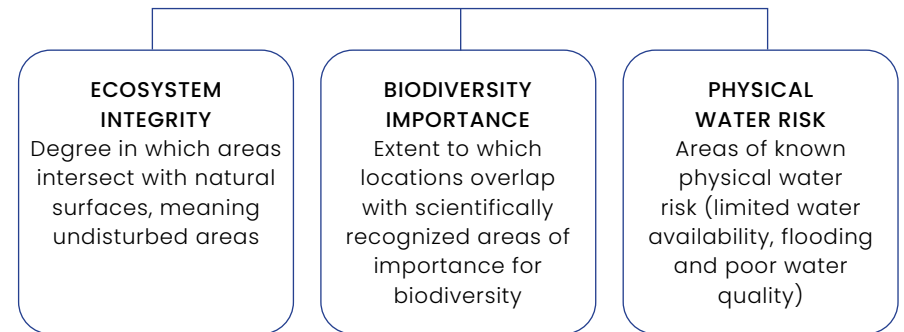
## PRIORITY LOCATIONS



### TOTAL MATERIALITY IS DEFINED BY SECTOR AND CAPACITY MATERIALITY:



### SENSITIVITY IS DEFINED BY:



# Biodiversity

We looked into impact and dependencies of biodiversity for Sabancı Holding and its Group companies.

With a comprehensive understanding of their impacts and dependencies on biodiversity, Group companies then mapped out their value chain to identify areas where interventions can be most effective. This holistic approach ensures that efforts to preserve and restore biodiversity are integrated into their operations.



# Biodiversity

As these efforts persist, the implementation of our policies focused on biodiversity and nature further enable impactful outcomes. Our Responsible Investment Policy establishes an exclusion list based on various biodiversity standards. These standards apply to all investments, regardless of size. Additionally, in evaluating large-scale investments exceeding USD 10 million, incorporating production activities that could pose significant environmental or social risks if not managed properly, we meticulously consider the IFC Performance Criteria or EBRD Performance Requirements. Moreover, our Policy outlines how ESG due diligence, including biodiversity criteria, will be implemented across the Sabanci Group value chain.

In addition to our ongoing efforts, we actively engage in biodiversity conservation programs and collaborate with local public and non-governmental organizations. Alongside our monitoring

and conservation initiatives, we lead communication campaigns to enhance social awareness of biodiversity.

## Next Steps

In the next phase, Sabanci Group companies will take industry-leading steps with flagship biodiversity projects, in collaboration with local consultants. In doing so, we aim to develop a customized action plan that is aligned with our group-level ambitions and serves our nature-positive goals.

## Highlights From Sabanci Group Companies

### ÇİMSA

Çimsa adopts sustainable practices to minimize the environmental impact of its raw material preparation, cement production, ready-mixed concrete, grinding facilities and terminal operations and to make processes more sensitive in

terms of biodiversity. In 2023, within the scope of determining commitments by assessing the impacts and dependencies of its operations and its value chain, the company adopted the LEAP (Locate-Evaluate-Assess-Prepare) approach to ensure compliance with the requirements of the Task Force on Financial related Natural Disclosures (TNFD) standard.

According to this study, 'Materiality' analysis was conducted by considering sector and capacity importance, and priority locations were identified according to impact, dependencies and capacity factors. With the 'Sensitivity' analysis, ecosystem integrity, biodiversity importance and physical water risks were also evaluated in areas considered to be ecologically sensitive, and 6 locations, which are the combination of significance and sensitivity assessment, were identified. As the next step, Çimsa will prepare and implement 'Biodiversity Management Plans' for these 6 locations.

## Çimsa's Biodiversity Commitment

Çimsa's goal is to prevent and reverse biodiversity loss by 2030 based on 2022 and achieve full recovery by 2050 by focusing on high impacts in the value chain within its own operations as well as raw material quarries and supply.

Çimsa will follow a science-based approach to improve its biodiversity performance by developing action-oriented roadmaps in close cooperation with stakeholders, society, sectoral platforms and supplier network. It will structure and communicate these efforts through 'Biodiversity Action Plans' that include location-specific actions.

### BRİSA

Brisa is continuing the 'Turnalar Hep Uçsun' (Let the Cranes Fly Forever) project started in 2013 with the partnership of WWF Türkiye (Worldwide Fund for Nature). Approximately 1,000 kg of organic waste generated in the food halls every day

# Biodiversity

is turned into 200 kg of fertilizer by composting. Derived fertilizer is used in foresting projects in order to improve the organic composition of the soil.

## ENERJISA ENERJİ

Enerjisa Enerji places immense importance on the protection of biodiversity, consistently striving to minimize the potential negative impacts of its operations on natural life.

Enerjisa Enerji has conducted the following projects for the protection of biodiversity:

### High Voltage Aerial Line Insulator Project:

In 2023, insulation was applied to 100 poles in the Toroslar region through a collaboration with its stakeholder, the Nature Association.

### Bird Deterrents:

To prevent bird deaths, the installation of

insulators on lines deemed risky or along the migration routes has begun. A line in Adana was selected for the installation of isolators, and monitoring of the line has commenced. This project aims to protect bird populations in the region as well as avifauna biodiversity.

### Bird Deflectors:

To minimize bird deaths due to electric shock, Bird Deflectors were installed on selected aerial line sections. In 2023, more than 12,000 isolators were insulated, and over 10,000 bird deflectors were installed to protect biodiversity.

## ENERJISA ÜRETİM

### Wildlife studies

With its 'Regeneration' vision inspired by nature, Enerjisa Üretim does not consider it sufficient to reduce the negative impacts on biodiversity and aims to contribute to the self-renewing transformation of the ecosystem.

Within the scope of the Arkun Dam Wildlife Project, Enerjisa Üretim carries out ecosystem and wildlife protection studies in cooperation with Nature Conservation and National Parks.

Enerjisa Üretim monitors the ecosystem with the naked eye and motion-sensing camera traps in an area of more than 62 thousand hectares.

With the help of transmitters attached to the animals and satellite technical methods, 21 wild goats (*Capra aegagrus*) have been monitored for 1 year and currently 2 hooked horned mountain goats (*Rupicapra rupicapra*) are being monitored.

### Türkiye's first agrivoltaic agriculture project from Komşuköy and Enerjisa Üretim

Enerjisa Üretim and Komsuköy are pioneering Türkiye's first agrivoltaic agriculture project, combining solar

energy generation with sustainable agriculture by installing raised solar panels on agricultural fields. This symbiotic relationship protects crops from extreme weather, enhancing agricultural efficiency and productivity.

Located in Komşuköy, Beykoz, Istanbul, the facility has a power of 20 kW and a storage capacity of 24 kWh. It supports the growth of certain plants like blueberries, spinach, and cabbage, while contributing to local electricity needs. The second phase began with soil preparation at Enerjisa Üretim's Bandırma Energy Base, planting 9,000 winter seedlings on a 4.5-acre area.

Enerjisa Üretim's agrivoltaic initiative, which earned I-REC (International Renewable Energy Certificate) certification, maximizes land use by reducing solar panel density and improving crop performance. Observations indicate a significant

# Biodiversity

increase in vegetative growth and product volumes. The project is set to expand to other regions, with results shared with stakeholders on an academic level.

At its Bandırma Energy Hub, Enerjisa Üretim implemented the second phase of its Agrivoltaic project. Within the scope of the project, Enerjisa Üretim planted 9,000 winter seedlings on a 4.5-acre area located within its existing SPP (Solar Power Plant) fields. Enerjisa Üretim shared the first harvest of 2023 with its plant employees. In the upcoming period, Enerjisa Üretim plans to expand its Agrivoltaic project to different power plant regions and share their outcomes with all its stakeholders on an academic level.

## CARREFOURSA

Carrefoursa became the first retail company in Türkiye to participate in the TNFD (Taskforce on Nature-related Financial Disclosures) Forum, established

to understand nature-related risks and opportunities in the financial world, enhance transparency, and develop nature-friendly financial strategies.

Acting in accordance with its publicly disclosed biodiversity policy and as part of deforestation efforts, Carrefoursa educates its suppliers on commodities contributing to deforestation and has established a digital interface system to track the sustainability certification of related commodities.

Farming practices that involve the use of pesticides are known to be harmful to health and biodiversity. Therefore, Carrefoursa embraces the ecological and healthy approaches of organic farming and continuously expands its organic product offering. All organic private label products hold [Ecocert certification](#), which is recognized in Türkiye and the European Union. Carrefoursa transparently submitted its anticipated risks and consumption values related to forest-

risk commodities through the CDP forest module for the first time in 2022, resulting in a B score (Management) across all forest modules based on the evaluation results. In 2023, its reporting on the use of palm, soy, and timber earned an A rating, while reporting on the use of cattle products earned a B rating.

## AKBANK

Akbank evaluates projects with the aim of minimizing the impacts on wildlife, animal welfare and biodiversity. The Bank checks whether the proposed project is carried out in areas of critical importance for endangered species before making a financing decision and does not finance activities such as the trade of endangered species. In the cases where it is understood that there are impacts on biodiversity in the projects the Bank finances, Akbank questions the existence of a biodiversity action plan. In the cases where the biodiversity action plan does not exist, the Bank demands

it to be prepared and implemented by experts. Through these reports, Akbank determines the possible impacts of the project on aquatic, terrestrial and avionic species, determines the mitigation measures to be taken to reduce the impact, monitors the success level of the mitigation measures and ensures that regular monitoring is carried out with key performance indicators.

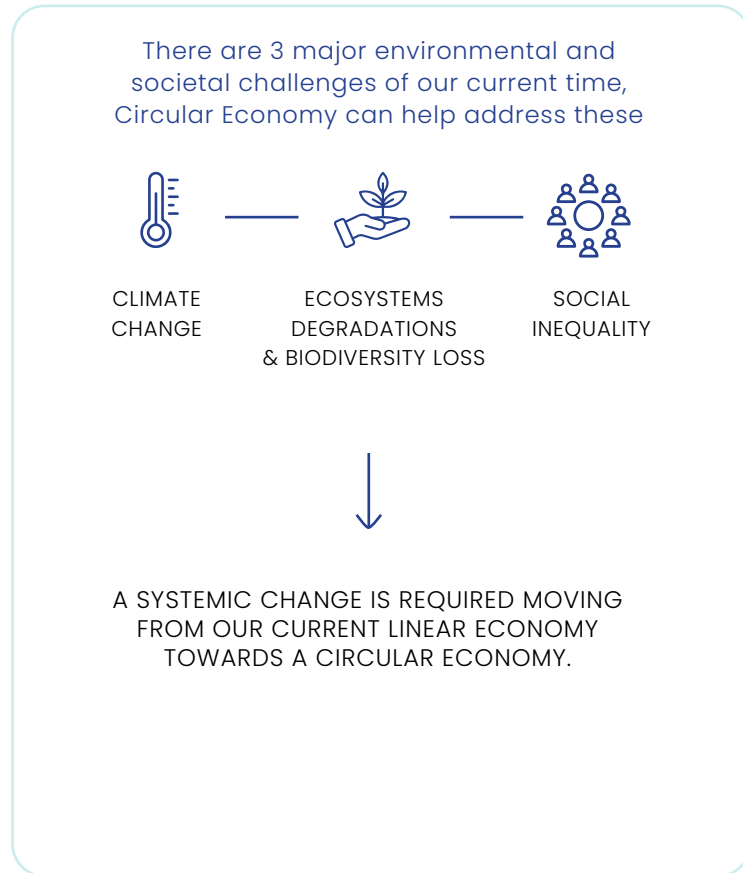
In addition to collecting data on biodiversity impacts in [ESIA \(Environmental Social Impact Assessment\)](#) of the assessed projects, Akbank implements various management plans for clients to manage high-risk impacts. For instance, [The Alliance for Zero Extinction \(AZE\)](#) included in Akbank's Environmental and Social Framework, limits financing of new investments in designated areas but proposes measures to address biodiversity impacts.

# Circular Economy

**Circular practices are essential to future-proof business as they address major environmental and societal challenges.**

According to the recent Circularity Gap Report (CGR), the global economy has seen an increase in material consumption exceeding half a trillion tonnes over the past six years. Encouragingly, the circular economy has reached megatrend status. The number of discussions, debates and articles related to the circular economy has almost tripled over the past five years.

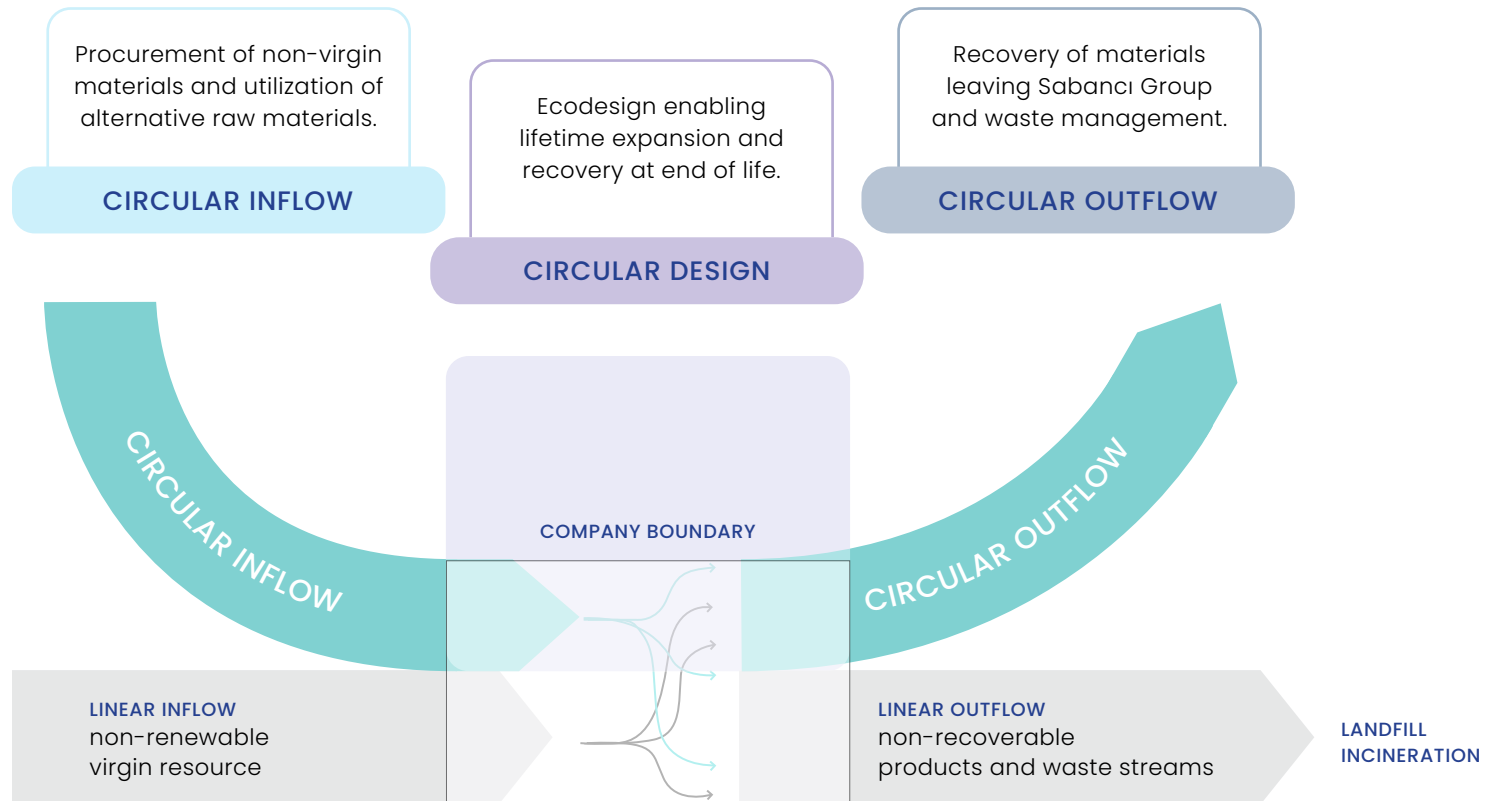
At Sabancı Holding, we are committed to strategically investing in a sustainable future strengthened by our circular economy framework. Recognizing the urgent need to address material scarcity, we focus on enhancing resource productivity across both our existing operations and new investments. Our goal is to minimize reliance on landfills and incineration, aiming for Zero Waste by 2050.



# Circular Economy

At Sabancı Group, embedding the circular economy principles is one of the core ambitions for each Group company based on their specific stage of circularity maturity. Three circular economy pillars; Circular Inflow, Circular Design and Circular Outflow, based on the [Circular Transition Indicators \(CTI\) framework](#) helped us to dive into circularity at Sabancı Holding.

Circular Economy pillars based on the CTI framework with definitions



# Circular Economy

In 2023, Sabancı Holding and our Group companies have actively explored and implemented strategies to support the circular economy effectively, aiming for tangible and long-lasting impacts. We began by exploring circular opportunities within our industries, including material technologies and mobility solutions, energy sectors and other industries. Intensive workshops trained and encouraged our Group companies on developing circular strategies tailored to their specific industry requirements.

This journey paved the way for establishing Sabancı Holding’s Circular Economy Strategy, defining our ambition, identifying our pillars, and setting our targets. Throughout the year, several Group companies set quantitative targets aligned with Sabancı Holding’s circular objectives, while some of them searched to enhance their circular practices through supplier engagement. This comprehensive approach shapes our strategy built around three primary pillars of circularity which will guide our efforts moving forward:

- I. Circular Materials & Partnerships
- II. Circular Design Principles
- III. Enhanced Recovery Routes

## AMBITION

### Sabancı Holding’s Circular Ambition

'At Sabancı Holding, 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<sup>43</sup> targets and milestones for relevant Group companies<sup>42</sup>.

By 2050, Sabancı Holding aspires for relevant Group companies<sup>42</sup> to design all key products<sup>44</sup> with the Circular Principles.

By 2050, Sabancı Holding aspires to eliminate landfill and incineration<sup>45</sup>, across relevant Group companies.<sup>42</sup>

<sup>42</sup> Relevant Group companies refer to Akçansa, Çimsa, Temsa, Teknosa, Enerjisa Enerji and Enerjisa Üretim which are in scope of the Circular Economy Project.

<sup>43</sup> Further analysis needed to understand current % circular inflow.

<sup>44</sup> Key products are identified at the company level. Principles are durability, reparability and circular composition.

<sup>45</sup> Incineration of hazardous waste is out of scope.



# Circular Economy

## Circular Materials & Partnership

The primary objective under this pillar is to achieve circular inflow targets and milestones, which will increase the percentage of circular inputs such as recycled or reused inputs rather than virgin resources. This ambition is crucial, as it demonstrates companies' efficiency in resource utilization and their commitment to mitigating the negative impact on nature by reducing the demand for extracting raw materials. For this pillar, Sabancı Group will focus on analyzing the weight of material flows sourced from recycled or other types of circular content and reused from other processes, seeking ways to increase overall consumption through this approach. **By 2030, Sabancı Holding aims to achieve the Circular Inflow targets and milestones which were set in 2024 by relevant Group companies.** Some of these targets are quantitative whereas

the others are qualitative milestones since some of our Group companies' value chains are extensive and more complex to transform. We expect to increase the maturity of our supply chain on circular economy practices as we engage with them in the coming years.

## Circular Design Principles

Circular design principles are fundamental to creating products, services and systems that support the requirements of circular economy. During the implementation of circular design principles, specific pillars such as longevity and durability, safe and circular material choices, modularity and flexibility, and designs with circular end-of-life cycles will be considered in production facilities of Sabancı Group companies. Circular design principles deliver tangible benefits for nature by maximizing resource use and product

quality, while simultaneously generating economic benefits through optimizations. Sabancı Group will analyze the entire lifecycle of products from beginning to the end-of-life processing to improve the circularity of design. **By 2050, Sabancı Holding aspires for relevant Group companies to design all key products with Circular Principles.** Group companies will implement their interim targets and milestones towards 2050 with different speeds based on their level of maturity and the nature of their industries, while working with suppliers and other stakeholders to enhance the mapping and circular performance of their supply chains.

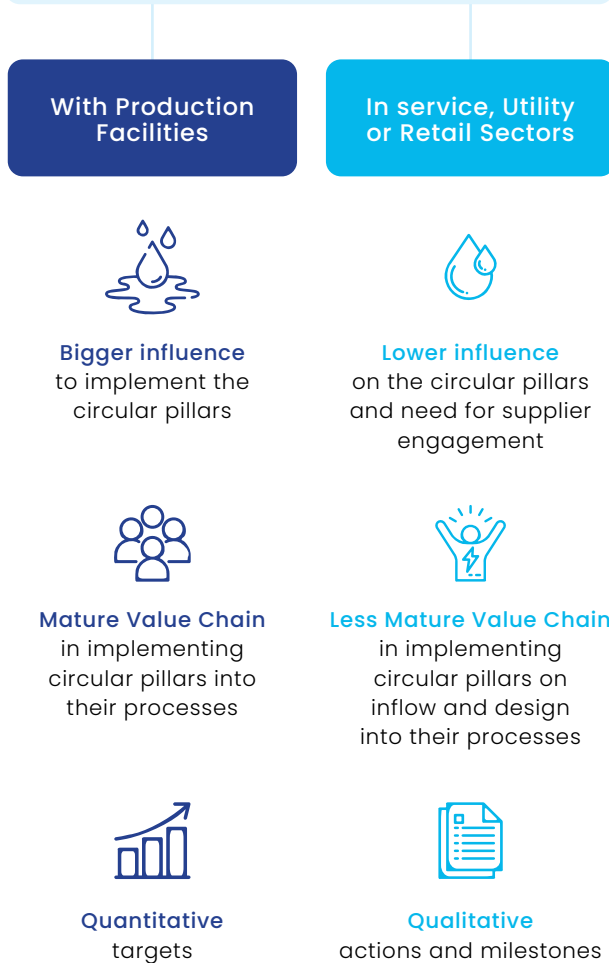
## Enhanced Recovery Routes

Enhanced recovery routes aim to implement advanced strategies in improving the efficiency and effectiveness of resource recovery at

the end of product lifecycles. Through improved recovery routes, it is possible to maximize the value retained from products at the end of their life cycle, transforming them back to valuable materials or energy through innovative and efficient recycling and reuse processes. The goal is to recover high-value materials from waste materials such as plastics at the end of the process. Through these recovered routes, it is possible to close the loop on material use and ensure sustainable resource management by integrating advanced technological and process innovations. **By 2050, Sabancı Holding aspires to eliminate landfill and incineration across relevant Group companies.**

# Circular Economy

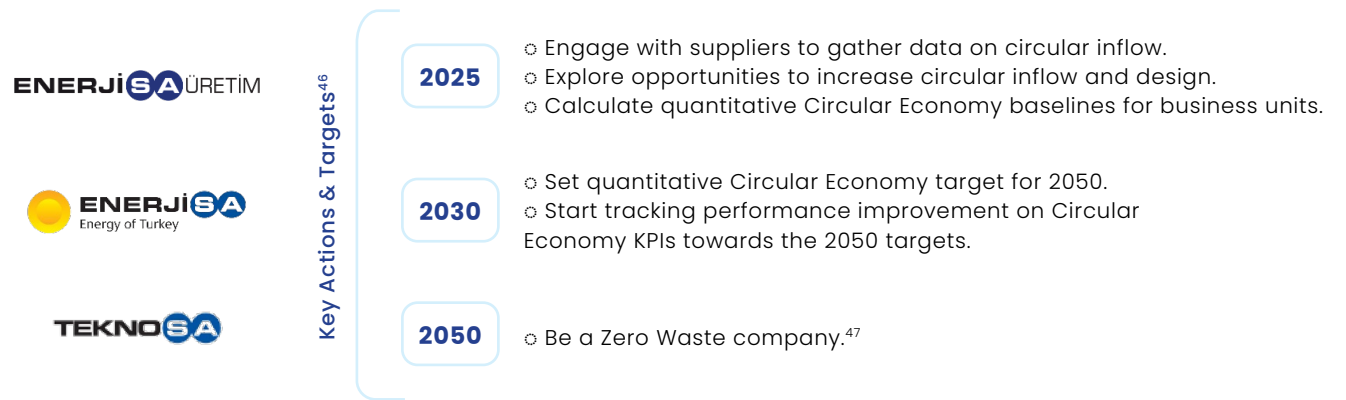
## Classification of Group Companies Based on the Nature of Their Operations<sup>46</sup>



## GROUP COMPANIES WITH PRODUCTION FACILITIES



## GROUP COMPANIES IN SERVICE, UTILITY OR RETAIL SECTORS



<sup>46</sup> The targets have been abbreviated, a summary of key actions and milestones have been provided.

<sup>47</sup> Incineration of hazardous waste is not part of the Zero Waste target scope.

# Circular Economy

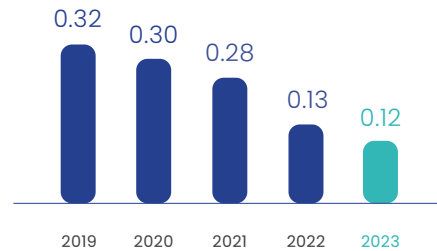
## Waste Management (Material Outflow)

For Sabancı Group, waste management means treating the materials outflow as an opportunity in terms of a new resource of materials. Decreasing the number of single-use materials and providing innovative and unique solutions to materials outflow as a new alternative resource like energy are among our enhanced recovery route initiatives.

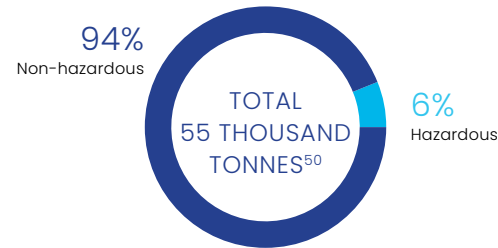
In addition to these measures, we aim to reduce our customers' waste generation through effective maintenance and repair services and by offering sustainable, resource-efficient, and durable products.

94% waste recycled and reintroduced to the economy.<sup>48</sup>

MATERIALS OUTFLOW INTENSITY BY YEAR<sup>51</sup> (TON)



MATERIALS OUTFLOW BY TYPE<sup>49</sup> ✓



## Next Steps

In our upcoming initiatives, we are dedicated to fostering close collaboration among our Group companies and with our value chain partners to facilitate the implementation of circular economy principles. As Sabancı Holding, we will start tracking new circularity KPIs to monitor the performance of our Group against the targets and milestones set by our companies in 2024. Through enhanced knowledge sharing and the cultivation of a culture of accountability, our aim is to ensure all relevant functions seek ways to improve at this front, as we did on decarbonization. As part of our goal to invest in a circular future, we will actively seek ways to embed circularity in our due diligence activities in new investments.

<sup>48</sup> Waste recycled and reintroduced to the economy without ash waste. Although it is difficult to recycle given the composition of the waste, Enerjisa Üretim is still working on how to repurpose/reuse the ash waste in other sectors.

<sup>49</sup> SBS BV is not included.

<sup>50</sup> Total waste without Enerjisa Üretim ash waste.

<sup>51</sup> Total materials outflow intensity without Enerjisa Üretim ash waste.

# Circular Economy

## Highlights From Sabancı Group Companies

### ÇİMSA

#### **Circular Materials & Partnerships**

To increase the use of secondary materials that can be used in clinker production and play a cementitious role in cement grinding processes, instead of raw materials such as limestone, clay, and iron ore of natural origin, which are traditionally used for cement production, Çimsa continues to conduct market research and secure agreements to ensure supply continuity. Purchases of alternative raw materials increased by 35% from 260 thousand tons in 2022 to 350 thousand tons in 2023.

By replacing carbon-intensive fossil fuels with low-carbon biomass, tires, household waste and waste-derived fuels for thermal energy in the clinker production

process, Çimsa not only contributes to the decarbonization journey but also supports the waste management processes of various industries in the absence of another alternative to recycle or reuse these materials. It develops alternative fuel storage and feeding systems in its production facilities in parallel with technological advances.

**The rate of alternative fuel use, which stood at 7.8% in 2020, surged to 29% in 2023, with targets set to reach 35% by 2025 and 40% by 2030.**

#### **Enhanced Recovery Routes**

Çimsa's circularity framework was established in 2023. Within the scope of the circularity principles of circular inputs, circular design and circular outputs, the

targets were set to increase the ratio of alternative raw materials in gray and white cement production to 10% by 2030, to develop an innovation project based on the use of Construction and Demolition Waste (CDW) by 2025 and to eliminate landfill and incineration of non-hazardous waste by 2050.

Furthermore, Çimsa embraces the increased utilization of alternative resources as part of its decarbonization roadmap, demonstrating a commitment to responsible resource management.

### AKÇANSA

#### **Circular Materials & Partnerships**

In 2023, Akçansa raised the substitution rate of fossil fuels with alternative fuels in its factories to 23.3%, marking a 7.4% increase compared to the previous year.

As part of its efforts to increase the use of alternative raw materials, Akçansa uses materials such as casting sand, grid sand, marble crumb, concrete waste, industrial sludge, excavation soil, gypsum waste, fly ash, pyrite ash, and copper flotation waste in clinker and cement production processes, thus contributing to the circular economy.

**Akçansa targets to increase the use of alternative raw materials in cement and concrete to 10% by 2030, according to the Global Cement and Concrete Association (GCCA) calculation methodology.**

# Circular Economy

## BRISA

### Circular Materials & Partnerships

By developing new compounds for inner liners, treads, and sidewalls, Brisa has transitioned to environmentally friendly tire compounds with lower rolling resistance, significantly saving fuel for trucks and buses. The tire industry's reliance on fossil fuels makes it a major waste producer, but Brisa adopts a sustainable recycling management approach to address this issue.

### Circular Design Principles

Brisa's circular design principles contribute to natural resource preservation and the national economy.

Brisa offers tire retreading services through its Bandag brand, saving fleet costs by up to 40% and extending tire life threefold.

This reduces tire waste and promotes environmental protection.

### Enhanced Recovery Routes

Enhanced recovery routes are central to Brisa's circular economy strategy. The company aims to minimize waste by controlling pollution sources during production. Waste prevention, reuse, recovery, and recycling are prioritized. Elements like dust and gas, which could negatively impact indoor air quality, are collected, recovered, and reused in the system, protecting both air quality and natural resources.

Since implementing the 'Zero Landfill' practice at its Izmit Plant in 2015, Brisa has achieved 100% waste recycling.

The plant's recycling unit separates pulp and metal, which are then

repurposed as raw materials in different sectors. Additionally, Brisa has recycled polyethylene material since 2008, preventing the generation of 300 tons of polyethylene waste annually. The company also procures boiler chemicals in reusable containers and uses metal cases instead of stretch film for raw material packaging, further reducing plastic waste.

## KORDSA

Kordsa has developed tire reinforcement products with 100% recycled polyester raw material content through an R&D project.

This innovation has reduced the product carbon footprint by manufacturing recycled polyester (rPET) tire cord fabric for sustainable tires. The Izmit

Facility of Kordsa has received the ISCC (International Sustainability Carbon Certification) Plus Certificate, a prestigious certification in sustainability, for its recycled polyester production process. Kordsa also transforms production and technological nylon scraps into recycled raw materials through a recycling machine, using these materials as input for producing new products. An R&D project led to the production of nylon tire reinforcement products with 40% recycled nylon raw material content. In 2023, Kordsa made a significant investment in its compound business line, using mechanically recycled polyamide material to support its mission of sustainable resources and emission reduction.

### Circular Materials & Partnerships

Kordsa joined the WhiteCycle Project, a European initiative to process and recycle polyester from complex waste. This consortium of 16 public and private

# Circular Economy

European organizations aims to create a more circular economy by recycling polyester waste using innovative sorting, enzymatic recycling technologies, and manufacturing new products from recycled plastics. The project targets complex waste, such as textiles from end-of-life tires, hoses, and multilayer clothes, aiming to make these materials recyclable. The primary objective is to reduce greenhouse gas emissions by approximately 2 million tons.

## Circular Design Principles

**Kordsa has developed flame-retardant bio-based resin systems as alternatives to petroleum-based phenolic resins.**

These new resins comply with aviation industry standards (FAR 25.853) and

railway standards (EN 45,545). This sustainable honeycomb project ranked first in the sustainability category at the Sabancı Holding 14<sup>th</sup> Golden Collar Awards.

## Enhanced Recovery Routes

Kordsa reuses packaging materials such as tubes, separators, steel shells, and wooden pallets. In 2023, the average reuse rate across all plants was 23%. Kordsa plans to extend this project to its other sites in the coming years.

## ENERJİSA ENERJİ

Enerjisa Enerji recognizes that Circular Economy supports its Zero Waste and decarbonization efforts towards 2050. To improve its circularity performance, Enerjisa Enerji will act in line with circular pillars to minimize waste, maximize the lifespan of goods through promoting reusing, refurbishing, and recycling.

## Circular Materials & Partnerships

Enerjisa Enerji will explore circular materials and partnerships, by engaging with suppliers of its key assets for energy distribution and E-chargers to extend the use of circular and recycled materials while minimizing the dependencies on finite resources.

## Circular Design Principles

Enerjisa Enerji will determine circular design principles to guide procurement together with its suppliers. The principles will support innovative solutions and ensure the company to repair its assets to extend lifetime and easily recover materials at the end of life.

## Enhanced Recovery Routes

Enerjisa Enerji will work on enhancing recovery routes towards a future with no waste. This is possible through deeper collaboration with its value chain partners on methods to close the material loop efficiently for its most used materials such as copper.

## ENERJİSA ÜRETİM

Enerjisa Üretim will actively engage with their suppliers to gather comprehensive data on circular inflow, ensuring transparency and collaboration throughout its supply chain. By exploring innovative opportunities, Enerjisa Üretim aims to increase the circular inflow of materials and resources, integrating circular design principles into their operations.

By 2030, Enerjisa Üretim will have calculated quantitative circular economy baselines for each business unit. This detailed analysis will provide a clear understanding of their current impact and identify areas for improvement. Building on these insights, the business units will set ambitious yet achievable quantitative circular economy targets for 2050.

# Circular Economy

Enerjisa Üretim's goal is to eliminate landfill land incineration of non-hazardous waste by 2050. To track the progress, the company will implement performance monitoring to the circular economy KPIs. By minimizing waste and maximizing resource efficiency, Enerjisa Üretim aspires to lead the energy sector in sustainability.

## CARREFOURSA

In 2023, Carrefoursa collected approximately 10 tons of used vegetable oils from customers, converting them into biodiesel and preventing the pollution of 10 thousand tons of drinking water.

Moreover, Carrefoursa's partnership with 'FAZLA' and the Food Rescue Association exemplifies its commitment to addressing food waste. By redistributing surplus food and non-food products to those in need, the company saved and donated 718 tons of products by the end of 2023. This initiative not only aids in food security but also aligns with the principles of responsible consumption.

The 'Bring Your Own Container' project further highlights Carrefoursa's innovative approach to reducing single-use plastic waste. By encouraging customers to use their own containers for purchases, the company promotes sustainable consumer habits and sets a benchmark for the sector.

## TEKNOSA

Teknosa offers five distinct sustainable services to reduce waste and support the circular economy:

- **Refurbished Phone Sales:** Customers receive a one-year warranty on refurbished phones purchased through teknosa.com.
- **Repair and Maintenance Services:** Damaged electronic devices are repaired and reintegrated into the value chain, either as spare parts or resold products.
- **Leasing Service:** Leasing options are available for 200 electronic products via teknosa.com or select stores.
- **Buyback Program:** Customers receive discounts for returning old devices, contributing to electronic device recycling. The goal is to collect 500,000 devices by 2031.

○ **TeknoGaranti:** Extended warranties ensure product efficiency for up to three years.

Maintenance and repair services have enhanced the performance of approximately 246 thousand products, preventing obsolescence. In 2023, 93% of repaired products were returned to the same consumers.

Through the Buyback and Refurbished Phone service, 58,000 old phones were acquired in 2023, with 77.6% refurbished and resold through teknosa.com. Refurbished products accounted for 11.3% of total products sold on teknosa.com in 2023. Customers can now access refurbished phone sales services in stores as well, starting from 2024.

# ECHOES OF \_\_\_\_\_ HARMONY

## United for Lasting Social Impact

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In a Zen garden, each element harmoniously integrates, reflecting the unity and balance vital for a thriving ecosystem.

**At Sabancı Holding, our Social Agenda mirrors this unity, demonstrating our commitment to creating a prosperous future through impactful societal initiatives and collaborative efforts.**





# Our Social Agenda

At Sabancı Holding, we are strongly committed to making a positive impact on society and the environment. We follow our core values closely and have created a wide-ranging approach to social responsibility that affects every part of our work and the communities that we operate in.

Our Social Agenda starts from the core of our operations. With over 60,000 employees in our community and impacting millions of individuals through our value chain, we are dedicated to working hard to both transform our business and contribute to the favor of society.

We achieve this through offering SDG-linked products and services, being a responsible employer, and fostering volunteering programs across our employees and their families.

As Sabancı Group, our Social Agenda extends beyond the boundaries of our businesses and where they operate and reach out to a wider society through the numerous projects aimed at driving social transformation undertaken together with Sabancı University and the Sabancı Foundation.

We mobilize our resources strategically to get involved in projects that tackle important social and environmental issues. These projects are designed to mirror our values and priorities and linked to the nature of our businesses, aiming to improve the lives of diverse communities.

We aim for every investment in our community to yield a social return on investment (SROI) of one or higher, supported by detailed social impact assessments, to make sure we achieve the greatest impact.

Our flagship project, Sabancı Republic Day Campaign embraces this promise. Through initiatives like our Republic Campaign and community engagement, we aim to create value that benefits everyone involved, promoting inclusivity and empowerment. The Campaign supports a variety of social responsibility activities and strengthens our partnerships with numerous NGOs across Türkiye. This campaign is fundamental

to our efforts to provide on-the-ground support and unity with those in need. During 2023, Sabancı Republic Day Campaign increased its efforts as response to the devastating earthquake in Southeastern Türkiye to help the people residing in most affected areas from the earthquake.

Sabancı Holding is dedicated to fostering a positive impact not only through its diverse business portfolio but also through the varied contributions of its Sabancı Foundation, Sabancı University, and Sabancı University Sakıp Sabancı Museum.

# Our Social Agenda

Accordingly, Sabancı Group enriches its impact, using industrial and business capabilities to support wide-ranging initiatives in education, social change, culture, and the arts via Sabancı Foundation.

By especially focusing on supporting women, youth, and people with disabilities, the Foundation has awarded 51,000 scholarships over 47 years, promoting, and encouraging excellence.

Sabancı University also plays a key role in Sabancı Holding's mission for shaping confident, compassionate individuals who are responsive to societal needs and committed to ongoing growth and learning to support social improvement.

On the other hand, since 2002, the Sabancı University Sakıp Sabancı Museum has been instrumental in promoting cultural and artistic enrichment within the society.

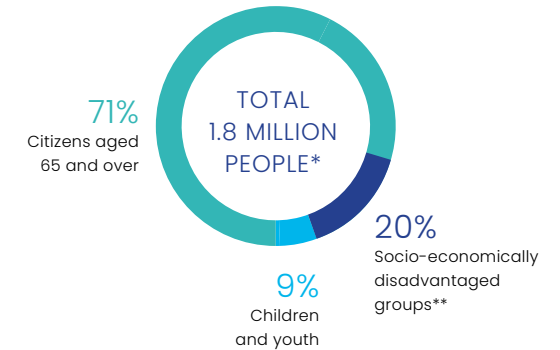
Sabancı Group also promotes innovative and inclusive business practices that support access to basic services such as finance for vulnerable groups through a variety of programs such as financial inclusion. Hence ensuring equal opportunities is a core value, each Sabancı Group company integrates Diversity, Equity, and Inclusion (DE&I) into their corporate practices.

Sabancı Group's Social Agenda highlights Sabancı Group's keen commitment to making a significant, measurable impact on society.

In collaboration with our Group companies, the Sabancı Foundation, Sabancı University, and through initiatives like the Sabancı Republic Day Campaign, Sabancı Holding is dedicated to building a future where everyone can ensure prosperity.

Together, we pledge to make a long-lasting positive impact on people's lives.

## PEOPLE REACHED THROUGH INCLUSION PROGRAMS CARRIED OUT BY SABANCI GROUP COMPANIES (2023, EXCLUDING SABANCI FOUNDATION) ✓



\* Akbank, Aghesa, Brisa, Carrefoursa, Çimsa, Kordsa, Teknosa, Enerjisa Enerji, and Enerjisa Üretim are included.  
 \*\* These groups represent people with various social and/or economic disadvantages, and detailed definition may vary according to each program.

# Community Investments

Sabancı Holding's purpose 'to unite Türkiye and the World for a sustainable life with leading enterprises' shapes the Group's Corporate Social Responsibility (CSR) framework as well. For this reason, social contribution and investments are at the core of Sabancı Holding's CSR strategies.

Focusing on numerous impact areas towards Sustainable Development Goals, Sabancı Group drives social transformation through Sabancı Volunteers, the roof program bringing together all Group companies under several projects, as well as Group companies' stand-alone CSR initiatives and by providing resource allocation to Sabancı Foundation.

## Sabancı Volunteers Program

Sabancı Holding consistently demonstrates the importance it places on solidarity and unity in achieving common goals. Innovation and participation are actively encouraged to generate sustainable solutions for various significant social and environmental challenges.

Sabancı Holding also believes that unlocking the tremendous potential of employee volunteering is a vital component of sustainable development.

Initiated in 2015, Sabancı Volunteers Program aims to strengthen the bond between employees and Group companies, enhance employee social awareness and carry out activities that benefit society.

Sabancı Volunteers Program executed meaningful projects and initiatives that touched the lives of thousands of people across the country.

Moreover, Sabancı Volunteers Program fosters the development of an inclusive culture within Sabancı Group, where individuals feel a strong sense of belonging, align with the Group's values, and are deeply connected to its purpose and goals. A strong sense of belonging leads to higher levels of engagement, motivation, and loyalty, creating value for all stakeholders.

This initiative also acts as a catalyst, creating a multiplier effect through dynamic communication tools. By harnessing the power of digital platforms, Sabancı Volunteers raise their impact, reaching wider audiences and sparking

meaningful conversations that move beyond borders.

As active contributors to various community initiatives, Sabancı Volunteers evolve into influential individuals, embodying the core values of the Group.

Through their collective efforts, they not only raise awareness about environmental and social issues but also inspire others to join the movement, further expanding the reach and impact of Sabancı Group's community investments.

# Community Investments

## Sabancı Republic Day Campaign (Sabancı Cumhuriyet Seferberliği)

Sabancı Group designed Sabancı Volunteers project: Sabancı Republic Day Campaign, to address the Nature and Social Agendas of Sabancı Holding towards achieving a sustainable future.

Since its founding, Sabancı Group's highest priority has been to uphold the values of the Republic of Türkiye. Following the devastating forest fires and floods in Türkiye in 2021, the Group launched Sabancı Republic Day Campaign. This effort was designed to support restoration and healing in the aftermath of environmental disasters while also serving as a pioneer and example for sustainable living. The campaign aims to ensure a better future for new generations, the environment, and all living beings while honoring the legacy of Mustafa Kemal Atatürk.

### ENVIRONMENT



PREVENTIVE ACTIONS AGAINST THE CLIMATE EMERGENCY



SUPPORT FOR SUSTAINABLE PRODUCTION

### SOCIAL



PREPARATION OF YOUTH FOR THE FUTURE



EMPOWERMENT OF WOMEN IN THE WORKFORCE

Over the past three years, Sabancı Volunteers dedicated a total of approximately 170 thousand hours to activities as part of Sabancı Republic Day Campaign. In other words, Sabancı volunteers compressed 19 years of work into just three calendar years with their incredible commitment.

# Community Investments

## 2021

### Response to 'Fire Disaster'

- 11 cities affected from fire
- 7.000 volunteers
- 28 events
- 35.000 volunteer hours (4 yrs. work)

## 2022

### Scaled Up Preventive Actions for 'Climate Crisis'

- 48 cities
- 15.000 volunteers
- 32 CSR projects
- 242 events
- 81.500 volunteer hours (9 yrs. work)

## 2023

### Development Actions for 'Social Impact'

- All over Türkiye - (50% Earthquake zone)
- 10.000 volunteers
- High impact, all year long 8 projects
- 1,000+ Offline / Online Events
- 53,000 volunteer hours (6 yrs. work)

across Türkiye organized in two focus areas: Education and Development. Sabancı Volunteers devoted 153 thousand hours to activities focused on sustainability and social impact. About half the projects were carried out in provinces affected by the highly destructive February 6 earthquake to support and revive the impact region.

### Agile Response and Preventive / Development Actions Against Crisis at Each Year

In its third year, Sabancı Republic Day Campaign celebrated the 100<sup>th</sup> anniversary of the Republic of Türkiye with great enthusiasm, with all volunteers participating in this effort. In 2023, the campaign once again became Türkiye's most attended social responsibility initiative.

More than 10 thousand Sabancı Volunteers participated in activities

All efforts as part of Sabancı Republic Day Campaign were dedicated to the great leader Mustafa Kemal Atatürk on November 10, as in previous years, honoring the lasting legacy of Atatürk.

### 'Running for Good'

As part of Sabancı Republic Day Campaign, 2,800 Sabancı Volunteers participated in the 45<sup>th</sup> Istanbul Marathon this year and collected donations to support education and development in the 100<sup>th</sup> anniversary of the Republic of Türkiye.



# Community Investments

## Education Projects (Digital, STEM\*, Social-Cultural)

Prepare 2,725 children and youth for the future

<p>Çimsa SabancıDx Sabancı University Enerjisa Enerji</p>	<ul style="list-style-type: none"> <li>16 days of digital education for 500 university students</li> <li>2,000 hours of mentoring 500 university students</li> <li>Internship opportunities</li> </ul>
<p>Akçansa Temsa Motorlu Araçlar (TMA)</p>	<ul style="list-style-type: none"> <li>29 days of STEM education for 1,300 students</li> <li>Music, Visual Arts Rooms and a Library established at the Enerjisa &amp; Sabancı Foundation school in Hatay.</li> </ul>
<p>Aksigorta Agesa</p>	<ul style="list-style-type: none"> <li>38 days of Social-Cultural education/activities for 400 young people and children</li> </ul>
<p>Akbank</p>	<ul style="list-style-type: none"> <li>Digital &amp; Social education for 500 young people</li> </ul>
<p>All Group Companies</p>	<ul style="list-style-type: none"> <li>2,800 marathon runners with donations to 5 NGOs</li> </ul>

\*STEM: Science, Technology, Engineering, and Mathematics

## Development Projects (Entrepreneurship, Sustainable Production, Women Workforce)

Support 2,520 producers, 1,500 entrepreneurs and 200 women

<p>Brisa Kordsa Temsa Teknosa</p>	<ul style="list-style-type: none"> <li>Incubation center in Hatay &amp; Technology classes</li> <li>9-day training for entrepreneurs</li> <li>Idea Camps, Accelerator Programs, Demo Days and Grant support</li> <li>60 hours of mentoring for 5 women's cooperatives</li> </ul>
<p>Enerjisa Enerji Carrefoursa</p>	<ul style="list-style-type: none"> <li>Pilot ecosystem project in Adana Karataş</li> <li>Energy savings of 40 KW with solar panels</li> <li>Recycling facility</li> <li>Sea and beach cleaning</li> <li>Trainings for fishermen</li> </ul>
<p>Carrefoursa</p>	<ul style="list-style-type: none"> <li>Harvest 10 tons of food and prepare for sale</li> <li>Material and equipment support to farmers</li> <li>1-day training for producers</li> </ul>
<p>Enerjisa Üretim</p>	<ul style="list-style-type: none"> <li>5 bee forests on a 4,000-hectare area</li> <li>Harvest of 100 tons of honey with 10,000 beehives</li> <li>\$500,000 income for beekeepers</li> </ul>
<p>Sabancı Vakfı Akçansa All Group Companies</p>	<ul style="list-style-type: none"> <li>127 mentors for Young Women Building Their Future</li> <li>Trainings to gain business know how and skill set</li> </ul>

# Community Investments

## INTERNATIONAL AWARDS

In 2023, Sabancı Volunteers received an award from one of the most reputable international organizations in recognition of their exceptional work and broad impact. Sabancı Holding won the prestigious global award, the ‘International CSR Excellence Gold Award 2023’ for its Sabancı Republic Day Campaign. The presentation ceremony took place at world-renowned St. Paul’s Cathedral in London in June.

## Highlights From Sabancı Group Companies

In 2023, the Sabancı Hatay Incubation Center was established in Hatay, Türkiye, one of the provinces most affected by last year’s earthquakes.

This initiative, in cooperation with the Habitat Association and Sabancı Group companies Brisa, Kordsa, Temsa, and Teknosa, reached thousands of entrepreneur candidates and young people in a short time.

The center, which started its activities on October 2023 within the scope of Sabancı Republic Day Campaign, Türkiye’s most widely attended social responsibility movement, hosted over 1,300 attendees at its trainings within a brief two-month period.

Sabancı Hatay Incubation Center, which was implemented with the aim of leading the local development of the earthquake region, works to create new job opportunities in the region, thus preventing migration from the region, and reintegrating young people and women into economic and social life.

## ÇİMSA

### The Future is Possible With You

Within the scope of the Sabancı Republic Day Campaign, the ‘The Future is Possible With You’ project, realized in partnership with Enerjisa Enerji, SabancıDX and Sabancı University and in cooperation with Bilim Virüsü, aims to provide 500 young people with competence in digital and information technologies in the 100th anniversary of the Republic.

The program, which consists of 3 stages: ‘Learning Program’, ‘Mentoring Program’ and ‘Development Program’, will provide a total of 133 hours of training and 2,000 hours of mentoring by volunteer mentors consisting of Sabancı employees. At the end of the program, participants will be offered internship opportunities at Çimsa and other group companies.

### Water is Breath

The Water is Breath Project, carried out in cooperation with the Educational Volunteers Foundation of Türkiye (TEGV), raises awareness on the importance of water and the protection of water resources and supports biodiversity through game-oriented activities designed for 2<sup>nd</sup>-5<sup>th</sup> grade students.

In 2023, 2,237 students were reached through activities organized at 20 locations.

# Community Investments

Since the beginning of the project, a total of 5,467 students have gained water awareness.

Çimsa will continue to support the Sustainable Development Goals of Quality Education, Clean Water and Sanitation and Climate Action with the project.

## İşimiz Eşitlik

Within the scope of the İşimiz Eşitlik project, trainings on Sustainability, Vocational Introductions, Interview, Resume Preparation and Gender Equality are provided to 11<sup>th</sup> and 12<sup>th</sup> grade vocational high school students in order to support them in entering business life, to make them aware of their potential and to increase the likelihood of finding a job when they graduate, with the aim of raising qualified employees for intermediate levels in Türkiye and increasing women's employment in industrial companies.

## AKÇANSA

### My Volunteer Journey

In the 100<sup>th</sup> anniversary year of the Republic, Akçansa launched the My Volunteer Journey project with Temsa Motorlu Araçlar, supporting young people as part of the Sabancı Republic Day Campaign. 24 volunteers dedicated 12 hours each, reaching 100 students.

The project began on 25 October in Reyhanlı, Hatay, with Sabancı volunteers opening the 'Visual Arts Studio,' 'Music Studio,' and 'Library' at the Enerjisa Hatay Vocational and Technical Anatolian High School, set to open in the 2023-2024 academic year. Volunteers and students engaged in rhythm work, body percussion, and a STEM workshop to enhance visual creativity.

Furthermore, partnering with Bricks4Kidz®Türkiye, second graders at

Akçansa Mehmet Akif Ersoy Primary School are receiving STEM lessons on robotic coding using Lego. Expert trainers guide the children in building, operating, coding, and developing creativity with content from Bricks4Kidz® models.

These activities teach basic theories of engineering, architecture, physics, and mathematics through hands-on learning, while also fostering socialization through play.

The program aims to develop 3D thinking and analytical skills, enhancing creativity and self-confidence in children of various age groups and experience levels.

## ENERJISA ENERJİ

### I Am Protecting the Energy of the World

Energy conservation is a critical issue in Türkiye. Enerjisa Enerji aims to raise

awareness about energy efficiency, especially in primary schools, to benefit society. Through the 'I Am Protecting the Energy of the World' project, started in 2010 with the Ministry of National Education, the company educated over 300,000 students from 750 schools in 14 provinces, with 450 employees volunteering.

In 2023, for the project's fourteenth anniversary, children's theatre performances were held, reaching about 6,000 children with energy conservation information.

The project's Social Return On Investment (SROI) is 2.7 TL for every 1 TL invested.

Ranked among Türkiye's top 20 Corporate Social Responsibility Projects, 'I Protect My Energy' has been running for over a decade.



# Community Investments

In 2023, the project further expanded through the Energy Savers Program, partnering with Bilim Virüsü to connect university volunteers with students aged 7-11. Coming together in this initiative are young individuals who strive to raise awareness on efficient energy use, promote sustainability, and contribute to the common good; the Program focuses on understanding the impact of individuals on Earth, and the Earth's impact on individuals with a global awareness.

## Sustainable Energy-Based Tourism Practice Centre (SENTRUM)

In 2022, the 18-month SENTRUM project was completed in Ayvalık Küçükköy, in collaboration with the United Nations Development Program (UNDP) and Sabancı University.

This project supports 10 of the 17 United Nations Sustainable Development Goals.

SENTRUM aims to raise awareness of energy efficiency by developing a Sustainable Green Destination Model, support social, environmental, and economic transformation in sustainable tourism, promote society-based socioeconomic development through energy efficiency and renewable energy, and create a scalable and repeatable Sustainable Green Destination Model in Ayvalık Küçükköy. Enerjisa Enerji invested TL 10 million in transforming Küçükköy into a Green Destination.

## ENERJİSA ÜRETİM

### Womentum

Enerjisa Üretim implemented Womentum project to increase women's participation in the energy sector and to enable them to gain a greater place in the business world within the scope of 'gender equality'.

The company received more than 2,000 applications from 68 provinces for the project, which entered its second year in 2023.

In the program, 805 female students were entitled to receive certificates, after a comprehensive training ranging from personal development to sustainability and digital dexterity.

In addition, interview simulations were conducted with the coordination of the People and Culture team and voluntary participation of executives of Enerjisa Üretim. Selected participants were hosted at the head office and had face-to-face interview experience.

Participants evaluated event management and training contents as 9.7/10 and rated 'would recommend the program to friends' as 9.9/10.

Within the scope of the transition to high-impact projects (SROI>1), every 1 TL investment made in Womentum in 2023 had a social return of 8.40 TL.

## TEKNOSA

### The Technology for Women

The Technology for Women project aims to increase women's digital literacy level and ensure their access to technology. In addition, telephone donations are made to support women subjected to violence, and projects aiming to raise awareness on environment and sustainability are carried out. These projects reflect Teknosa's mission of adding value to society and focusing on sustainability.

### Technology for Youth

Teknosa has been steadfast in its commitment to supporting youth through its Technology for Youth initiative. By facilitating access to technology for

# Community Investments

university students and providing technological assistance for various campus events, the company empowers young individuals, fostering their engagement and contributing to their holistic development. Through these endeavors, Teknosa continues to make meaningful strides in leveraging technology for social good, enriching lives and communities alike.

## CARREFOURSA

Carrefoursa has been in partnership with the Basic Needs Association (TİDER), an NGO dedicated to promoting fairness and equality in people's access to basic necessities, for 12 years.

In 2023, Carrefoursa continued to supply products to the Support Market established through its collaboration with TİDER, ensuring access for individuals in need.

## AKBANK

In 2023, Akbank calculated the social impact of its community investment projects and SROI values of the Youth Academy in the field of education, the CaseCampus project in the field of entrepreneurship, the Akbank Jazz Festival in the field of Culture and Arts, and the Good State of the City in the field of volunteering were 3.16, 3.89, 2.23, and 4.38, respectively.

With the SROI value of each project surpassing the threshold of 1, Akbank has secured the success of its projects and identified areas for improvement and drafted a forward-looking action plan aimed at further increasing its social impact.

## AGESA

### At All Ages

At All Ages corporate social responsibility project aims to guide society's preparation for aging and to turn the negative perception of old age into a positive one.

In 2021, Agesa established the 'At All Ages Fund' to support civil society studies on aging and aging-related issues. Agesa provided grant support to a total of 9 non-governmental organizations and 12 projects within this scope. Projects include identification of the needs of people with hearing loss, support for 100 women over the age of 65, psychosocial support for elderly and their caregivers, and various trainings for Social Work Professionals.

# Sabancı Foundation

Embracing the late Hacı Ömer Sabancı's life philosophy of 'Sharing what we have obtained from this land with its people' the Sabancı family established Hacı Ömer Sabancı Foundation (known as Sabancı Foundation) in 1974 to consolidate all their philanthropic activities under one organization. Sadıka Sabancı, wife of Hacı Ömer Sabancı, donated her entire wealth to the Foundation's endowment. Sabancı Foundation's financial resources consist of donations provided by the Sabancı Family and Sabancı Group, and revenues generated from the Foundation's assets.

**Sabancı Group harnesses the power of its industrial and business activities to support a wide range of social and cultural efforts through Sabancı Foundation.**

Today, it is one of the leading family foundations in Türkiye. During its 49-year history, Sabancı Foundation has built more than 120 institutions - schools, dormitories, teachers' centers, medical facilities, sports complexes, cultural centers, and social facilities - in 78 districts across Türkiye. Since 2007, the Foundation has supported 238 projects carried out by civil society organizations nationwide. In culture and the arts, the Foundation has provided long term support to major activities and events.

Having provided more than 54 thousand scholarships over the last 49 years, Sabancı Foundation encourages and recognizes success with awards in education, the arts, and sports. The Foundation's primary areas of activity include education, social change, culture, and the arts. The Foundation focuses particularly on women, young people, and people with disabilities within these activities.

## Highlights from 2023

In February 2023, a devastating earthquake hit Türkiye affecting nearly 16 million people across 10 provinces. After the initial urgent humanitarian aid efforts, Sabancı Foundation prioritized support to resuming education in the region as soon as possible by constructing schools. In the three months after the earthquake, two steel construction schools were built by the Foundation in Hatay province. Another school under construction before the disaster also opened this year. Three more schools are planned to be opened in 2024.

## Social Change

Sabancı Foundation supports projects carried out by leading civil society organizations with grants to seek lasting solutions to today's complex social issues. The Foundation engages in long-term, institutional partnerships to expand the

scope and extent of its impact. Introduced in 2007, Sabancı Foundation Grants Program supports civil society organizations in promoting social development to achieve equality and active participation of women, youth, and persons with disabilities in society. During its 17-year history, the Grants Program has extended support to 238 projects and initiatives, directly impacting nearly 300 thousand persons and indirectly reaching over 4.6 million people nationwide.

Launched in 2022, 'Young Women Building Their Future' project targets women in the NEET (Not in Employment, Education or Training) category. The initiative is implemented by Sabancı Foundation and UNDP in cooperation with the Ministry of Family and Social Services and the Ministry of Labor and Social Security. A comprehensive training program - including vocational and personal development trainings for NEET women - commenced in three pilot cities: Adana,

# Sabancı Foundation

Diyarbakır, and İzmir. Some 770 NEET women were reached by trainings; 80 of them were employed. A digital portal was launched with an Opportunities Map, facilitating access to job, training, internship, and entrepreneurship opportunities for young women. Major organizations, including Sabancı Group companies, actively participate on this platform. The project expanded in 2023 by incorporating mentorship and grants programs. Mentors from diverse sectors provided invaluable career guidance to 513 NEET women this year. The grants program supported seven projects focused on enhancing NEET women's employability.

Türkiye's Changemakers Program, successfully completing its 14<sup>th</sup> year in 2023, highlights stories and efforts of individuals who significantly contribute to social development and inspire society in the country. Since its inception in

2009, the program has received nearly 14 thousand applications; stories of 210 Changemakers were selected and recorded. These inspiring videos are widely disseminated on the program's website as well as social media platforms.

Since 2021, Sabancı Foundation has published a series of children's books about animal rights and environmental issues centered around a rabbit named Papuduk. These books are distributed to civil society organizations working with children and state schools in disadvantaged areas. As of end-2023, over 150 thousand books were distributed free-of-charge; audiobook versions are also available. Workshops for children are conducted in diverse locations throughout the year to support the themes of the book series.

Sabancı Foundation is addressing the climate emergency by reviewing all its programs through a climate lens and creating a road map with the approach of 'All foundations are climate foundations no matter what their area of work.'

**The Foundation is the first organization from Türkiye to sign the International Philanthropy Commitment on Climate Change.**

The Foundation remains actively engaged in advancing disability rights and gender networks within Philanthropy Europe Association (Philea). Nevgül Bilsel Safkan, General Manager of Sabancı Foundation, was appointed to the Philea Advisory Board in 2023, further enhancing the Foundation's commitment and contribution to these significant initiatives.

## Institutions

To date, Sabancı Foundation has built more than 120 institutions in 78 districts across Türkiye, including schools, student dormitories, healthcare facilities, cultural centers, sports facilities, libraries, teachers' centers, and social facilities as well as Sabancı University – one of the most significant investments undertaken by Sabancı Foundation.

In 2023, construction of two vocational and technical high schools in Istanbul and Hatay was completed. Reconstruction of Sakıp Sabancı Secondary School in Adana and construction of an additional building for Sabancı Vocational and Technical High School in Kocaeli was also completed this year.

# Sabancı Foundation

School buildings completed in 2023:

- Enerjisa İstanbul Vocational and Technical High School
- Enerjisa Hatay Vocational and Technical High School
- Sakıp Sabancı Secondary School, Adana (completed in 2023, scheduled to open in 2024)
- Hatay - Dörtöyl / Sabancı Lassa Secondary School (steel-construction)
- Hatay - Arsuz / Sabancı Arsuz Secondary School (steel-construction)
- Hatay - Hassa / Enerjisa Atatürk Primary School (steel-construction)
- Kocaeli - Sabancı Vocational and Technical High School Additional Building

Some of these schools are constructed with donations from Sabancı Group companies and their foreign partners.

## Culture & the Arts

Through the years, Sabancı Foundation has extended long-term support to culture and the arts. The Foundation has supported The State Theaters – Sabancı International Adana Theater Festival for the last 24 years and Türkiye Youth Philharmonic Orchestra for the last 15 years. In 2023, a special book on Metropolis Ancient City excavations was published on the 20<sup>th</sup> anniversary of the Foundation's support to the excavation efforts.

Sabancı Foundation Short Film Competition was launched in 2016 with the motto 'Short Film, Long Impact.' This popular competition raises awareness of social issues through art, while highlighting the creative perspective of cinema and encouraging young talent. In 2023, the theme of the 8<sup>th</sup> Sabancı Foundation Short Film Competition was 'Water Crisis.'

Recognizing the work done through Sabancı Foundation Short Film Competition, European Film Academy presented Güler Sabancı, Chair of the Board of Trustees of Sabancı Foundation, with its European Sustainability Award – Prix Film4Climate 2023.

## Scholarships and Awards

During its 49-year history, the Foundation has provided more than 54 thousand scholarships to students demonstrating academic excellence through its scholarship program. Currently, Sabancı Foundation scholarships support around 1,500 students each year, 350 of whom are first time recipients. Sabancı Foundation has award programs in education, sports, arts, and culture. Under these programs, over 1,200 awards have been presented to date.

# Sabancı University

## Sabancı University executes numerous future-shaping strategic initiatives toward its vision: Becoming a leading global research university.

Sabancı University executes numerous future-shaping strategic initiatives toward its vision: becoming a leading global research university. The University is committed to educating self-confident individuals who embrace universal values, show compassion for the needs of society while focusing on creating solutions, internalize cooperation in creation and development, and are open to continuous development.

One of only three foundation universities in Türkiye officially recognized as a 'Research University' by the Presidency

of Strategy and Budget and the Council of Higher Education (YÖK), Sabancı University conducts research in faculties, centers, and forums with an interdisciplinary approach in basic and social sciences, engineering and technology, business and art. The University's 10 centers and forums contribute to scientific research, economic development, and society. Embracing research since its founding, Sabancı University has issued more than 8,500 publications<sup>52</sup> and obtained more than 315 patents<sup>54</sup> to date. As of end-November 2023, the University has 285 active research projects with external funding and a total budget of TL 957 million.<sup>53</sup>

According to the YÖK 2022 University Monitoring and Evaluation Report, Sabancı University ranked first among all universities in Türkiye with 30.66% of its

budget spent on R&D. In 2023, Sabancı University faculty members published more than 635 scientific publications<sup>52</sup> and obtained 23 patents.<sup>54</sup>

### A Globally Recognized University

## Sabancı University ranks among the top universities in Times Higher Education (THE) 2024 World University Rankings.

Sabancı University ranked 351-400 in [2024 THE World University Rankings](#) globally and first among universities in Türkiye. In subject rankings, Sabancı University ranked 301-400 in Engineering, 176-200 in Social Sciences, 251-300 in Business and Economics, 401-500 in Computer Science, and 501-600 in Physical Sciences.

Sabancı University ranked 76<sup>th</sup> in 2023 THE Asia University Rankings and 89<sup>th</sup> in 2023 THE Young University Rankings.

Sabancı University Executive Development Unit (EDU) climbed to 36<sup>th</sup> worldwide in 2023 Financial Times Executive Education Rankings and is the only Turkish university represented. Sabancı Business School placed 81<sup>st</sup> in Financial Times Executive MBA Rankings, one of only two Turkish universities on the list.

### Sabancı University: Türkiye's Leader in Research Quality

According to the 2022 Performance Ranking of Research Universities compiled by the Council of Higher Education (YÖK), Sabancı University placed first among all research universities in the Research Quality category.

<sup>52</sup> Data updated: 13.12.2023 (Scopus)

<sup>53</sup> Data updated: 30.11.2023

<sup>54</sup> Data updated: 07.12.2023

# Sabancı University

## Türkiye's Top University for Graduate Employability

Sabancı University was included in the top 250 universities worldwide in the 2023-2024 Global Employability University Ranking and Survey published by Times Higher Education. One of only two Turkish universities included in the rankings, Sabancı University ranked 219<sup>th</sup> globally. Some 91% of Sabancı University alumni are placed in a job within one year of graduation. Meanwhile, 26% of alumni continue their graduate studies or professional careers overseas.

## University-Industry Collaborations

Since its founding, Sabancı University has emphasized university-industry collaborations. The University has developed pioneering business models and completed many successful projects

in partnership with leading companies and institutions. Sabancı University was presented with the University-Business Cooperation Award at the 2023 Outstanding Achievement Awards Ceremony held by YÖK in October 2023. Sabancı University signed a letter of intent with Siro Silk Road Clean Energy Storage Technologies, in partnership with TOGG and Farasis Energy, to design educational programs in the field of batteries and energy storage.

Under an agreement signed by Sabancı University and TEI, Türkiye's leading aviation engine manufacturer, a fan duct inner case was delivered for the TEI-TF6000 Turbofan Engine manufacturing project. Produced by Sabancı University's Integrated Manufacturing Technologies Research and Application Center (SU IMC), the case was designed and developed for the first time in Türkiye and features Kordsa semi-finished products.

## Home to the Country's Best Students

More than 5,200 students are enrolled at Sabancı University: 82% undergraduate and 18% graduate students. In the 2023 Higher Education Institutions Exam, 802 students were placed at Sabancı University. The University regularly attracts the best high school graduates. Among students who chose to study at Sabancı University in 2023, 12% ranked in the top 1,000 nationwide. Foreign student enrollment at Sabancı University reached 13% in the 2023-2024 academic year.

The Make a Promise for the Future Scholarship Program provided full scholarships to eight students from the earthquake region who were placed at Sabancı University via the entrance exam. Three current students will also receive scholarships through the same program.

## Disaster Awareness and Relief Management Course

After the earthquake disaster in February, Sabancı University designed a new course – Disaster Awareness and Relief Management – to give students a comprehensive understanding of disaster relief management principles and practices. The course started in Fall 2023-24 semester and is coordinated by Sabancı Business School. Topics covered include risk assessment, vulnerability analysis, logistics, and resource management, evacuation procedures and personal preparation plans, communication and coordination in disaster relief, psychological aspects, and economic burden on society.

# Sabancı University

## 2023 Sakıp Sabancı International Research Awards

Sakıp Sabancı International Research Awards have been granted for 18 years following the will of Sakıp Sabancı, Honorary President of Sabancı University Board of Trustees, to recognize exceptional studies in the social sciences. In 2023, the theme of Sakıp Sabancı International Research Awards was 'The 100<sup>th</sup> Anniversary of the Republic of Türkiye: Republicanism in Theory and Application.' This year, the Special Jury Prize was presented to Philip Pettit, L.S. Rockefeller Professor of Human Values at Princeton University since 2002 and Professor of Philosophy at the Australian National University since 2012.

## Türkiye's First Campus to Announce a Net Zero Target

Prioritizing energy and climate issues since its founding, Sabancı University now

aims to achieve a Net Zero energy target on its Tuzla campus. The University is a green campus and features a significant solar energy infrastructure.

**With the I-REC-certification 100% Green Energy Agreement signed with Enerjisa Enerji, Sabancı University meets all its energy needs from renewable energy sources.**

In 2023, 9,206 MWh of electrical energy consumed by the University was obtained from renewable energy sources. The Tuzla campus has a solar power plant and cogeneration system, installed in conjunction with Enerjisa. Solar panels are installed on all building roofs of the Tuzla campus to boost its total solar energy capacity to 1,1 MW. Sabancı University's campus buildings have natural ventilation and lighting. System working

hours and temperatures are optimized to save energy on campus heating and cooling. EV charging stations are installed across the campus to encourage electric vehicle use and reduce vehicle emissions.

## Pioneering Work in Social Contribution

Sabancı University Istanbul International Center for Energy and Climate (IICEC) focuses on the world's current issues and Türkiye's agenda. A conference and panel were held this year with the theme 'Changing Energy Geopolitics in the World, Climate Crisis and Türkiye.' This event aimed to address changing energy geopolitics in light of new developments and the climate crisis, the most pressing problem facing humanity. The IICEC also released its Türkiye Green Hydrogen Report 2023 at the conference. Conference speakers included Minister of Energy and Natural Resources Alparslan Bayraktar, International Energy Agency (IEA) Executive

Director and IICEC Honorary Chair Fatih Birol, Sabancı University Founding Chair of the Board of Trustees Güler Sabancı, and IICEC Director Bora Şekip Güray.

In 2006, the University set out to support entrepreneurship by establishing Inovent, Türkiye's first technology commercialization company. This year, Sabancı University launched SUCool Incubation Center and J-Start Venture Capital Investment Fund in cooperation with Sabancı Holding and Abdul Latif Jameel (ALJ). SUCool Incubation Center offers start-ups a unique space to work, collaborate and network, with a state-of-the-art facility equipped with the latest technology. J-START Fund aims to invest in start-ups in Türkiye and give priority to deep-tech start-ups.



# Sabancı University Sakıp Sabancı Museum (SSM)

Sabancı University Sakıp Sabancı Museum is an institution that delivers transformative cultural experiences.

SSM is committed to preserving, researching, developing and interpreting its collections and the holistic art heritage of Türkiye while creating common values with all its stakeholders in its exhibitions and events.

## SSM Collections

Sakıp Sabancı Museum Book Arts and Calligraphy Collection offers a comprehensive perspective on five centuries of Ottoman calligraphy art. The collection encompasses a variety of items, including rare handwritten copies of the Koran, as well as various kitas, murakkas, calligraphic compositions, hilyes, imperial decrees and tools used by calligraphers.

In the rooms on the lower floor of Atli Köşk are Western-style furniture and decorative art pieces inspired by late Rococo, Neo-Classical, and Empire styles, used by the Sabancı family. These rooms also house 19<sup>th</sup>-century decorative artwork.

## Turkish Painting: In the Pursuit of Modernism

Sakıp Sabancı Museum Painting Collection is a personal collection focusing on a specific period of Turkish painting as well as a cultural legacy that provides insight into the early development of painting in Türkiye. The exhibition Turkish Painting: In the Pursuit of Modernism, traces the trajectory of Westernization in the Ottoman Empire, spanning from artistic expressions reflecting the history of the late Ottoman era to the intellectual endeavors of the Republic generation.

As part of the exhibition, the series 'Talks on Turkish Art' featured art historians, academics, and writers discussing the modernization process extending from the Ottoman Empire to the Republic of Türkiye and addressing artists of that period.

## Agnes Denes, The Living Pyramid

Sabancı University Sakıp Sabancı Museum hosted the exhibition titled *The Living Pyramid*, by Agnes Denes, a pioneering artist of ecological art.

Sponsored by Sabancı Holding, with communication sponsorship by Çimsa, the exhibition vividly portrays humanity's relationship with nature as a metaphor for our existence in the world. The artwork, along with Agnes Denes's Manifesto written in 1969, was on display in the SSM garden until October 31, 2023.

Held as part of the exhibition, 'The Living Pyramid Talks' series brought together art historians, academics and writers to discuss Agnes Denes's artistic practice in its various aspects.

## SSM Learning Programs

### Programs for Children

SSM Learning Programs, designed for children of different age groups, continued in 2023 with workshops on topics such as painting, science, nature, conservation, archaeology, and abstract art, paralleling current exhibitions and SSM collections. In addition, guided tours for school groups were organized throughout the year.

SSM Learning Programs also hosted workshops called 'Pusetli Aileler (Stroller Families),' focusing on texture, shape, and color concepts for babies aged 18-24 months.

# Sabancı University Sakıp Sabancı Museum (SSM)

On International Day of Persons with Disabilities, recognized by the United Nations annually on December 3<sup>rd</sup>, Sabancı Foundation, in collaboration with the Inclusive Atta Festival, supported and organized inclusive performances, workshops, and discussions for children and young people with special needs on December 2-3, 2023.

## Programs for Adults

SSM Learning Programs for Adults organized workshops on various topics throughout the year.

The 'Mindfulness at the Museum (Müzede An'da)' program, inspired by the concept of mindfulness and rooted in art therapy, was launched in 2023. Based on an in-depth exploration of eight selected works from the Turkish Painting: In the Pursuit of Modernism exhibition, the program serves as a means for visitors to deeply comprehend their emotions

and thoughts. Mindfulness at the Museum can be experienced via QR codes placed alongside artworks in the museum and on Sakıp Sabancı Museum's website. The program is conducted in Turkish.

SSM also continues to conduct art therapy workshops with the active participation of visitors, facilitated by art therapist Seren Pehlivanoğlu İlkdoğan, both on-site and online.

## Outdoor Events

### The Stage at the Museum

Organized with the support of Sabancı Foundation since 2017, The Stage at the Museum hosts culturally significant events through performing arts.

This year's edition, held from August 17 to 20, focused on understanding shared human experiences under the theme 'Hep Yan Yana (Side by Side, Always).'

Featuring renowned actor Genco Erkal alongside Tülay Günel, Dostlar Tiyatrosu presented 'Yaşama Dair', while the Talimhane Tiyatrosu presented their production 'Harika Şeyler Listesi', starring the young and talented actor Bora Akkaş, and Herkes Kocama Benziyor by Kadıköy Emek Theater, led by Pınar Güntürkün, named the Most Successful Female Actor at the 2022 Afife Theater Awards, along with the highly acclaimed play Ne Olacak Bu Yusuf Umut'un Hali by Hakan Emre Ünal, from Theater Hemhal, took the stage at Fıstıklı Teras, one of Istanbul's most scenic venues. The program also included children's plays, storytelling sessions, a sound workshop, and dance performances.

### Yoga

A highly popular annual series, 'Yoga at the Museum' was held on the terrace of SSM with sweeping views of the Bosphorus between June and September in 2023.

Special yoga sessions were held in June to commemorate the 10<sup>th</sup> anniversary of yoga events at SSM.

## SSM Gift Shop

Sakıp Sabancı Museum Gift Shop (SSM Gift Shop) features unique products and services that enable art enthusiasts to cherish enduring culture and art experiences. Open to everyone with its physical store and digital platform, SSM Gift Shop closely collaborates with designers and design material suppliers.

Through these collaborations, SSM Gift Shop is committed to being accessible, innovative and distinctive in the products and services it offers, in conjunction with SSM's permanent collections and temporary exhibitions.

SSM Gift Shop operates with a conscientious regard for social responsibility and sustainability in conducting its museum retailing activities.

# Financial Inclusion

[According to the statistics of the World Bank](#), approximately 70% of the population in Türkiye consists of people who have bank accounts. About half of this segment consists of people who are 'semi-banking savvy', that is, people who use 1 or 2 products in their relations with banks, make an average of 2 or fewer transactions per month, and who cannot really benefit from the services of the financial system.

Although many customers are switching to digitalized systems, customers in a certain age range still prefer to use physical channels for their financial transactions.

Young customers, on the other hand, have rapid access to financial instruments with digitalized products and services, and have the potential to improve their financial literacy.

In this direction, at Sabancı Group, we aim to design our financial products and services in a simple, accessible, and inclusive manner, especially for underserved groups.

We incentivize unbanked people to utilize our products and services to ensure that they have access to useful and affordable financial services while they can realize their transactions in a secure and practical way.

Our insurance and pension products aim to protect our customers from potential financial risks and to encourage them to make long-term savings. We tailor our financial products and services to the special needs of different groups such as small and medium-sized enterprises (SMEs), women, disabled adults, and young/elder people.

With this awareness, Sabancı Holding's banking institution Akbank made significant progress in financial inclusion in 2023 by working with 28 banks worldwide to develop impact-oriented targets and a roadmap. Akbank also set a three-year goal to increase the number of women customers.

With the products and services Akbank offers in the field of financial inclusion, the Bank aims to strengthen the society financially and to ensure the participation of all stakeholders, including disadvantaged groups, in the economy.

In this regard, Akbank aims to design all products and services in the simplest and most understandable way.

The chatbot Akbank Assistant has an average usage rate of more than 1 million times per month, and the smart search function in Akbank's mobile application

has an average of more than 6 million uses per month.

At Akbank Mobile, the Bank tries to keep financial terms in the background by anticipating the mistakes its customers may make. The focus is to highlight content that meets the needs of the customers and make the language more user-friendly.

Akbank enables customers to consolidate and view their other bank accounts on the Akbank platform, monitor their financial status holistically and easily manage their accounts from a single platform.

The Bank aims to increase the financial inclusion of existing and potential customer ecosystem with need-oriented financial solutions positioned at the interfaces of its business partner Fintechs and non-financial players.

# Financial Inclusion

Akbank offers financial notifications and more than 45 tutorial videos to its customers through its website, YouTube and many channels to more than 35 million people per month from Akbank Mobile.

Akbank continues to offer advantages for young people's first loan needs.

## Making a Difference in the Insurance Sector through Mobile Apps

Around 170 thousand people have already downloaded Aksigorta Mobile App with some 70 thousand active users every month. The app is a human-oriented ecosystem built on the principles of Trust, Simplicity and Companionship. The app is distinguished by features such as video risk consultancy and one-click live chat with the claims' advisor.

Aksigorta Digital Assistant (ADA) facilitates nearly 6 million transactions each year across 171 automated processes, both customer-facing such as price quotations and chatbot, and back-end operations like claims process automation. ADA has improved its capabilities and started responding to all health-related questions from agencies through Aksigorta's core insurance platform utilizing generative AI.

By the year end of 2023, Agesa Mobile recorded approximately 2.5 million downloads at the conclusion of its fifth year.

The latest version of the Agesa Mobile app introduced the Video Call service – a first in its sector. This innovative feature provides a significantly enhanced mobile application experience for hearing impaired customers where sign language certified consultants can be reached in a single click.

## Financial Literacy

With Akbank Mobile, the Bank supports both retail banking and SME customers to become individuals with better financial health, while raising awareness about their financial situation with the renewed 'For You' tab. Akbank facilitates financial management with the smart suggestions and insights it offers.

The Bank published a 10-episode podcast series with discussions on financial literacy, behavioral finance, inflation, investment, financial technologies, and many other topics which was moderated by Attila Köksal, President of the Financial Literacy Association and was broadcast in cooperation with Aposto.

Additionally, Agesa supports financial inclusion by providing a variety of options to its customers tailored to different levels of financial literacy.

Agesa helps its customers with private pension plans, catering to their specific needs and preferences in fund management through its digital fund advisor application, FonPro. The limited financial literacy option 'FonPro Uzmana Birak' (Delegate to Expert) provides regular information through expert fund management, eliminating the need to actively monitor the financial markets. By adopting this approach, Agesa aims to safeguard customers' investments and enhance their comprehension of all the potential and options at their disposal.

Agesa provides basket funds (Life Cycle Funds) to assist customers who may face difficulty in selecting a specific fund, particularly during periods of market volatility. Agesa has 'fund basket' options that offer flexibility to adjust investment strategies promptly, utilizing professional investment processes and comprehensive financial models.

# Financial Inclusion

This allows customers to align their investment choices with their age and risk tolerance.

## Youth Banking

Akbank is aware of the social and financial needs of young people to prepare them for the future in the best way and help them improve themselves in all areas. The Bank serves young people under two different categories, namely 'Those who are about to start out in life' and 'Those who have just started out in life'.

In addition to providing value propositions that meet different financial and social needs, Akbank makes sure that young people are informed about financial issues when they start out in life and that they can make the right decisions about their budgets. For this purpose, the Bank continues to work intensively to

increase the level of 'financial literacy' so that young people can turn to the right investments and savings.

With 'Undergraduate Akbanker' program, the Bank facilitates the access of university students between the ages of 18-26 to financial transactions by offering them free banking transactions and free overdraft accounts.

Akbank also continues to work on its digital application TOSLA developed with the slogan 'The social state of money'. In its second year, Akbank offered many options to students, young professionals, and young workers with the Tosla application. In this context, Akbank provides discounts on various digital channels such as TV series/ movies, music, online shopping, and face-to-face shopping. The Bank expanded the options with the collaborations of Istanbulkart, Zorlu PSM,

Community Volunteers Foundation (TOG), Starbucks, and HelpSteps. Embracing the slogan 'The Youth are the Future', Akbank offers young people inclusive benefits in many products.

## Accessible Banking Approach

Akbank signed an important collaboration deal with BlindLook, a social enterprise that develops technologies for the visually impaired, to enable all customers access to banking services with equal opportunities. Thanks to BlindLook's voice simulation technology, visually impaired customers have started to use Akbank Mobile and the internet more comfortably. In addition, with the work started in 2023, the Bank continues with the integration process so that hearing and visually impaired customers can access all banking contracts and request forms on the website with audio and sign language options.

Akbank continued to provide the skills necessary for correctly communicating with disabled employees and customers, through the 'Sign Language' training offered to field employees and the 'Inclusive and Barrier-Free Communication' e-training offered to all the employees of the Bank.

All disabled accessibility applications are available in its 98 branches.

## Aksigorta and Agesa Removing Barriers

With the collaboration with BlindLook, a voice guidance feature has been activated for the visually impaired at Aksigorta's official website and the Aksigorta Mobile application. With this feature, Aksigorta offers its customers an inclusive and barrier-free digital insurance experience. In 2023, Aksigorta was also included in the EyeBrand Map,

# Financial Inclusion

which sets accessibility standards in the digital world to eliminate the difficulties faced by the visually impaired, and ensures their implementation.

As part of Agesa's cooperation with BlindLook, Agesa provided its visually impaired customers with voice guidance on its digital contact channels, enabling them to perform all insurance transactions on their own without assistance.

## SME Inclusion and Thematic Banking – Green Transformation

In the light of green transformation, Akbank has taken action to ensure that all SMEs evaluate the risks and opportunities they will face and increase their competitiveness.

Akbank introduced the SME Eco Transformation Package, which is the

first and most comprehensive package specially designed for SMEs within the scope of sustainability in the sector. With this package, the Bank aims to comprehensively encourage, and finance activities aimed at reducing the carbon footprint of SMEs and reducing their energy costs.

Akbank provides financing to SMEs with various loan products that serve different purposes within the scope of green transformation. The Bank also aims to provide financing under favorable conditions with the funds received from the funding institution called 'Finance in Motion'.

In addition, Akbank offers the 'IGE-Akbank Green Transformation Guarantee Support Package' for SMEs with the guarantee of İhracatı Geliştirme A.Ş. (IGE) to meet the financing needs of SMEs exporting goods and services and contribute to the green transformation process.

For the first time in the sector, a guarantee institution and a bank have launched a product hand in hand for green transformation. While the IGE guarantee provides collateral solutions to SMEs in the use of loans, Akbank provides financing support to SMEs in many areas such as renewable energy, energy and resource efficiency, and circular economy, with the SME Eco Transformation Package.

## Financial Health and Inclusion

Akbank considers financial health and inclusion as one of the most important areas of impact. In this context, as one of 28 banks worldwide, Akbank is delighted to be a founding signatory of the UNEP FI Financial Health and Inclusion Pledge, which aims to promote financial health and inclusion in collaboration with the United Nations Environment Programme Finance Initiative (UNEP FI).

As a signatory to the first-of-its-kind initiative, Akbank has committed to regularly disclosing measurable targets and performance in line with financial health and inclusion, over 18 months.

In this context, Akbank aims to achieve an annual growth rate of 10% in the number of its female SME customers by 2025.

In line with the Sustainable Development Goals, and Türkiye's 11<sup>th</sup> goal, which is in accordance with the Development Plan, Akbank aims to provide products that will encourage the sustainable growth of women owned/managed SME customers by increasing their financial resilience.

In 2023, Akbank acted with the European Bank for Reconstruction and Development (EBRD) and the Credit Guarantee Fund (CGF) to support woman business owners and entrepreneurs and facilitate their access to finance.

# Financial Inclusion

Within the scope of the Financing and Consultancy Support Program for Women's Enterprises, the Bank offered 'Women SME Package', which is the first and most comprehensive package specially designed for SMEs within the scope of sustainability, with USD 100 million of EBRD resources and 80% CGF collateral support, to SMEs whose founders or managers are women who have difficulty in creating collateral.

With this package, Akbank not only provides a solution to collateral problems, but also provides the necessary mentoring, consultancy, and training free of charge after the financing needs are met.

In addition, Akbank is involved in a project with Proparco that will promote green projects and women's entrepreneurship in Türkiye.

With the funding from Proparco, Akbank aims to further expand its support to SMEs for women's entrepreneurship. With this goal, Akbank contributes to the Gender Equality Goal (SDG 5), which is among the United Nations Sustainable Development Goals.

With the aim of switching to a mentoring model that will benefit more women entrepreneurs free of charge, Akbank announced the BinYaprak Women Entrepreneur Mentorship Program with Turkishwin on November 19, International Women's Entrepreneurship Day. With the relevant program, the Bank will provide social benefit and offer 100 women entrepreneurs in different provinces the chance to work with experienced mentors.

In addition, Akbank Venture Banking started to provide services in Istanbul

and Ankara with the vision of being a bank that supports technology start-ups and start-ups at all stages, from establishment to global expansion; it offers financial and non-financial products and services and grows the entrepreneurship ecosystem.

# ECHOES OF

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# HARMONY

## Cultivating Sustainability through Culture

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A Zen garden is not only a creation to be viewed but an invitation to engage mentally and spiritually with its elements.

**At Sabancı Holding, we prioritize cultivating a purpose-driven culture, inspiring our employees to collaboratively achieve sustainable outcomes while empowering them to unlock their full potential.**



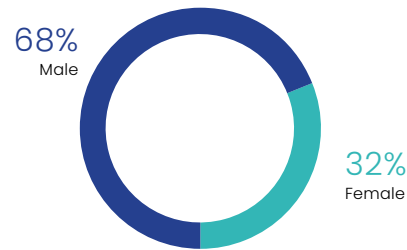


# Our Human Capital

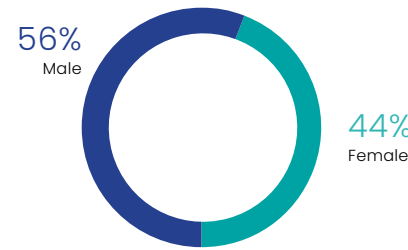
As of December 2023, Sabancı Group provides employment opportunities to more than 60 thousand employees worldwide, including subcontractor employees.

Committed to becoming a global player, Sabancı Group is striding confidently towards the future with its diverse and highly capable human capital.

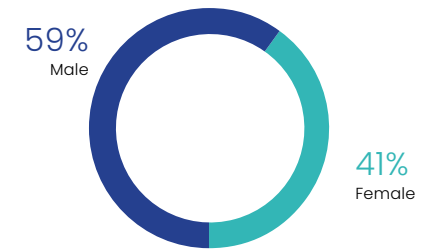
DISTRIBUTION OF WORKFORCE BY GENDER ✓



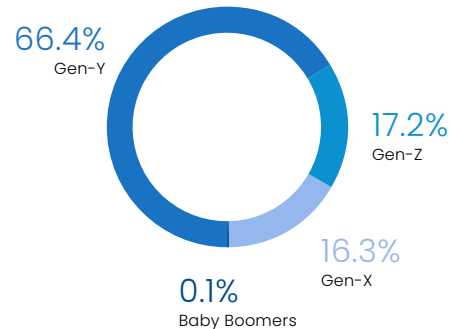
BOARD OF DIRECTORS GENDER BREAKDOWN



DISTRIBUTION OF MANAGERIAL ROLE BY GENDER ✓



DISTRIBUTION OF WORKFORCE BY GENERATION



DISTRIBUTION OF WORKFORCE BY CATEGORY AND GENDER

Blue-collar employees



White-collar employees



# Our Human Capital Strategy

Sabancı Group designed its human capital strategy in line with the Group Strategy House and defined a new human resources roadmap for the next three years. The roadmap focuses on five key pillars:



## 1. Attract and Retain the Best Talent Ever

This pillar aims to attract and retain top-tier talent by aligning with global trends and implementing strategies that resonate with the needs and preferences of top talent.

In 2023, Sabancı Group maintained its position as being an 'Employer of Choice.' Aiming to hire the best local and global talent, Sabancı Group is committed to delivering exceptional employee experience.

# Our Human Capital Strategy

Sabancı Group is dedicated to fostering talent through a variety of innovative programs tailored to different stages of professional development. These initiatives not only enhance the skills and experiences of participants but also align with the Group's strategic goals. Key programs include the New Generation Career Experience Program, which immerses university students in the Sabancı ecosystem, the SEED Digital Young Talent Program, which targets young professionals in digital fields, and the Sabancı Global Ambassadors program, which aims to expand the Group's global reach through top Turkish students at prestigious universities. Each of these programs plays a crucial role in building a robust pipeline of skilled and diverse talent for Sabancı Group.

## The New Generation Career Experience Program

offers third-year and

fourth-year university students the opportunity to work on projects and experience the Sabancı ecosystem for an eight-week period. A diverse group of 42 highly capable undergraduates from six countries, 54% of whom were women, participated in this program in 2023.

**The SEED Young Talent Program** was redesigned to align with the Group's digital growth strategy. The revamped SEED Digital Young Talent Program targets young professionals with 1-3 years of experience in digital fields. A total of 5,600 applications were received in 2023. The program participants are involved in a diverse range of digital roles, embarking on an upskilling journey to launch their professional careers.

**Sabancı Global Ambassadors Program** is designed to help achieve the Group's global growth target. Under the program,

top Turkish students at QS 500 European and American universities are selected as Sabancı Ambassadors. The student ambassadors aim to raise awareness about Sabancı Group at career events and across other networks.

## HUMAN CAPITAL DEVELOPMENT

At Sabancı Group, the development of human capital is a cornerstone of our organizational strategy. We are committed to fostering a culture of continuous learning and professional growth that empowers our employees to reach their full potential. In 2023, we significantly invested in training and development programs, reflecting our dedication to enhancing the skills and capabilities of our workforce. Through comprehensive training initiatives and a robust career management framework, we aim to nurture talent, reward high

performance, and ensure that every employee, regardless of their role or status, has opportunities for growth and advancement within the Group.

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

# Our Human Capital Strategy

In 2023, Sabancı Group provided 1.6 million hours ✓ of training to employees and invested a total of approximately TL 252 million ✓ corresponding to an average of TL 4,951 per employee. ✓

## TOTAL TRAINING HOURS<sup>55</sup> ✓



Invested  
**TL 252 million** ✓  
 in training

**TL 4,951** ✓  
 average per employee

**10,638** hours ✓  
 Diversity and Inclusion Training

**29,036** hours ✓  
 Sustainability and Environment Training

**15,692** hours ✓  
 Ethics Training

**78,322** hours  
 Training Provided for Sub-contractors<sup>56</sup>

**11,245** hours ✓  
 Anti-bribery and Corruption Training

<sup>55</sup> OHS trainings are not included.  
<sup>56</sup> Includes Akbank, Çimsa, Brisa, Kordsa, Temsa and SabancıDx.

# Our Human Capital Strategy

**Reskilling and upskilling** are vital components of Sabancı Group's talent management strategy, ensuring that our workforce remains agile and equipped to meet future challenges.

Accordingly, Sabancı Holding held a training session regarding 2024 Risk Strategy on December 19, 2023 with the attendance of the CFO, Strategy and Business Development Directorate and Risk Management Directorate. Training covered megatrends, the associated risks and opportunities, the results of the Risk Survey conducted across all Group Companies and detailed explanation on the perception of major risks.

Sabancı Holding has also implemented several targeted programs designed to develop critical skills, foster leadership, and support innovation within the Group.

Here are some of our key initiatives, each tailored to address specific needs and objectives within our organization.

Program	Objective	Duration	Number of Participants
<b>ADVANCED DATA ANALYTICS ACADEMY</b>	Ensuring the development of critical employees in the field of 'data analytics' within the digitalization road map of Sabancı Group	<b>8 MONTHS</b>	<b>55</b>
<b>IN-LEAD</b>	Providing high-potential technical managers and engineers with professional and leadership development.	<b>1 YEAR</b>	<b>23</b>
<b>NEXT</b>	Targeting the alumni of Group Development Programs; this year's focus was on crafting a comprehensive, experiential cybersecurity training program, including cyber threats.	<b>1 DAY</b>	<b>45</b>
<b>X-TEND</b>	Fostering a resilient and socially responsible community, this online academy provides insights into key areas such as Adult and Child Psychology after Earthquake, First 72 Hours of Disasters, Practical Information on Earthquake Resistant Buildings, etc.	<b>1 YEAR</b>	<b>~ 3,100</b>
<b>X-LAB</b>	Supporting the Group's strategic direction on innovation; the third cohort, including the Ideathon phase, was completed in 2023 and four teams were selected for Sabancı ARF	<b>4-6 MONTHS</b>	<b>224</b>

# Our Human Capital Strategy

## EMPLOYEE ENGAGEMENT AND SATISFACTION

Employee engagement and satisfaction are essential for mitigating talent risk within Sabancı Group. Organizations with high levels of employee engagement are more likely to retain their top talent and attract new ones. By implementing strategies focused on creating a positive work culture, offering opportunities for growth and development, and recognizing and rewarding employee achievements, we aim to reduce talent risk and enhance the well-being of our employees.

We regularly measure employee engagement and satisfaction score through independent companies to receive employee feedback and determine the actions that will increase employee loyalty. We utilize the services of independent organizations to regularly

measure the employees' perceptions of the organizational climate and the leadership styles of the management team, which has the greatest impact on this climate. The results related to leadership styles are included as an indicator in the Senior Management's People and Organization performance target.

Sabancı Holding's Employee Engagement Score evaluated based on age, gender and managerial level was 64% in 2022.

**Sabancı Holding Employee Satisfaction Score evaluated based on age, gender and managerial level was 84% in 2022.**

## 2. Establish a Fast, Flexible, Fluid Organization

**Creating an agile and adaptable organizational structure that emphasizes speed, flexibility, and fluidity in companies to push Sabancı Group's strategy forward is the goal of this pillar.**

In 2023, Sabancı Group completed the strategic workforce planning initiative. Human resources actions will be designed accordingly, focusing on crucial organizational skills and capabilities for companies to achieve their objectives. This strategic approach ensures that the Group remains responsive and resilient in a dynamic business environment.

Leadership bench strength is a key success factor at Sabancı Group. We maintain continuity and expand the talent pool through organizational and group-level people review gatherings. These efforts ensure adherence to leadership potential assessments, succession strategies, pipeline capacity, and overall organizational health and flexibility across the Group.

Additionally, fostering innovation and collaboration is a core aspect of Sabancı Group's approach to achieving organizational agility.

X-TEAMS, a business development platform utilizing agile methodology, aims to identify potential business areas aligned with the Group's strategies. Since the platform's launch, eight cohorts with 50 teams consisting of employees from cross-functional teams have realized more than 50 projects. This initiative drives

# Our Human Capital Strategy

continuous improvement and strategic alignment across the Group.

Sabancı Group embraces agile work environments, flexible working models, and both remote and hybrid work setups as essential components of its organizational structure.

These practices enable rapid adaptation to evolving business demands while promoting work-life balance and maximizing employee productivity and satisfaction.

By integrating these modern work approaches, Sabancı Group cultivates a dynamic and supportive workplace culture that attracts top talent and drives sustained success in a competitive global market.

### 3. Build a Purpose Driven, High Performance Culture

The objective of this pillar is to foster a culture centered on purpose and high performance, motivating Sabancı Group employees to concentrate on an inspiring goal and collectively attain sustainable outcomes.

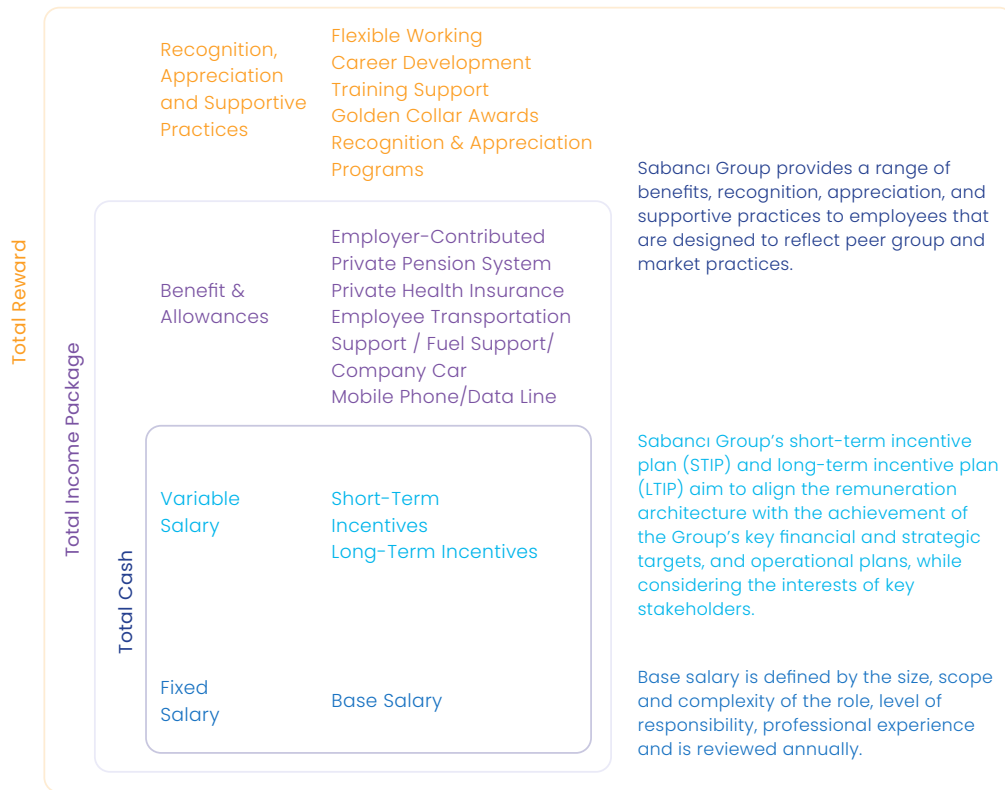
Sabancı Group's purpose is to unite Türkiye and the World for a sustainable life with leading enterprises. All strategies and actions based on this purpose are shared with Group employees at the annual management meeting and quarterly CEO talks.

As part of the Sabancı Republic Day Campaign, the Group participated in the Istanbul Marathon with 2,800 employees – the largest number to join the popular event from a single company. Adopting the slogan 'It's Worth Running,' Sabancı Group ranked among the top conglomerates to raise the most charity donations.

At the 14<sup>th</sup> Golden Collar Awards, 153 projects from across the Group competed. The best projects were recognized and rewarded in the following categories: 'Digitalization and Continuous Improvement,' 'Innovation,' 'Customer Experience,' 'Sustainability,' and 'Sabancı of New Generation.'

# Our Human Capital Strategy

## REMUNERATION – TOTAL REWARD MODEL



Embraced by every Sabancı Group company, the continuous performance system with OKRs (Objectives and Key Results) and KPIs (Key Performance Indicators) prioritizes transparency, maintains agility, fosters collaboration, and thrives on feedback. In 2023, 100% of Group employees had regular performance evaluations.

We continue the announcement, application and candidate nomination processes on the Sabancı Career Portal. We create opportunities for our employees to gain experience in different companies, industries and units if they so choose. While 41% of the positions opened within the Group in 2023 were filled by internal candidates, a total of 11,431 new employees joined the Group.

Sabancı Group offers Short-Term Incentive (STI) & Long-Term Incentive (LTI) Plans. STIs enable employees to

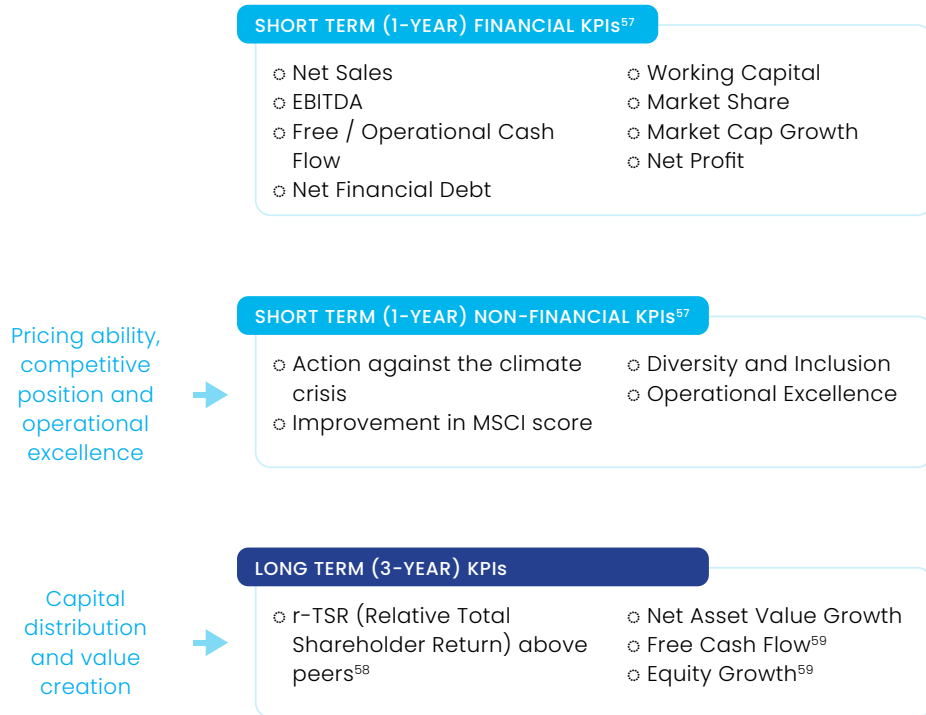
focus their performance on achieving key financial and non-financial objectives. LTIs are offered to a defined group of senior executive positions to boost share value and help them gain a shareholder perspective, as well as to reward long-term performance and stability. The Board of Directors reviews and defines long-term KPIs for the senior management team each year.

The long-term bonus system covers a consecutive three-year performance period with payment of the bonus made at the end of the relevant performance period. The framework for cancelling and reclamation premium payments (Malus & Clawback) is defined for short-term and long-term premium systems. This framework is applied to all Executive Committee Members (Holding CEO, Group Presidents and SBU Presidents) and Group companies' CEOs who benefit from the short and long-term bonus system.



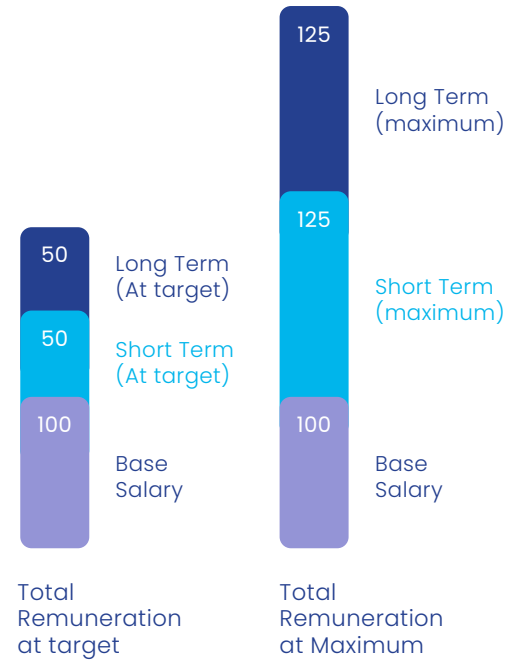
# Our Human Capital Strategy

KPIs for variable remuneration in 2023 are as follows:



## TOTAL CASH DISTRIBUTION MODEL (%)

Sample for a company general manager



In 2023, Sabancı Group executed an interim salary increase in line with macroeconomic data and market conditions to ensure competitive employee welfare.

All Sabancı Group companies offer separate side benefit schemes with varying content and flexibility based on role status and requirements in line with employee expectations and needs.

<sup>57</sup> Short-term KPIs are not limited to those included on this page; those shown are merely examples.

<sup>58</sup> Change in market capitalization compared to peers for listed companies.

<sup>59</sup> For non-listed companies.

# Our Human Capital Strategy

## GENDER EQUALITY

Gender equality is one of the key criteria to define Sabancı Group's remuneration model. Men and women receive equal pay with a female-to-male pay ratio of 1.0 in our Group.

The Group does not tolerate a raw gender pay gap between male and female employees. Sabancı Group is committed to conducting an annual equal pay for equal work research study, including a raw gender pay gap analysis, to maintain wage equity going forward.

Sabancı Holding and all Sabancı Group companies monitor the progress on mean/average raw gender pay gap and equal pay for equal work on an annual basis with their HR compensation teams based on the following breakdown as a bare minimum:

- CEO and senior managers directly reporting to the CEO
- Middle and senior managers reporting to the CEO at first-, second- and third-degree levels
- Employees of all levels (regardless of contracts and working models regulating the employment relationship).

If these rates are not equal, each company determines a roadmap of two years at maximum to ensure equality. The roadmap may also include the measures to be taken for salary adjustments.

## LABOR RELATIONS MANAGEMENT AND LEGAL COMPLIANCE

Using data-based analyses, Sabancı Group companies are regularly informed about potential risks related to issues on the agenda of industrial relations and labor law. Group companies are also

instantly informed about developments in relevant issues, receiving guidance on proactive measures related to such risks.

Sabancı Group respects the rights of its employees to join unions and participate in collective bargaining agreements. The Group takes an unbiased approach to its employees' union selection and union organization processes. 90% of Sabancı Group blue-collar employees are affiliated with a union.

Collaborative environments are fostered by labor and employer unions, ensuring sustainable labor relations. As the leader of TÜSİAD's Employment and Social Security Working Group, Sabancı Group supports initiatives focused on labor legislation compliance, secure flexible work, employment incentives, and future job skills.

## 4. Enable Orchestrator Leadership for Teams

Cultivating leaders in line with the Sabancı Leadership Model, and skillfully orchestrating teams and all stakeholders are the objective of this pillar.

In 2023, the Sabancı Leadership Model was renewed with collective wisdom and a participatory approach. The new model based on three pillars - Grow, Transform, and Connect, aims to raise future-ready leaders who act as ecosystem leaders, focus on growth, prepare for the future by transforming, and strengthen connections.

# Our Human Capital Strategy

Leadership Development Programs are regularly conducted to bolster the diverse leadership pipeline and extend the Sabanci Leadership Model to all levels of the organization.

Program	Objective	Duration	Number of Participants
TP-X	Supporting individuals with high potential who are new in their business careers and the Group.	1.5 YEARS	17
X-POSURE	Improving the leadership potential of Sabanci Group mid-level managers.	1.5 YEARS	21
HR JOURNEY	Supporting Group HR leaders by incorporating global perspectives and methods to prepare them for a future-ready ecosystem.	1.5 YEARS	21
X-CELERATE	Supporting CXO leaders' transformation and deepening their global and leadership perspective.	1.5 YEARS	22
<b>SABANCI TRANSFORMATION TEAM (SATT) PROGRAM</b>	Sabanci Holding Executive Board Members and Company General Managers are positioned as 'key accelerators' who will realize the transformation of the Group. Throughout the Sabanci Transformation Team (SATT) initiatives, strategic areas are focused and leadership development is supported.	1 YEAR	30

## 5. Create a Human Touch for Sustainable Lives

This pillar aims to instill a human-centric approach to promote sustainable lifestyles, fostering connections that prioritize personal touchpoints and continuous learning for general well-being and vitality.

In 2023, the Group's employee assistance programs – including stress-management tools, mindfulness and resilience training programs, well-being applications, online dietician and psychological support, and coaching sessions – expanded in usage. The number of employees accessing the various assistance programs is regularly tracked. Any concerns or issues raised by staff program participants are addressed.

# Human Rights, Diversity, Equity and Inclusion

With a workforce of over 60 thousand employees worldwide, including subcontractors, Sabancı Group is determined to position itself as a global leader by relying on its diverse and talented human resources, shaped by human rights and equal opportunities, to confidently shape the future.

At Sabancı Group, we recognize that diverse perspectives, backgrounds, and experiences enrich our culture, drive innovation, and empower our workforce to thrive. Our commitment to Diversity, Equity, and Inclusion (DE&I) is not just a statement, but a fundamental aspect of our internal policies and practices. We believe that our internal policies are structured to support governance mechanisms that ensure accountability and progress towards our DE&I goals. We strive to cultivate an environment where every individual feels valued, respected, and supported, regardless of

race, gender, ethnicity, sexual orientation, disability, or any other dimension of diversity. Through intentional efforts and inclusive initiatives, we aim to foster a workplace where everyone can contribute their unique talents and perspectives to create positive change within our organization and beyond.

In parallel to our commitment to DE&I, [Diversity Policy for the Board of Directors](#) has been adopted to ensure professionals with different backgrounds, knowledge, experience and qualifications are appointed to the Board of Directors of Sabancı Holding by encouraging diversity and inclusiveness in the nomination process of Board members, with the ultimate purpose of serving to create a more effective structure of Board of Directors and thereby increase the Holding's performance. Diversity and inclusion are also prioritized in the process of nominating Board member

candidates. It is aimed to ensure diversity in the Board of Directors in terms of age, race, nationality, country of origin, ethnicity, language, disability, political and religious beliefs, sect, gender identity and gender, cultural background, and professional experience. Inclusiveness in the composition of the Board of Directors is encouraged, considering the aforementioned factors. Within this framework, Sabancı Holding aims to keep the ratio of female members in the Board of Directors at least 30%. At Sabancı Holding, women hold 44% of Board seats including the Chair role as of 31 December 2023.

In addition to our Diversity Policy for the Board of Directors, Sabancı Holding is dedicated to advancing DE&I throughout all aspects of our organization. [Sabancı Group Equality, Diversity and Inclusion Regulation](#) outlines our commitment to creating a workplace where every

individual is treated with dignity, fairness, and respect, and where diversity is celebrated as a source of strength and innovation. We have implemented a range of initiatives to foster an inclusive culture, including unconscious bias training, employee resource groups, mentorship programs, and transparent hiring and promotion practices.

Sabancı Group has been included as the only holding company from Türkiye in the Bloomberg Gender Equality Index two times in a row which recognizes the performance of companies' commitment to gender equality across five pillars.

# Human Rights, Diversity, Equity and Inclusion

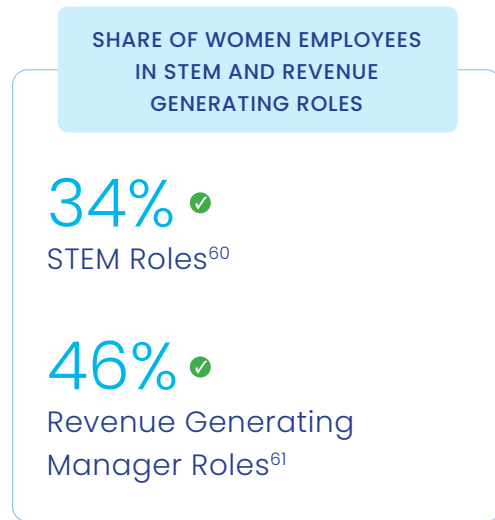
Through ongoing education, engagement, and accountability, we strive to create an environment where everyone has equal opportunities to succeed and thrive, regardless of their background or identity. By embedding DE&I into our policies, practices, and decision-making processes, we are not only fulfilling our ethical responsibilities but also positioning ourselves for long-term success in an increasingly diverse and interconnected world.

At Sabancı Group, 32% of our employees and 41% of our managers are women. We encourage employees to take active roles at home and with their families, regardless of their gender. We also facilitate the return of women to work after maternity leave. We also delivered Gender Equality trainings that include

basic concepts on gender, stereotypes, discrimination, sexual harassment and violence, sexism and discrimination in language and communication and unconscious bias to all employees in 2023. Our compulsory trainings reached 10,638 hours that include sections on eliminating unconscious bias for all levels including the management positions.

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

Sabancı Group committed to increase the number of women in both STEM and revenue-generating roles to 50% by 2030.



## MATERNITY / PARENTAL LEAVE (2023)

	Women	Men
Employees granted maternity/parental leave	539 ✓	1,727 ✓
Employees who returned to work following maternity/parental leave	464 ✓	1,580 ✓

<sup>60</sup> Science, technology, engineering, and math  
<sup>61</sup> Revenue-generating jobs refer to ones that when vacant, no revenue is generated.

# Human Rights, Diversity, Equity and Inclusion

**Sabancı Group is pioneering to promote women representation and empowerment in the society through initiatives that are mentioned below:**

## WOMEN'S EMPOWERMENT PRINCIPLES

Sabancı Holding, Enerjisa Enerji, Carrefoursa, Teknosa, Akçansa, Çimsa and Kordsa are among WEPs signatory companies.

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

the economic empowerment of women employees. Sabancı Holding has been the first Turkish company to sign the United Nations Women's Empowerment Principles Declaration in 2011. By signing the Women's Empowerment Declaration, Sabancı Holding has declared that it adopts and supports the approach of women-men equality at works and has led the way for many companies in this field.

## DECLARATION OF PRINCIPLES ON EQUALITY AT WORK

The 'Equality at Work Platform' was established under the auspices of the Ministry of Family and Social Policies to close the wide gender chasm in labor force participation in Türkiye as part of the task group established under the World Economic Forum (WEF) to combat gender-based inequality. The platform continues its efforts with the goals of

increasing women's participation in the workforce, involving them more actively in decision-making mechanisms, and having them benefit from equal opportunities and resources. There are 11 articles in the declaration of commitment issued by the Platform.

## YOUNG WOMEN BUILDING THEIR FUTURE

Sabancı Group harnesses the power of its industrial and business activities to support a wide range of social and cultural efforts through the Sabancı Foundation. The Foundation supports young women who are not in employment, education or training (NEET - Not in Education, Employment, or Training) through 'Young Women Building Their Future' project. The project aims to make the problems and needs of the NEET women visible and establish mechanisms to address these problems

and needs. The project will also increase the social and economic participation of the NEET women by empowering them.

## 30% CLUB

Sabancı Holding has active membership for 30% Club Türkiye through the CEO, Cenk Alper. The 30% Club plays a significant role in advancing the cause of gender equality and fostering positive changes in business environment by promoting women's empowerment and advocating for increased gender diversity at all senior decision-making levels across Türkiye, including Boards and C-Suite.

# Human Rights, Diversity, Equity and Inclusion

## Human Rights

At Sabancı Group, we are committed to promoting human rights within the scope of our operations and value chain. Sabancı Group supports and respects international standards and ensures compliance with them in our Sabancı Group Code of Business Ethics and other internal regulations.

### SABANCI GROUP IS COMMITTED TO COMPLYING WITH THE FOLLOWING INTERNATIONAL STANDARDS:

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

### SABANCI GROUP ACCEPTS AND RESPECTS:

- Human rights
- Freedom of association and collective bargaining of employees
- Diversity and inclusion
- Safeguarding employee well-being and health
- Protection of environment

### SABANCI GROUP DOES NOT TOLERATE THE FOLLOWING:

- Forced or involuntary work or slavery
- Human trafficking and any illegal labor
- Child labor
- Inhuman or degrading treatment or punishment
- Physical, sexual and psychological harassment or violence, including mobbing

# Human Rights, Diversity, Equity and Inclusion

The Due Diligence Process within the scope of Responsible Investment Policy refers to the analysis carried out to determine the compliance of the Group companies' prioritized areas of value chains.

Within this context, some activities defined in the Policy are prohibited due to violations of local and international legislation, particularly those related to environmental protection, occupational health and safety, and human rights.

This includes employing workers below the legal minimum wage, obstructing unionization, violating principles of equal and fair treatment, and employing child labor or engaging in forced labor and human trafficking.

Activities leading to the displacement or rights violations of vulnerable and

indigenous populations without consent are banned, as are those involving abuse, fraud, bribery, and corruption.

As an example of practice, Enerjisa Enerji conducted a Human Rights Due Diligence project in 2023. Based on the project assessment, Enerjisa's operations of Distribution and Retail was included in a high-level review of human rights impacts in its upstream and downstream supply chain. Customer Solutions' business activities, including e-mobility, were excluded from the scope of this assessment.

The process was conducted at corporate level, excluding detailed considerations of human rights risk at individual business function, supplier, or other business relationship level. The identification of risk was limited to inherent risks, excluding hence any consideration of

existing management responses, plans or programs and their effectiveness (residual risks).

Accordingly, a road map was created to start with 2023 and cover 2025 and beyond. Roadmap scope includes capacity and governance, strategy and targets, third-party assessment and engagement framework, grievance mechanisms, human rights education and awareness, robust human rights management.

Another example is Carrefoursa implementing a comprehensive human rights approach across all stakeholders, particularly emphasizing suppliers of private label products. Through social compliance activities, Carrefoursa strives to enhance producers' social performance, ensuring legal compliance, fair working conditions, eradication of forced labor, non-discrimination, worker

inclusion, occupational health and safety, and environmental management. Audits are conducted to guarantee equitable working conditions at supplier facilities.

For further details regarding Human Rights and Due Diligence Process please refer to [Sabanci Group's Responsible Investment Policy](#) and [Sabanci Group Code of Business Ethics](#).



# Occupational Health and Safety Management

Embracing the principle of 'Occupational Health and Safety First,' Sabancı Group emphasizes the importance of employee well being.

Sabancı Group ensures compliance with relevant legislation and internal standards for employee health and safety.

Through training and knowledge transfer, the Group aims to standardize and enhance employee health and safety practices continually.

Embracing the principle of 'Occupational Health and Safety First,' Sabancı Group emphasizes the importance of employee well-being. This commitment to excellence is reflected in both the Group's workforce and stakeholders.

Sabancı Group is steadfast in enhancing and standardizing employee health and safety practices through ongoing training, sharing of information, and exchange of experiences.

While the Group actively adheres to appropriate legal and regulatory standards, it continuously integrates and monitors the latest trends and best practices in occupational health and safety (OHS).

Acknowledging the importance of employee consultation and participation, Sabancı Group is committed to improving its communication on how employee feedback informs OHS policies and practices.

While the Group undertakes comprehensive risk and hazard assessments to ensure workplace safety, the results and subsequent action plans

are not yet publicly reported, indicating an area for greater transparency.

The establishment of prioritized action plans, which are essential for addressing identified OHS risks, is an internal process that the Group plans to report on more openly. This includes detailing how these plans are integrated with quantifiable targets to mitigate OHS risks effectively and how progress towards these targets is measured.

In emergency preparedness, Sabancı Group acknowledges the necessity of publicly detailing its response strategies to enhance stakeholder confidence and ensure collective readiness.

Moreover, the evaluation of OHS performance against set targets is crucial for continuous improvement and accountability, prompting the Group to consider how best to communicate

these evaluations publicly.

Regarding internal inspections and investigations into work-related incidents, there is an emerging commitment to share insights and outcomes more transparently, fostering a culture of trust and continuous improvement.


Additionally, the integration of OHS criteria in procurement and contractual processes is recognized as a vital aspect of a comprehensive OHS strategy, with plans to enhance reporting on this integration.

Various Sabancı Group companies have received ISO 45001 Occupational Health and Safety Management System certification.

# Occupational Health and Safety Management

While Sabancı Group maintains ISO 45001 certification across various companies, reflecting a robust commitment to OHS, the Group acknowledges the need for improved public reporting on its OHS initiatives.

This includes detailing training efforts, which in 2023, involved substantial person-hours dedicated to OHS education for employees and subcontractors, aiming for a zero-accident workplace.

In 2023, Sabancı Group provided a total of 650 thousand hours  in OHS training.<sup>62</sup>

The Group's commitment to safety is unwavering, yet it recognizes the necessity of evolving its reporting practices to ensure that all stakeholders are informed and engaged in its journey towards exceptional OHS standards.

At Sabancı Group, employee health and safety applications are carried out under relevant legal and regulatory requirements and standards.

Trends and best practices are constantly monitored and adopted when deemed appropriate. Potential risks are analyzed and proactively acted upon as needed.

We work with the target of zero accidents across the Group. There were 698 accidents in Group companies in 2023. The lost days' rate (LDR) is 7%. In 2023, the number of occupational diseases experienced across the Group was 6.



*[For the Sabancı Group facilities certified with ISO 45001, please read the ISO Certifications document available at the Download Center section of the Report's website.](#)*

<sup>62</sup> Includes group employees and subcontractors.

# ANNEXES



# ANNEX 1: Stakeholder Relations and Communication

As Sabancı Holding, we ensure alignment with our stakeholders' priorities and foster strong, transparent relationships through Collaboration and Effective Communication with Stakeholders.

STAKEHOLDERS	FREQUENCY	COMMUNICATION PLATFORMS	STAKEHOLDER PRIORITIES
Employees	Daily	Regular e-mails, internal communication bulletins, employee-CEO meetings, social activities, workshops on different topics, employee engagement and satisfaction surveys, trainings	Business results, remuneration, performance and talent management, professional growth, leadership, communication between Group companies, work-life balance, sustainability performance, diverse and inclusive work environment
Shareholders and Investors	Constantly	Investor meetings, conferences, roadshows, SBU day meetings, analyst day meetings, ESG day meetings, corporate and IR websites, annual reports, sustainability reports	Financial performance, sustainability performance, future targets, responsible investment approach
Suppliers	Periodically	Audits, supplier meetings, training	Business performance, incentives, quality, investment in sustainable business models
Dealers and Partners	At least weekly	Regular meetings, field visits	Business performance, business goals
Professional Associations	Periodically	Meetings, panels, project partnerships	Sectoral problems, compliance, benchmarking, advocacy, industry enhancement
Public Institutions	Periodically	Regular meetings, projects	Compliance, transparency and accountability
National and International Regulatory Bodies	Periodically	Panels, conferences and regular meetings	Compliance, enhanced standards, transparency, and public trust
Local Administrations	Periodically	Visits, panels	Social impact, public services, local development, partnership on sustainability issues
Nongovernmental Organizations	At least monthly	Conferences, project partnerships, panels, regular meetings	Social justice and community empowerment, thought leadership, partnership on sustainability issues, advocacy, influence
Universities	Project-based	Career days, project partnerships	Research & development, education, industry partnerships, innovation, talent development and creating positive impact on society
Mass media	Daily	Press conferences, press releases, exclusive interviews, special news studies, digital communication channels	Business goal development, driving sectoral development, agenda assessment, transparency

# ANNEX 2: Corporate Memberships and Initiatives

STAKEHOLDERS	REPRESENTATION
The World Economic Forum (WEF)	Partner
30% Club Türkiye	Member
World Business Council for Sustainable Development (WBCSD)	Member
UN Global Compact	Member
The Turkish Industry and Business Association (TÜSİAD)	High-Level Representation and Representation in Various Commissions and Working Groups
Foreign Economic Relations Board (DEİK)	Business Councils Member / Member
Corporate Governance Association of Türkiye (TKYD)	Member
Istanbul Chamber of Commerce (İTO)	Member
Turkish Investor Relations Society (TÜYİD)	High-Level Representation / Board Member / Member
The Board of Directors Association	Member
The American Turkish Society	Board Member
The World Energy Council	Board Member
The Turkish Cement Manufacturers' Association	Chair
The Cement Industry Employers' Association	Board Member/Member
The Global Cement and Concrete Association	Member
Global Impact Coalition	Member
Business Plastics Initiative (İPG)	Member
Business Council for Sustainable Development Türkiye (SKD Türkiye)	Board Member/Member
Ethics and Reputation Society (TEİD)	Member
The People Management Association of Türkiye (PERYÖN)	Member
UNICEF Türkiye	Member
The Institute of Internal Auditing Türkiye (TİDE)	Member of Ethical Board

# ANNEX 3: Performance Indicators

## ENVIRONMENTAL PERFORMANCE INDICATORS

Energy Consumption	2021	2022	2023
Total energy consumption (MWh)	43,342,048	38,141,793	33,014,062 ✓
Renewable energy consumption (MWh)	355,920	1,169,642	1,369,537 ✓
Purchased heat/steam/cooling (kg)	39,873	37,802	30,925 ✓

Savings and Reductions Based on Environmental Investments	2021	2022	2023
Energy savings (MWh)	43,157	73,792	70,816 ✓
Greenhouse gas emission reductions (ton CO <sub>2</sub> e)	117,570	334,678	300,431 ✓

Greenhouse Gas Emissions (ton CO <sub>2</sub> e) <sup>1</sup>	2021	2022	2023
Scope 1	9,977,578	9,065,147	8,077,625 ✓
Scope 2 (market-based)	1,227,675	887,826	863,964 ✓
Total (Scope 1 and Scope 2 (market-based))	11,205,253	9,952,973	8,941,589 ✓
Scope 3	11,594,615	10,290,896	9,368,685 <sup>2</sup> ✓
Total	22,799,868	20,243,869	18,310,274 ✓

<sup>1</sup> Scope 1,2 and 3 GHG emissions of the Group for the year 2020 and 2021 have been restated due to the change in consolidation approach. 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.

<sup>2</sup> Only Sabancı Holding's business travel data and employee commuting were included, along with Category 15 Scope 3 emissions.

# ANNEX 3: Performance Indicators

Air Emissions (kg)	2021	2022	2023
NOx	36,759,565	28,042,536	19,566,984
SOx	10,962,819	3,650,508	3,548,438
Persistent organic pollutants (POP)	-	0.000124	0.42
Volatile organic compounds (VOC)	347,715	252,415	251,361
Hazardous air pollutants (HAP)	11,183	850	38,295
Particulate matter (PM)	301,282	306,490	120,020
<b>Water Consumption<sup>3</sup> (m<sup>3</sup>)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Water consumption	10,585,542	8,429,288	8,034,293 ✓
Water withdrawal	10,647,280	10,026,518	342,535,940 ✓
Water recycled and reused	23%	31%	38% ✓
Total amount of discharged water	5,378,280	2,340,655	334,217,456 ✓

<sup>3</sup> 2021 total water consumption data has been restated because of the latest calculations. The volume of water withdrawal has increased due to a change in Enerjisa Üretim's methodology, which now includes seawater in the total withdrawal data.

# ANNEX 3: Performance Indicators

Waste (ton)	2021	2022	2023
Hazardous waste	8,206	10,625	10,436 ✓
Non-hazardous waste	34,555	41,819	44,843 ✓
Non-hazardous waste including ash waste	-	2,333,819	2,373,644 ✓
Total waste without ash waste	42,761	52,445	55,279 ✓
Total waste with ash waste	-	2,344,445	2,384,080 ✓
Percentage of waste reused and recycled	80%	78%	94% ✓
Percentage of waste reused and recycled including ash waste	-	2%	2% ✓
Plastic consumption	2,725	4,066	4,256 ✓
<b>Intensity Indicators</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Energy intensity (MWh/ million TL)	284.93	94.51	71.70 ✓
Greenhouse gas emission intensity (ton CO <sub>2</sub> e/ million TL)	73.66	24.66	19.42 ✓
Water intensity (m <sup>3</sup> / million TL)	70.11	24.78	17.45
Waste intensity (ton/million TL)	0.28	0.13	0.12
Waste intensity with ash waste (ton/million TL)	-	5.71	5.18



# ANNEX 3: Performance Indicators

## ECONOMIC PERFORMANCE INDICATORS

Total Environmental Investments and Expenditures (TL)	2021	2022 <sup>5</sup>	2023
Mitigation investments	148,608,145	3,463,624,009	5,695,878,806 ✓
Transition investments	72,309,255	297,802,375	322,281,017 ✓
Enabler investments	255,505,514	1,290,404,438	3,494,471,303 ✓
Environmental expenditures mandatory by law	19,952,712	39,984,869	114,372,066 ✓
Environmental expenditures that are not required by law	14,407,163	62,933,911	239,866,027 ✓

## SOCIAL PERFORMANCE INDICATORS

Employees by Category	2021		2022		2023	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
Total number of employees <sup>4</sup>	14,118	33,687	15,218	34,687	15,969 ✓	35,137 ✓
Number of white-collar employees	9,414	13,863	11,251	14,360	11,730	14,532
Number of blue-collar employees	4,704	19,825	3,967	20,327	4,157	19,682
Employees covered by collective bargaining agreements	4,321	18,496	3,022	17,485	3,047	16,137
Number of employees with disabilities	246	986	274	1,032	304	986
Number of foreign employees	1	15	-	14	40	240
Number of full-time employees	-	-	15,173	34,659	15,872	34,939
Number of part-time employees	-	-	45	28	65	48

<sup>4</sup> Employees directly working in Türkiye operations are included in the number of employees.

<sup>5</sup> IAS 29 inflation accounting has not been applied to 2022 figures.

# ANNEX 3: Performance Indicators

	2021		2022		2023	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
<b>Employees by Age</b>						
30 and younger	3,556	6,995	4,010	7,409	4,385	7,879
30-50 years old	10,404	25,529	10,990	25,849	11,237	24,794
50 and older	158	1,163	218	1,429	264	1,540
<b>Number of New Hires</b>						
Under 30	2,008	3,668	2,788	3,300	3,240 ✓	4,432 ✓
30-50 years old	818	1,567	1,306	1,789	1,475 ✓	2,142 ✓
Over 50	4	57	18	71	31 ✓	111 ✓
<b>Number of Employees Who Left</b>						
Total number of employees who left	2,015	3,569	2,089	3,719	3,064 ✓	5,516 ✓
Number of employees leaving - under 30	923	1,300	962	1,561	1,506 ✓	2,079 ✓
Number of employees leaving - 30-50 years old	1,068	2,023	1,094	1,938	1,484 ✓	2,953 ✓
Number of employees leaving - over 50	24	246	33	220	74 ✓	484 ✓
Number of employees left voluntarily	1,329	2,223	1,621	2,613	2,261	3,422
Voluntary employee turnover rate	0.09	0.07	0.11	0.08	0.14	0.10
Total employee turnover rate <sup>6</sup>	0.14	0.11	0.14	0.11	0.19 ✓	0.16 ✓

<sup>6</sup> Employee turnover rate: Number of employees leaving/Total number of employees

# ANNEX 3: Performance Indicators

	2021		2022		2023	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
<b>Maternal/Paternal Leave</b>						
Number of employees granted maternal/paternal leave	749	1,775	798	1,894	539 ✓	1,727 ✓
Employees who returned to work after maternal/paternal leave	682	1,775	755	1,894	464 ✓	1,580
Ratio of the employees who returned to work after maternal leave	90%		95%		86% ✓	
<b>Training</b>						
	2021	2022	2023			
Total training hours	1,508,379	1,644,186	1,623,084 ✓			
Average training hours per employee	32	33	32 ✓			
Ethics training	1,425	12,432	15,692 ✓			
Sustainability training	21,118	14,700	29,036 ✓			
Diversity and inclusion training	18,476	21,078	10,638 ✓			
Anti-Bribery training	8,890	36,770	11,245 ✓			
Average training cost per person (person/hours)	1,425	2,765	4,951 ✓			

# ANNEX 3: Performance Indicators

Occupational Health and Safety Indicators (Employees)	2021	2022	2023
Number of fatalities	3	1	2 ✓
Number of incidents	518	547	698 ✓
Number of occupational diseases	16	9	6 ✓
Incident rate (IR) <sup>7</sup>	0.89	0.87	1.18
Lost day rate (LDR) <sup>8</sup>	11.83	7.26	0.07 ✓
Injury-related Absenteeism <sup>9</sup>	5,387	4,573	4,319 ✓
OHS training hours	496,915	568,651	570,615 ✓
Average OHS training hours per employee	10	11	11

Number of Employees by Nationality	2023
Türkiye	51,095 ✓
Germany	2 ✓
Indonesia	-
Netherlands	2 ✓
Spain	-
Thailand	1 ✓
USA	1 ✓
Other	5 ✓
<b>Total</b>	<b>51,106 ✓</b>

<sup>7</sup> Accident frequency rate (IR) is found by multiplying the ratio of the total number of accidents to the total working hours in the relevant year by 200,000

<sup>8</sup> Employee hours worked

<sup>9</sup> Absentee (AR) for the respective year is the ratio of total absent days to the employee hours worked

# ANNEX 4: Reporting Principles

## Sabancı Group 2023 Sustainability Report–Reporting Principles

This reporting principles (the “Principles”) provides information on the data preparation and reporting methodologies of indicators within the scope of the limited assurance in the Hacı Ömer Sabancı Holding A.Ş. and Group companies (the “Sabancı Holding”, “Group”) 2023 Sustainability Report (the “2023 Sustainability Report”). The indicators include social indicators, environmental indicators and economic indicators. It is the responsibility of the Group’s management to ensure that appropriate procedures are in place to prepare the indicators mentioned above in line with, in all material respects, the Principles.

The data included in this guideline is for the FY 23 (1 January – 31 December 2023), fiscal year ended December 31, 2023, and as detailed in the “Key Definitions and Reporting Scope” section comprises only the relevant operations of listed companies below in Türkiye and Çimsa’s abroad location (only Bunol Facility) that are the responsibility of the Group.

- Aģesa Emeklilik ve Hayat A.Ş. (“Aģesa”)
- Akbank T.A.Ş. (“Akbank”, “Bank”)
- Akçansa Çimento Sanayi ve Ticaret A.Ş. (“Akçansa”)
- Aksigorta A.Ş. (“Aksigorta”)
- Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. (“Brisa”)

- Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. (“Carrefoursa”)
- Çimsa Çimento Sanayi ve Ticaret A.Ş. (“Çimsa”)
- Enerjisa Enerji A.Ş. (“Enerjisa Enerji”)
- Enerjisa Üretim Santralleri A.Ş. (“Enerjisa Üretim”)
- Hacı Ömer Sabancı Holding A.Ş. (“Holding”)
- Kordsa Teknik Tekstil A.Ş. (“Kordsa”)
- Sabancı Dijital Teknoloji Hizmetleri A.Ş. (“SabancıDx”)
- Teknosa İç ve Dış Ticaret A.Ş. (“Teknosa”)
- Temsa Skoda Sabancı Ulaşım Araçları A.Ş. (“Temsal”)

## GENERAL REPORTING PRINCIPLES

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

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

# ANNEX 4: Reporting Principles

## Key Definitions and Reporting Scope

For the purpose of this report, the Group defines:

TYPE	INDICATOR	SCOPE
	<b>Occupational Health &amp; Safety</b>	
	Number of Incidents (#)	This indicator indicates the total number of accidents which occurred during a work-related activity of the employee and monitored through notifications made to the Social Security Institution during the reporting period.
	Number of Fatalities (#)	This indicator reflects the number of fatal accidents resulted in deaths which occurred during a work-related activity of the employee and monitored through notifications made to the Social Security Institution during the reporting period.
	Number of Occupational Diseases (#)	This indicator reflects the total number of occupational diseases that refer to temporary or permanent illness, physical or mental disability, which occur due to the nature of the work, or the operating conditions of the business. This is followed up through notifications made to the Social Security Institution during the reporting period.
	Injury-related Absenteeism (#)	This indicator refers to absenteeism as a result of accidents that are machine/equipment collision, uncontrolled material movement, cutting with blades, getting stuck between machine equipment, falling/sliding/ tripping, car crashes, landings, rubbing, getting stuck between car and equipment, resulting loss of working days and followed up through notifications made to the Social Security Institution during the reporting period.
<b>Social Indicators</b>	Lost Day Rate (%)	This indicator means the rate of lost workdays due to work accidents that are machine/equipment collision, uncontrolled material movement, cutting with blades, getting stuck between machine equipment, falling/sliding/ tripping, car crashes, landings, rubbing, getting stuck between car and equipment, and monitored through notifications made to the Social Security Institution during the reporting period.
	OHS Training Hours (h)	This indicator represents the total hours of the OHS trainings, delivered to the employees and sub-contractors, that is tracked monitored through the training tracking platform of Human Resources of the Companies during the reporting period.
	<b>Total Number of Employees</b>	
	Total Number of Employees (#)	This indicator represents the total number of women and men employees who were monitored through Human Resources and were reported to the Social Security Institution during the reporting period.
	Number of Employees by Nationality (#)	This indicator represents the total number of employees from different nationalities (Türkiye, Germany, Indonesia, the Netherlands, Spain, Thailand, the U.S.A. and others) working in group companies during the reporting period. Employees by nationality are monitored through the human resources platform and Social Security Institution declarations.

# ANNEX 4: Reporting Principles

TYPE	INDICATOR	SCOPE
	<b>Distribution of Women Employees</b>	
Social Indicators	Women Employees' Rate (%)	This indicator means the ratio of the total number of women employees of the Group to the total number of employees during the reporting period.
	Ratio of Women Managers (%)	This indicator represents the ratio of the women managers (N-1; executive level who directly reports to the CEO, N-2; middle level which is two degrees away from CEO and N-3; managerial level is three degrees away from CEO) during the reporting period.
	Share of Women Managers in Revenue-Generating Roles (%)	This indicator means the ratio of the women managers worked in the roles that have an impact on the Group's revenue directly during the reporting period. Revenue-generating roles defined as the roles that when vacant, no revenue is generated.
	Share of Women Employees in STEM Roles (%)	This indicator represents the ratio of women employees worked in STEM (Science, Technology, Engineering, Mathematics) roles and tracked by Human Resources of the Companies during the reporting period.
	Total Number of Employees on Maternity Leave (#)	This indicator means the number of women employees on maternity leave within the periods specified in the regulation and tracked by Human Resources of the Companies during the reporting period.
	Total Number of Employees on Paternity Leave (#)	This indicator means the number of men employees on paternity leave within the periods specified in the regulation and tracked by Human Resources of the Companies during the reporting period.
	Total Number of Employees Returned to Work After Maternity Leave (#)	This indicator means the number of women employees returned to work after maternity leave and tracked by Human Resources of the Companies during the reporting period.
	Ratio of the Employees who Returned to Work After Maternal Leave (%)	This indicator represents the ratio of the women left and returned to work after maternal leave during and tracked by Human Resources of the Companies the reporting period.

# ANNEX 4: Reporting Principles

TYPE	INDICATOR	SCOPE
Social Indicators	<b>Trainings</b>	
	Total Hours of Trainings (h)	This indicator reflects the total hours of training provided to employees that is monitored through the training tracking platform of Human Resources during the reporting period.
	Total Hours of Trainings by Training Types (h)	This indicator reflects the total hours of training provided to the employees that is monitored through the training tracking platform of Human Resources during the reporting period. It is tracked by types (ethics trainings, diversity, equity and inclusion trainings, sustainability and environment trainings and anti-bribery and corruption trainings).
	Total Training Cost (TL)	This indicator reflects the total costs of the trainings provided to the employees that is monitored through the training tracking platform of Human Resources during the reporting period.
	Average Training Costs per Employee (TL)	This indicator reflects the average training costs per employee during the reporting period.
	<b>Total Number of Employees Hired</b>	
	Number of Employees Hired, by Age Group (#)	This indicator reflects the total number of employees hired and declared to the Social Security Institution with the Employment Declaration during the reporting period. It is tracked by age groups as under 30, between 30 and 50, and over 50.
	<b>Total Number of Employees Left</b>	
	Number of Employees Left, by Gender (#)	This indicator reflects the total number of women and men employees left and declared to the Social Security Institution of the Companies with the Declaration of Leaving Employment during the reporting period.
	Number of Employees Left by Age (#)	This indicator reflects the total number of employees left and declared to the Social Security Institution of the Companies with the Declaration of Leaving Employment during the reporting period. It is tracked by age groups as under 30, between 30 and 50, and over 50.
	<b>Turnover Rates</b>	
	Turnover Rates by Gender (%)	This indicator means the ratio of the number of employees who quit their jobs declared by the Companies to the Social Security Institution with the Declaration of Leaving Work to the total number of employees within the reporting period. It is monitored in gender breakdown.
	<b>Inclusion Programs</b>	
	People Reached Through Inclusion Programs in Reporting Period (#)	It refers to the number of people of the vulnerable groups (elderly, youth, women, socioeconomically disadvantaged people and disabled people, etc.) reached by the Group through inclusion programs during the reporting period.



# ANNEX 4: Reporting Principles

TYPE	INDICATOR	SCOPE
Environmental Indicators	<b>Energy Consumption</b>	
	Total Energy Consumption (MWh)	This indicator represents the total amount of energy in MWh (from natural gas, coal, fuel oil, LPG, CNG, Petrocoke, Alternative Fuel, electricity from renewable and non-renewable sources, diesel and gasoline resources) consumed by Group companies during the reporting period to carry out its operations.
	Purchased Heat/Steam/Cooling (kg)	Purchased in the reporting period means the amount of R22 and other gases such as SF6, R407C, R134A, R410A and CO <sub>2</sub> purchased by the Group and the amount of refrigerant gas consumed for cooling purposes. It is reported in kg on a consolidated basis. Gases has been calculated based on maintenance/repair forms and related invoices.
	<b>Share of Renewable Energy Consumption in Total Energy Consumption</b>	
	Renewable Energy Consumption (MWh)	This represents the Group's renewable energy consumption figures by the end of the reporting period. It is reported in MWh on a consolidated basis.
	<b>Intensity Indicators</b>	
	Energy intensity (MWh/ Million TL)	It means energy consumption per revenue-TL within the reporting period. It is reported in MWh/TL on a consolidated basis.
	Greenhouse Gas Emission Intensity (ton CO <sub>2</sub> e/million TL)	It means total greenhouse gas emissions per revenue-million TL within the reporting period. It is reported in tonCO <sub>2</sub> e/million TL on a consolidated basis.
	<b>Greenhouse Gas Emissions (ton CO<sub>2</sub>e)</b>	
	The Greenhouse Gas Emissions (GHG) Consolidation Approach	<p>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.</p> <p>The rationale of this methodological change based on distribution of the responsibility for reducing greenhouse gas emissions in a fair and equitable manner. It provides a comprehensive and balanced framework for tackling climate change and ensuring that all stakeholders are included in the efforts to reduce greenhouse gas emissions.</p> <p>In addition, the GHG equity share approach encourages investments in sustainable technologies and practices which can have lasting positive effects on environment, society, and the transformation of the economy. It also allows for flexibility in emission reduction strategies enabling the adoption of tailored solutions that best suit each stakeholder's circumstances.</p>

# ANNEX 4: Reporting Principles

TYPE	INDICATOR	SCOPE
Environmental Indicators	Scope 1 (tCO <sub>2</sub> e)	This indicator reflects the emissions of greenhouse gases due to the use of natural gas, coal, fuel oil, LPG, CNG, Petcoke, Alternative Fuel, diesel and gasoline resources consumption, SF6 and refrigerant gases and fire extinguishing devices at the relevant locations of the Group during the reporting period. It is reported in tonCO <sub>2</sub> e on a consolidated basis.
	Scope 2 (Location Based) (tCO <sub>2</sub> e)	This indicator reflects the emissions of greenhouse gases due to the use of purchased electricity and Transmission & Distribution losses from Enerjisa Enerji at the relevant locations of the Group during the reporting period. It is reported in tonCO <sub>2</sub> e on a consolidated basis.
	Scope 2 (Market Based) (tCO <sub>2</sub> e)	This indicator reflects the greenhouse gas emissions arising from the Transmission & Distribution losses in Enerjisa Enerji and use of electricity purchased from non-renewable sources (generated from non-renewable sources and without I-REC or YEK-G certification) at the relevant locations of the Group during the reporting period. It is reported in tonCO <sub>2</sub> e on a consolidated basis.
	Scope 3 (tCO <sub>2</sub> e)	This indicator includes Scope 3 emissions associated with the Holding's investments in the reporting year, not already included in Scope 1 or Scope 2. Moreover, Scope 3 also includes Holding's business travels and employee commuting figures.
	<b>Water Consumption</b>	
	Water Withdrawal by Source (m <sup>3</sup> )	This indicator represents the total m <sup>3</sup> of water supplied by the Group companies from different sources of nature (Fresh surface water, Brackish surface water/Sea water, Groundwater - from renewable and non-renewable sources, Produced/ Filtrate water and Third-party sources) during the reporting period.
	Water Consumption (m <sup>3</sup> )	This indicator represents the amount of water (consumed within the facility and not discharged directly to nature) as a result of subtracting the total amount of water discharged from the total amount of water withdrawn by the group companies during the reporting period.
Total Amount of Discharged Water (m <sup>3</sup> )	This indicator represents the total (volume - m <sup>3</sup> ) amount of water/wastewater discharged from the Group's locations to fresh surface waters, brackish/salt surface waters, groundwater and third-party points (discharge channels) during the reporting period and is reported in m <sup>3</sup> on a consolidated basis.	
Water Recycled and Reused (%)	This indicator represents the ratio of the amount of water reused-recycled to the total consumed water in the reporting period. It is reported in m <sup>3</sup> on a consolidated basis.	

# ANNEX 4: Reporting Principles

TYPE	INDICATOR	SCOPE
	<b>Waste</b>	
	Percentage of waste reused and recycled (%)	Represents the ratio of the amount of waste recycled by physical methods (recycling, reuse and incineration for energy recovery) inside or outside the group facilities to the total amount of hazardous and non-hazardous waste during the reporting period.
	Percentage of waste reused and recycled including ash (%)	It represents the ratio of the amount of waste recycled in the reporting period to the total amount of hazardous and non-hazardous waste including ash.
	Total Hazardous Waste (ton)	Represents the amount of hazardous waste generated as a result of the activities carried out by Group companies during the reporting period. Total hazardous waste consists of the sum of waste recycled/reused at the facility (including plastics and electronic waste), recycled/reused by a third party (including plastics and electronic waste), landfilled, incinerated with energy recovery and incinerated without energy recovery, and is reported in tons on a consolidated basis.
<b>Environmental Indicators</b>	Total Non-Hazardous Waste (ton)	Represents the amount of non-hazardous waste generated as a result of the activities carried out by Group companies during the reporting period. Total hazardous waste consists of the sum of waste recycled/reused at the facility (including plastics and electronic waste), recycled/reused by a third party (including plastics and electronic waste), landfilled, incinerated with energy recovery and incinerated without energy recovery, and is reported in tons on a consolidated basis.
	Non-Hazardous Waste including ash waste (ton)	It means the amount of non-hazardous waste including ash waste where the Group's operations take place during the reporting period.
	Total waste without ash waste (ton)	It means the total amount of hazardous and non-hazardous waste excluding ash waste where the Group's operations take place during the reporting period.
	Total waste with ash waste (ton)	It means the total amount of hazardous and non-hazardous waste including ash waste where the Group's operations take place during the reporting period.
	Plastic consumption (ton)	Total plastic consumption is followed up with invoices and waste declaration forms declared to the Ministry of Environment, Urbanization and Climate Change of Republic of Türkiye; represents the consumption amount of plastic products, pet bottles, bags and plastic packaging.

# ANNEX 4: Reporting Principles

TYPE	INDICATOR	SCOPE
	<b>Sustainable Business Model</b>	
	SDG-linked Product and Service (#)	It refers to the number of mitigation (Products that directly reduce resource use or carbon emissions. Includes activities that are considered unquestionably sustainable.), transition (Products and services that are not considered entirely environmentally friendly in nature, but can be considered as a transition to more sustainable technologies, such as cement and rubber products produced using alternative raw materials and/or fuels.), enabler (Products that are not considered as direct source/carbon emission reduction activities, but facilitate the dissemination of related technologies.) and enhancing positive social impact products and services offered by the Group during the reporting period that provide environmental and social benefits.
	SDG-linked Product and Service Revenue (TL)	It refers to the income obtained from the products and services offered by the Group during the reporting period, which provide environmental and social benefits, and have a mitigation, transitional and facilitating nature. It is reported as TL on a consolidated basis.
	SDG-Linked R&D and Innovation Investments (TL)	It refers to the sustainability-oriented R&D and innovation investments of the Group made during the reporting period. It is reported as TL on a consolidated basis.
<b>Economic Indicators</b>	Ratio of SDG-Linked R&D and Innovation Activities (%)	It refers to the ratio of sustainability linked R&D and innovation investments in the Group's investment budget to total R&D and innovation investment during the reporting period.
	<b>Environmental Investments and Expenditures</b>	
	Environmental Investments by Type (TL)	It refers to the mitigation (Products that directly reduce resource use or carbon emissions. Includes activities that are considered unquestionably sustainable.), transition (Products and services that are not considered entirely environmentally friendly in nature, but can be considered as a transition to more sustainable technologies, such as cement and rubber products produced using alternative raw materials and/or fuels.) and enabler (Products that are not considered as direct source/carbon emission reduction activities, but facilitate the dissemination of related technologies.) environmental investments carried out by the Group during the reporting period that provide environmental and social benefits. It is reported as TL on a consolidated basis.
	Environmental Expenditures by Type (TL)	It refers to expenditures that are legally required and not legally required in the reporting period. It is reported as TL on a consolidated basis.
	Savings and Reduction Based on Environmental Investments (MWh - tCO <sub>2</sub> e)	It refers to the environmental benefits in MWh and tCO <sub>2</sub> e through environmental investments and/or operations during the reporting period.

# ANNEX 4: Reporting Principles

## Data Preparation

### SOCIAL INDICATORS

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

The number of accidents and the number of fatal cases is followed by the tables that list the Social Security Institution declarations.

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

Formulas:

Lost Day Rate = Accidental Absence / Total Working Hours \* 200,000

#### Distribution of Women Employees Data

The total number of employees represents the total number of employees that the companies have as of the end of the reporting year and that are based on the information included in the annual reports or human resources systems published as of 31 December 2023.

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

Formulas:

Women Employees' Rate = Number of Women Employees / Total Number of Employees

#### Distribution of Women Managers

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

Formulas:

Ratio of women managers (%) = (total number of N-1, N-2 and N-3 level women managers / total number of N-1, N-2 and N-3 level managers) \* 100

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

Revenue-generating roles defined as the roles that when vacant, no revenue is generated.

Formulas:

Share of Women Managers in Revenue-Generating Roles (%) = (number of women managers in revenue-generating roles / total number of managers in revenue-generating roles) \* 100

#### Distribution of Women Employees in STEM Roles

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

Formulas:

Share of Women Employees in STEM Roles (%) = (Number of women employees in STEM roles / total number of employees in STEM roles) \* 100

# ANNEX 4: Reporting Principles

## Parental Leaves

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

Formulas:

Ratio of the Employees who Returned to Work After Maternal Leave =  $\frac{\text{Number of employees returned from maternity leaves}}{\text{Number of employees left due to maternity leave}}$

## Trainings

It represents the trainings provided to the employees during the reporting period.

Total training hours is divided into four sub-categories. Total training hours by gender (women and men), by age (under 30, between 30 and 50, over 50), by training types (“ethics”, “diversity and inclusion”, “sustainability and environment” and “anti-bribery and corruption”).

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

Formulas:

Average Training Costs per Employee =  $\frac{\text{Total cost of all the trainings}}{\text{the number of employees}}$

## Total Number of Employees Hired

The number of employees hired during the reporting period is divided into three categories as gender (women and men), age (under 30, between 30 and 50, over 50).

## Total Number of Employees Left

The number of employees left during the reporting period is divided into three categories as gender (women and men), age (under 30, between 30 and 50, over 50).

## Turnover Rates

Formulas:

Turnover rates by gender:

$\frac{\text{Number of women employees left}}{\text{total number of women employees}}$

$\frac{\text{Number of men employees left}}{\text{total number of men employees}}$

## People Reached Through Inclusion Programs in Reporting Period

It refers to the number of people of the sensitive groups (old, youth, women, and disabled people, etc.) reached by the Group through inclusion programs.

### ◉ Akbank:

It refers to the number of young people reached through the programs named “Gençlik Akademisi”. The number of participants is tracked through the confirmation letters received.

### ◉ Agesa:

Sensitive groups reached in 2023 include aid to people over the age of 65. These people were reached within the scope of “Her Yaşta” project that was realized in cooperation with the Non-Governmental Organization. Another sensitive group reached by Agesa is young people. The number of people represents the support for the education of 9 female students made to the Turkish Education Foundation

# ANNEX 4: Reporting Principles

AgeSA Scholarship Fund. Another group was children who were reached through the Company's "Geleceğe Umutla" project. Additionally, 100 women are also included in the sensitive group reached through a project that was carried out with five different NGOs. Other groups reached include visually and hearing-impaired people. Within the framework of its cooperation with BlindLook, AgeSA provides voice guidance services to its visually impaired customers in their digital applications and sign language support for its hearing-impaired customers, enabling them to perform all insurance transactions on their own without assistance. In the 2023 reporting period, 6,927 visually impaired and 769 hearing-impaired users entered through digital channels. Another sensitive group includes 134 people with hearing loss reached through the Company's "Sesimi Duyan Var mı?" project, which was carried out in a total of 30 tent cities in Adiyaman, Gazintep and Kahramanmaraş. Lastly, sensitive groups include 188,865 people reached through financial literacy projects carried out by Agesa.

## ◉ Aksigorta:

Sensitive groups reached in 2023 include people reached through the Company's "Geleceğe Umutla" project, which provided support to 400 children affected by the earthquake in Hatay.

## ◉ Enerjisa Enerji:

Sensitive groups reached in 2023 include the "Device Dependent Patients" (Hasta Var Programı), who maintain their life dependent on a device. If the medical condition of a patient requires vital medical equipment, in case of an outage in their residential area, emergency supply is provided. Furthermore, in accordance with the amendments

on the Regulation on Electricity Market Customer Services Regulation in 2023, the conditions for cutting off energy to vulnerable customers in case of unpaid bills have been altered. Accordingly, for the families of martyrs, veterans, and disabled veterans, customers over the age of 65 and customers who submitted a health report stating that they had disabilities over 40%; the electricity will be cut only in the case of three consecutive months of failure in payment.

## ◉ Kordsa:

It refers to the number of woman and other reached through the programs named "Hatay Kuluçka Merkezi" carried out in collaboration with Habitat Association, aims to turn the incubation center to be established in Hatay, the most affected province after the 6 February 2023 Kahramanmaraş earthquake, into a local development platform, to enable the specific target group affected by the earthquake to gain new generation competencies through trainings to be provided; to open new avenues for them in terms of employment and to ensure economic and social recovery in the region in the long term.

## ◉ Brisa:

Sensitive groups reached in 2023 include youth, children, and women. It represents the number of young people and children reached through activities and donations within the scope of the "Brisa Mensupları Öğrenim Destekleme Derneği (BMÖDD)" and "Sabancı Lassa Mid-School". The number of women reached represents the number of people reached by the Ideathon and "Hatay Kuluçka Merkezi" program.

# ANNEX 4: Reporting Principles

## ◉ **Temsa:**

Sensitive groups reached in 2023 include young people who benefit from university, vocational high school, summer internship programs, workplace training, children amenity events and earthquake volunteers.

## ◉ **Carrefoursa:**

Sensitive groups reached in 2023 include people reached through the Company's "Lezzet Arası" project, which used to provide food support to earthquake victims in Kahramanmaraş after the earthquake on February 6.

## ◉ **Teknosa:**

Within the scope of the "Technology for Women" project, the number of female participants who attended digital literacy training was evaluated. In addition, the number of women reached represents the number of people reached by "Hatay Kuluçka Merkezi" program.

## ◉ **Çimsa:**

In the reporting period, it refers to the number of women, youth and disabled people reached through the Company's "Mersin Disability Week", "İşimiz Eşitlik", "Su Nefestir", "Gelecek Seninle Mümkün", "Yarınlara Seninle Mümkün" projects.

## ◉ **Enerjisa Üretim :**

It refers to the the number of youths, children, women and other people reached through the Enerjisa Üretim's "Energy Youth College Long Term Internship and Mentoring Programme", "Children's Play Group Support to Söğütlü Village", "Soysallı Enerjisa School Renovation Support", "Akyeniköy Primary School Robotic Coding Classroom", "Imagination Centre - Summer education and social support programme for primary school children", "Womentum Career support programme for female students", and "Power MBA (Master of Business Administration) professional development programme" projects.



# ANNEX 4: Reporting Principles

## ENVIRONMENTAL INDICATORS

### Energy Consumption by Fuel Type

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

#### ◉ Akbank:

Akbank's headquarter and buildings, branches and vehicles are included in the calculations. In addition to the locations given above in electricity consumption, the consumption of ATMs with subscriptions is also included. For calculating these values, the consumptions are obtained from the counters and invoices of the service providers or based on the consumptions in the sample branches.

#### ◉ Aksigorta:

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

#### ◉ Brisa:

Diesel consumption is derived from service providers' invoices for generators, fire pumps and company-owned vehicles. Gasoline consumption is obtained from the

invoices of the service providers for the Group's vehicles. For natural gas consumption, the m<sup>3</sup> value on the invoice is considered for the İzmit, Aksaray, Altunizade and Arvento locations. Purchased electricity consumption in all locations are tracked with the invoices from the services providers. In addition, the renewable energy generation (which is consumed by the Entity) is tracked with the signed agreements/invoices made with Enerjisa Enerji.

#### ◉ Carrefoursa:

Natural gas consumption is obtained by dividing the unit prices over the TL amount of the invoices of the service providers. The unit prices used in the calculation are the prices per kWh determined by İGDAŞ for each month for 2023.

#### ◉ Enerjisa Üretim:

Natural gas, oil, diesel and LPG consumptions are obtained from the invoices of service provider companies. Coal and limestone consumptions are tracked through signed progress payment documents and stock counts, which are agreed with subcontractors and recorded. Energy consumption data covers all power plants.

#### ◉ Teknosa:

Natural gas consumption for stores is obtained by dividing the unit price over the TL amount of the invoices of the service providers. Two different unit price for semester one and semester two (obtained by TURKSTAT) is considered in the total consumption. Natural gas consumption for warehouse is obtained from meters and natural gas consumption for headquarters is obtained from Carrefoursa since the consumption is mutual and Teknosa is responsible from the 30% of the total consumption. Electricity for stores is

# ANNEX 4: Reporting Principles

provided by both Enerjisa and other providers. Electricity consumption from the other providers is calculated by considering two different unit price obtained by TURKSTAT. On the other hand, electricity meters are used to calculate the consumption from the Enerjisa. Electricity consumption for warehouse is obtained from meters and electricity consumption for headquarters is obtained from Carrefoursa since the consumption is mutual and Teknosa is responsible from the 30% of the total consumption.

## ◦ Temsa:

Electricity, Natural Gas, Gasoline, Diesel and CNG consumption amounts are obtained from the invoices of the service providers.

## ◦ SabancıDx:

Energy consumption amounts are obtained from the invoices of the service providers for the Sabancı Center, Altunizade and Kentsa locations.

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

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

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

## Akçansa, Çimsa:

The Companies energy resources calorific values are shared below. The calorific values in the Emission Verification Reports reported to the Ministry of Environment for 2023 are taken as a basis. It uses the formulas listed below along with these values:

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

In addition, relevant MSDS (Material Safety Data Sheet) given by the service providers have been used for density values in Temsa for CNG consumption and Brisa for LPG consumption conversions.

# ANNEX 4: Reporting Principles

## Purchased Heat/Steam/Cooling

The amount of refrigerant consumed for cooling purposes is reported within the scope of purchased heat/steam/cooling indicator. For this indicator, the total consumption amount of R22 gases and other gases such as SF6, R407C, R134A, R410A and CO<sub>2</sub> gases has been calculated based on maintenance/repair forms and related invoices.

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

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

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

Total revenues in TL refers to the combined revenue of the Group in the latest available Sabancı Holding Annual Report.

Formulas:

Greenhouse Gas Intensity =  $\text{Scope 1} + \text{Scope 2 GHG Emissions (tCO}_2\text{e)} / \text{Total revenues in TL}$   
Energy Intensity =  $\text{Total energy consumption} / \text{Total revenues in TL}$

## Share of Renewable Energy Consumption in Total Energy Consumption

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

### ◉ Akbank & Agesa & Aksigorta & Enerjisa Enerji & Holding :

It is followed by I-REC (Renewable Energy Certificate).

### ◉ Temsa:

It contains the electricity consumptions licensed by YEK-G (Renewable Energy Resource Guarantee System) as well as the solar electricity generation by the entity.

### ◉ Brisa:

It contains the sum of electricity consumptions certificated with the I-REC (Renewable Energy Certificate), YEK-G (Renewable Energy Resource Guarantee System) and solar electricity generation by the entity.

### ◉ Teknosa:

It contains the electricity consumptions licensed by I-REC (Renewable Energy Certificate) as well as the solar electricity generation by the entity.

### ◉ Kordsa:

Renewable energy consumption refers to the amount of energy certified with the I-REC (Renewable Energy Certificate) certificate and amount of electricity generated from SPP (solar power plants) in Izmit Location.

### ◉ SabancıDx:

It is followed by reports received over the system. Renewable energy consumption is obtained from Smartflower and Solar systems of the company.

# ANNEX 4: Reporting Principles

## ◉ Akçansa:

Renewable energy consumption refers to the electrical energy obtained from the waste heat generated during the production process, International Renewable Energy Certificate (I-REC) & YEK-G (Renewable Energy Resource Guarantee System) certified electricity and the energy gained from the wind turbine.

## ◉ Çimsa:

Renewable energy consumption represents the sum of the amount of geothermal renewable energy purchased by the Company with the International Renewable Energy Certificate (I-REC) and the amount of waste heat energy generated at the Company's Mersin Facility location.

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

Formulas:

Share of Renewable Energy Consumption in Total Energy Consumption (%) =  
(Renewable Energy Consumption / Total Energy Consumption) \* 100

## Scope 1, 2 and 3 Emissions

### ◉ Akbank, Aksigorta, Agesa, Temsa, Carrefoursa, Teknosa, SabancıDx, Enerjisa Üretim, Enerjisa Enerji, Brisa, Kordsa, Holding:

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

In the calculations, CO<sub>2</sub> equivalent factors consisting of CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs (SF6 and refrigerant gas) CO<sub>2</sub> equivalent emission factors were used. The emission sources are detailed in the table below. Global Warming Potential (GWP) coefficients are from 5th and 6th Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) ([https://www.ipcc.ch/site/assets/uploads/2018/02/SYR\\_AR5\\_FINAL\\_full.pdf](https://www.ipcc.ch/site/assets/uploads/2018/02/SYR_AR5_FINAL_full.pdf)) and global warming values Department for Environment, Food and Rural Affairs of United Kingdom (<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023>) and the resultant ton CO<sub>2</sub>-e value is calculated by multiplying with the appropriate coefficients.

Formulas:

Scope 1 emissions (tCO<sub>2</sub>e) = Scope 1 Emissions of Group Company's \* Holding Share

Scope 2 emissions (tCO<sub>2</sub>e) = Scope 2 Emissions of Group Company's \* Holding Share

# ANNEX 4: Reporting Principles

Emission sources – Scope 1	Emission Calculation Methodology
Stationary	Emission factors from IPCC 2006 guidelines and DEFRA 2023, fuel NCV and density values are from regulations published by Energy Ministry, DEFRA 2023 and IPCC 2006. IPCC GWP coefficients are from 5 <sup>th</sup> & 6 <sup>th</sup> assessment Report.
Mobile	Emission factors from IPCC 2006 guidelines and DEFRA 2023, fuel NCV and density values are from regulations published by Energy Ministry, DEFRA 2023 and IPCC 2006. IPCC GWP coefficients are from 5 <sup>th</sup> & 6 <sup>th</sup> assessment Report.
Fugitive	Global Warming Potential (GWP) values are from IPCC 5 <sup>th</sup> & 6 <sup>th</sup> assessment Report and DEFRA 2023.
Processes	Emission factors from IPCC 2006 guidelines and DEFRA 2023, Global Cement and Concrete Association – Cement CO <sub>2</sub> and Energy Protocol V3.1, Cement Sustainability Initiative.
Emission Factors – Scope 2	Ton CO <sub>2</sub> -e/MWh
Türkiye Electricity (from grid)	IEA Emissions Factors 2022 and TEIAS 2022 published data for electricity generation.
Formulas: Scope 3 emissions = (Group Company's Scope 1 & Scope 2 Emissions * Holding Share) + Holding's Scope 3 Category 6 Emissions + Holding's Scope 3 Category 7 Emissions	
Emission Factors – Scope 3 (Holding)	kgCO <sub>2</sub> -e/km
Category 6 – Business Travel	DEFRA 2023 GHG emissions factors.
Category 7 – Employee Commuting	

## ◉ Çimsa:

Scope 1 and Scope 2 emission calculations were made using the Carbon Dioxide Emissions and Energy Inventory- Cement CO<sub>2</sub> and Energy Protocol Version 3.1 (WBCSD Cement Sustainability Initiative Cement CO<sub>2</sub> and Energy Protocol, Version 3.1, CO<sub>2</sub> Emissions and Energy Inventory) provided by the World Business Council for Sustainable Development – Cement Sustainability Initiative (WBCSD).

## ◉ Akçansa:

Scope 1 & 2 emissions are calculated in accordance with ISO 14064-1, “Greenhouse Gases Protocol: Corporate Accounting and Reporting Standard” in accordance with ISO 14064-1. For Scope 1 and Scope 2 emission calculations, the Carbon Dioxide Emission and Energy Inventory – Cement Sustainability Initiative provided by the World Business Council for Sustainable Development – Cement Sustainability Initiative (WBCSD- World Business Council for Sustainable Development – Cement Sustainability Initiative) is used. Calculated using the WBCSD Cement Sustainability Initiative Cement CO<sub>2</sub> and Energy Protocol, Version 3.1 up, CO<sub>2</sub> Emissions and Energy Inventory.

## Water Consumption

The water withdrawals and discharges are monitored through the inlet and outlet meters located within the facilities, monthly activity reports of the Ministry of Environment, Urbanization, and Climate Change of the Republic of Türkiye, payment invoices and assumptions based on the Turkish Statistical Institute (TÜİK). Water consumption consists of the amount of water withdrawn from nature by the facilities and not discharged (into the product, evaporation, or leakage) to directly.

# ANNEX 4: Reporting Principles

Formulas:

Water consumption (m3) = Water Withdrawal by Source – Total Amount of Water Discharge

## Waste

Hazardous wastes are defined as wastes containing substances that are dangerous for human health and the environment and that have the potential to be harmful, while non-hazardous wastes are defined as wastes that do not cause any harm to human health and the environment. Hazardous wastes are defined as wastes containing substances that are dangerous for human health and the environment and that have the potential to be harmful, while non-hazardous wastes are defined as wastes that do not cause any harm to human health and the environment (Republic of Türkiye Ministry of Environment, Urbanization and Climate Change, Waste Management Regulation - Article 4). According to the disposal methods, the total amount of hazardous and non-hazardous waste which is landfilled, recycled in the facility/outside the facility, incinerated for energy recovery and incinerated without energy recovery are reported.

The total amount of hazardous and non-hazardous waste is monitored through official documentation including Waste Declaration Forms, Mass Balance System (MOTAT, KDS etc.) of the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change and disposal delivery notes/records, etc.

The amount of recycled waste refers to the amount of waste that goes to the Group's landfill/solid waste site or is recycled by itself or another organization, recovered for energy purposes and reused. Recycled wastes contain on wastes which are disposed as emphasized in "R" code in Republic of Türkiye Ministry of Environment, Urbanization and Climate Change, Waste Management Regulation Annex-1: Waste Code Determination Hierarchy and Waste Code Explanations.

## Enerjisa Üretim;

Ash waste generated at Enerjisa Üretim's Tufanbeyli thermal power plant is also included in the reporting.

Formulas:

Amount of Recycled Waste = Waste Recycled/Reused at the Facility + Recycled/ Reused by a Third-Party + Landfilled + Incinerated with Energy Recovery

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

# ANNEX 4: Reporting Principles

## ECONOMIC INDICATORS

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

### Sustainable Business Model

Products and services identified as sustainable are;

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

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

Within the scope of the ratio of SDG-linked product and service revenues to total revenues in TL, total revenues in TL represent the total revenues of the companies as of the end of the reporting year, which are stated in the annual reports published as of 31 December 2023 or in the financial reports subject to independent audit.

The total amount reported within the scope of R&D and innovation investment consists of the investments made within the approved budget of the Group. Amounts reported under R&D and innovation investments represent the total revenue figures of the companies stated in the annual reports published as of 31 December 2023 or in the financial reports subject to independent audit. The total amount reported within the scope of sustainability-oriented R&D and innovation investment represents the sustainability-oriented investments included in the Group's approved R&D and innovation investment budget.

### ○ Akbank:

The number of SDG-linked products and services consist of 18 products and services that are considered as products and services that create positive social impact, mitigation and enabler. The 18 services evaluated within this scope, which include, Blue Tourism Loan, The Blue Port Loan, Blue Transportation Loan, Rooftop Solar Panel Investment Loan, Transition to a Low-Carbon Economy Loan, Renewable Energy Loans, SME Eco Transition Package, Energy Efficiency Loan, Waste Management Loan, Waste Water Management Loan & Water Management Loan, Clean Transportation Loan, Sustainable Agriculture Loan, Women's SME Package, Agricultural Banking Loans, Environmentally Friendly Vehicle Loan, Green Trade Package, Sustainable Deposit, Digital Services: Corporate Carbon Footprint Calculation & ESG Assessment

### ○ Aksam:

The number of SDG-linked products and services consist of 44 products and services that are considered as products and services that create positive social

# ANNEX 4: Reporting Principles

impact, mitigation and enabler. The 44 services evaluated within this scope, which include remote inspection study, providing a discount for the next year in case of no damage, discount to ecological housing certified houses, remote sales, Akbebek (insurance for children), Akşaglık mobile application, online health consultancy, control mammography, discounts for women on Mother's Day and special insurance services for serious diseases.

## ◉ Agesa:

The number of SDG-linked products and services consist of 18 products and services that are considered as products that create positive social impact and mitigation. The 18 products are Long Good Odds Insurance, VIP Life, My Credit is Safe, Advantage Plus Personal Accident Insurance,

## ◉ Akbank:

Personal Accident Insurance, Express Personal Accident Insurance, Take Care Insurance, Saving Future Plan, Saving VIP Plan & Prestigious Retirement Investment Plan, Sabancı Employee Assurance Plan, Retirement Investment Plan, Rapid Retirement Plan, Retirement Income Plan, Automatic Enrollment Plans. The SDG-linked products revenue is calculated as 5% of each related products' revenue indicated by the Agesa Global.

## ◉ Enerjisa Üretim:

The number of SDG-linked products and services consist of 23 products and services, which are considered as mitigation and transition products. The mitigation products

evaluated in this context are 12 HPP, 8 WPP 2 SPP. And also, transition product evaluated in this context is 1 Hydrogen operation.

## ◉ Enerjisa Enerji:

The amount of SDG-linked product and service revenues has been determined through the sales lists followed under IREC (Green Energy Certificate), YEK-G (Renewable Energy Resource Guarantee System), Cogeneration, process energy efficiency products, Solar Power Plant and Rooftop Projects, Regulated Green Energy Tariff Sales, Green Energy Originated Whole Sales, Low Loss Transformer, LED (Street Lighting), Lighting (Customer Solutions) and Network Connection revenues for mitigation projects and under SCADA, OSOS, Compensation and Voltage Line Transition, Eşarj AC, Eşarj DC, E-charge Network and maintenance and E-charge Maintenance revenues for enabler projects and were reported on this basis.

## ◉ SabancıDX:

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

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

There are 5 services evaluated within the scope of converter products considered within the scope of the digital transformation project which are Perfx, Hrweb, Thanxie,



# ANNEX 4: Reporting Principles

Pratisl and Pratis Pro. The balance reported within the R&D and innovation investments includes the R&D projects capitalized in the 2023 financial year.

## ◉ **Kordsa:**

84 SDG-linked products (19 Mitigation, 49 Transition, 7 Enabler, 4 positive social impact) specified of which 32 are developed by Tire Reinforcement, 26 from Composite Technologies and 26 from Construction Reinforcement.

## ◉ **Brisa:**

The number of SDG-linked products and services consist of 592 products and services that are considered as transition, enabler and positive social impact products.

Products that are not considered as sustainable by their nature are tire products designed with Aspects+ mobilfix and product improvements. Products that are not completely environmentally friendly in nature, such as PSR A&B, LVR A&B&C labels, TBR A&B&C tire models, but can be considered as a transition to more SDG-linked technologies are included in the transition product group. In the enabler product group, manufactured tire products for electric vehicles were evaluated. In the category of products with positive social impact, wet braking distance (All groups A value & Sound All groups PBN wave-1 value), wet groundbreaking distance (All groups A value & Sound All groups different from PBN wave-1 value) and wet ground breaking distance (All groups different from A value & Sound All groups PBN wave-1 value) products were evaluated.

The projects included within the scope of R&D and innovation investments are the projects carried out at Brisa R&D Center, the reported balance includes R&D projects capitalized in the 2023 financial year.

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

## ◉ **Temsa:**

The number of SDG-linked products consist of 12 products that are considered as mitigation. The products considered within the scope of mitigation products are sustainable electric and hydrogen based fueled vehicle models produced by the Company, monitored by the relevant product catalogs and sales invoices. The balance reported within the R&D and innovation investments includes the R&D projects capitalized in the 2023 financial year. Total income for Temsa has been obtained from internal financial reports.

## ◉ **Carrefoursa:**

The number of SDG-linked products and services consist of 61 products and services, which are considered to create positive social impact, enabler and mitigation. The products evaluated within the scope of mitigation products are 54 CarrefourSa

# ANNEX 4: Reporting Principles

branded Eco-Bio and organic bread products. The service evaluated within the scope of enabler products is the e-charging points located at 2 locations for electric vehicles, 1 product is reusable crate, and 1 product is bringing your own bowl project. Other products and services consist of donation to Tohum Autism Early Diagnosis and Education Foundation through transforming waste oils into biodiesel, donation of books to children in need in Child Education Foundation with the proceeds from the collection of waste batteries and Don't Be Deceived by Its Appearance project which prevent food waste through selling fruits/vegetables that do not meet the standards due to their shape to customers at affordable prices.

## ○ Teknosa:

The number of SDG-linked products and services consist of 207 products and services, which are considered as mitigation and enabler products. The products evaluated within the scope of mitigation products are 202 types are low energy consumption A+++ white appliances and air conditioner models. The service evaluated within the scope of enabler products are Teknogaranti, Maintenance&Repair, Rental, Buyback and renovated products.

Projects carried out within the scope of R&D and innovation investments include R&D projects capitalized in the 2023 financial year.

The company's energy savings are due to the automation system for heating, cooling and lighting installed in its stores and workplaces as well as Teknosa stores that turned into LED lighting in 2023.

## ○ Akçansa:

The number of SDG-linked products and services consist of 24 products and services, which are considered as transition products. Transition products refer to cement types that are included in the scope of products related to the reduction of environmental resource use / carbon emissions in technologies and activities that are not considered sustainable by nature. The balance reported within the scope of R&D and innovation investments includes the expenses of the projects within the 2023 financial year budget.

## ○ Çimsa:

The number of SDG-linked products and services consist of 9 products and services, which are considered as transition products. Transition products refer to cement types that are included in the scope of products related to the reduction of environmental resource use / carbon emissions in technologies and activities that are not considered sustainable by nature.

Sustainability-focused R&D and innovation investment budget represent the R&D and innovation budget allocated by the Company for projects, which is budgeted by the Company during the reporting period and is also stated in the Çimsa Integrated Annual Report published as of 31 December 2023 and reported as expense in the financial statements.

Formulas:

Ratio of SDG-linked Product and Service Revenues to Total Revenue = SDG-linked

# ANNEX 4: Reporting Principles

Product and Service Revenues / Total Revenue

Ratio of SDG-linked R&D and Innovation Investment to Total Revenue (%) = (SDG-linked R&D and Innovation Investment / Total Revenue) \* 100

## Savings and Reduction Based on Environmental Investments

### ◉ **Kordsa:**

Within the scope of the financial savings and environmental and social benefit indicators realized through sustainable investments and/or operations, the Company's electricity and natural gas savings in kWh, water savings in m<sup>3</sup>, and financial savings (the total market price of the recovered energy resources) in TL are reported. Energy savings are reported based on the outputs of the projects for Energy Optimization, Bluff Reduction and O<sub>2</sub> Trim System Application. Water savings consists of the amount of water that is prevented from being used after the project of installing a closed-circuit system instead of an open-circuit water cycle system.

### ◉ **Brisa:**

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

### ◉ **Carrefoursa:**

The financial savings and environmental/social benefit indicators realized through

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

### ◉ **Teknosa:**

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

### ◉ **Çimsa:**

Within the scope of the financial savings, the amount of resource-based (natural gas) energy obtained from the projects implemented for energy savings and efficient use in cement plants.

### ◉ **Akçansa:**

Energy savings refers to savings in kWh from energy efficiency projects. CO<sub>2</sub> savings refers to the savings in CO<sub>2</sub> achieved through energy efficiency projects, cement clinker production efficiency improvement projects and the impacts of transition to alternative fuels.

# ANNEX 4: Reporting Principles

## Environmental Investments and Expenditures

### ◉ **Aksigorta:**

It covers the environmental investments and expenditures of the Company during the reporting period. Environmental investments are reported as enabler investments. The environmental investment made by the Company in the reporting period includes Akbank, Global Holding and Republic of Türkiye Undersecretariat of Treasury's green bonds. Environmental investment amounts are followed on the receipt issued for Aksigorta. The total amount reported in this indicator is composed of the expenditures made within the approved budget of the Company. Environmental expenditures are monitored through the receipt issued for Aksigorta.

### ◉ **Agesa:**

The total amount reported regarding this indicator is composed of expenditures and investments made within the approved budget of the Company and monitored through invoices.

### ◉ **Carrefoursa:**

The total amount reported regarding this indicator is composed of expenditures and investments made within the approved budget of the Company and monitored through invoices.

### ◉ **Enerjisa Üretim:**

Total environmental investments consist of hybrid and extension investments. These investments include adding solar panels to power plants established for different purposes and wind power plants. In the reporting period, environmental expenditures cover legally mandatory and non-mandatory expenditures. Expenditures that are not legally obligatory consist of expenditures for environmental consultancy, environmental monitoring, water analysis, barrage observation and measurement services. Legally mandatory expenditures also refer to expenditures made within the scope of legal obligations such as emission calculations and analysis costs.

### ◉ **Enerjisa Enerji:**

Environmental investments are reported as mitigation investments and enabler investments. The total amounts reported in these indicators are constituted by the expenditures made within the approved budget of the Company. Mitigation investments include LED investments, Connection to Network for Charging Stations renewable electricity sources annex network connection. Enabler investments include those related to SCADA, OSOS, Compensation, low loss transformer and voltage conversion projects.

### ◉ **Kordsa:**

Environmental investments are reported as transition investments. Related expenditures include the reduction of carbon emissions as a result of savings on related resource uses (water, natural gas and electricity) as a result of environmental sourcing projects on technologies and activities that are not considered inherently sustainable.

# ANNEX 4: Reporting Principles

## ◉ **Brisa:**

Environmental expenditures that are not required by law are process improvements, consultancy and technical assistance service procurement; environmental expenditures that are required by law are expenditures such as waste treatment, emission measurement costs and GEKAP expenditures. The total amount reported in these indicators consists of the expenditures made within the approved budget of the Company. In addition, environmental investments refers to the amount of investments made for the execution of energy saving projects in İzmit and Aksaray plants.

## ◉ **Temsa:**

Environmental investments are reported as mitigation investments. The total amounts reported in these indicators are constituted by the expenditures made. Expenditures are mitigation investments that directly reduce resource use or carbon emissions.

## ◉ **Teknosa:**

Environmental investments are reported as enabler investments. The total amounts reported in these indicators are constituted by the expenditures made within the approved budget of the Company. In this criterion, within the scope of environmental expenditures, the Recycling Contribution Share (GEKAP) and the amounts of LED conversion and automation system installation in Teknosa stores were evaluated. Environmental investments and expenditures are tracked through invoices issued.

## ◉ **Akçansa:**

Environmental investments are reported as transition investments. The expenditures include investment projects in Büyükçekmece, Samsun-Ladik and Çanakkale Plants.

## ◉ **Çimsa:**

Environmental investments cover emission reduction and energy efficiency investments realized by Çimsa in the reporting period. Environmental expenditures refer to legal obligatory (expenses related to waste disposal, environmental obligatory expenses and dues, lab measurements, online measuring device, maintenance, etc.) and non-legal obligatory (consulting fees spent on environmental and sustainability issues) operational expenditures.

## Restatement


The measuring and reporting of sustainability-related data inevitably involves a degree of estimation. Restatements are considered where there is a change in the data of greater than 5 percent at the Group level.

# ANNEX 5: Assurance Statement

## Limited Assurance Report to the Board of Directors of Hacı Ömer Sabancı Holding A.Ş.

We have been engaged by the Board of Directors of Hacı Ömer Sabancı Holding A.Ş. and group companies ("Sabancı Group" or the "Group") to perform a limited assurance engagement in respect of the Selected Sustainability Information (the "Selected Information") stated in the Sabancı Holding Sustainability For a Better Life 2023 Report (the "2023 Sustainability Report") for the year ended 31 December 2023 and listed below.

### SELECTED INFORMATION

The scope of the Selected Information for the year ended 31 December 2023, which is subject to our limited assurance work, set out in the pages 23, 24, 28, 29, 30, 75, 95, 97, 104, 123, 124, 132, 133, 147, 177, 180, 189, 194, 198, 199, 200, 201, 202, 203 and 204 of the 2023 Sustainability Report with the sign  is summarised below:

### Social Performance Indicators

- Occupational Health and Safety Indicators
  - Number of incidents (#)
  - Number of fatalities (#)
  - Number of occupational diseases (#)
  - Injury-related Absenteeism (#)
  - Lost day rate (%)
  - OHS Training Hours (h)
- Employees by Category

- Total number of employees (#)
- Number of Employees by Nationality (#)
- Women Employees' Rate (%)
- Ratio of women managers (%)
- Share of Women Managers in Revenue-Generating Roles (%)
- Share of Women Employees in STEM Roles (%)
- Total Number of Employees on Maternity Leave (#)
- Total Number of Employees on Paternity Leave (#)
- Total Number of Employees Returned to Work After Maternity Leave (#)
- Ratio of the Employees who Returned to Work After Maternal Leave (%)
- Number of Employees Hired by Age (#)
- Number of Employees Left by Gender (#)
- Number of Employees Left by Age (#)
- Turnover Rates by Gender (%)
- Inclusion Programs
  - People Reached Through Inclusion Programs in Reporting Period (#)
- Training
  - Total hours of training (h)
  - Average training hours per employee (h)
  - Total Hours of Trainings by training types (h)
  - Total Training Cost (TL)
  - Average Training Costs per Person (TL)

### Environmental Performance Indicators

- Energy Consumption:
  - Total energy consumption (MWh)

# ANNEX 5: Assurance Statement

- Renewable Energy Consumption (MWh)
- Purchased Heat/Steam/Cooling (kg)
- Intensity Indicators:
  - Energy intensity (MWh/ million TL)
  - Greenhouse gas emission intensity (ton CO<sub>2</sub>e/ million TL)
- Greenhouse Gas Emissions:
  - The Greenhouse Gas Emissions (GHG) Consolidation Approach
  - Scope 1 (tCO<sub>2</sub>e)
  - Scope 2 (Location Based) (tCO<sub>2</sub>e)
  - Scope 2 (Market Based) (tCO<sub>2</sub>e)
  - Scope 3 (tCO<sub>2</sub>e)
- Water Consumption:
  - Water Consumption (m<sup>3</sup>)
  - Water Withdrawal by Source (m<sup>3</sup>)
  - Water Recycled and Reused (%)
  - Total Amount of Discharged Water (m<sup>3</sup>)
- Waste:
  - Total Hazardous Waste (tonnes)
  - Total Non-hazardous Waste (tonnes)
  - Non-hazardous waste including ash waste (tonnes)
  - Total waste without ash waste (tonnes)
  - Total waste with ash waste (tonnes)
  - Percentage of waste reused and recycled (%)
  - Percentage of waste reused and recycled including ash (%)
  - Plastic consumption (tonnes)

## Economic Performance Indicators

- Sustainable Business Model
  - Number of SDG-linked Products and Services (#)
  - SDG-linked Product and Service Revenue (TL)
  - SDG-Linked R&D and Innovation Investments (TL)
  - Ratio of SDG-Linked R&D and Innovation Activities (%)
- Investments and Expenditures
  - Environmental Investments by Type (TL)
  - Environmental expenditures by Type (TL)
  - Savings and Reduction Based on Environmental Investments (MWh - tCO<sub>2</sub>e)
- Double Materiality Analysis

Our assurance was with respect the Selected Information marked with “✔” in the in 2023 Sustainability Report, and we have not performed any procedures with respect to earlier periods or any information other than Selected Information marked with ✔ in the 2023 Sustainability Report and, any other elements included in the 2023 Sustainability Report and, therefore, do not express any conclusion thereon.

## Criteria

The criteria used by the Group to prepare the Selected Information is set out in section “Sabancı Group 2023 Sustainability Report-Reporting Principles” (the “Reporting Principles”) on pages 205-229 of the 2023 Sustainability Report.

# ANNEX 5: Assurance Statement

## The Group's Responsibility

The Group is responsible for the content of the 2023 Sustainability Report and the preparation of the Selected Information in accordance with the Reporting Principles. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Selected Information that is free from material misstatement, whether due to fraud or error.

## Inherent Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Selected Information in the context of the Reporting Principles

In particular, the conversion of different energy measures to megawatt-hour (MWh) and energy used to carbon emissions is based upon, inter alia, information and factors generated internally and/or derived by independent third parties as explained in the Reporting Principles. Our assurance work did not include examination of the derivation of those factors and other third-party information.

## Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Our Responsibility

Our responsibility is to form a limited assurance, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that the Selected Information has not been properly prepared in all material respects in accordance with the Reporting Principles. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information', and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 (Revised) and ISAE 3410. Consequently, the



# ANNEX 5: Assurance Statement

nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of the persons responsible for the Selected Information;
- understood the process for collecting and reporting the Selected Information. This included analysing the key processes and controls for managing and reporting the Selected Information;
- evaluated the source data used to prepare the Selected Information and re-performed selected examples of calculation;
- performed limited substantive testing on a selective basis of the preparation and collation of the Selected Information prepared by the Group and
- undertook analytical procedures over the reported data.

## Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Group's Selected

Information for the year ended 31 December 2023, is not properly prepared, in all material respects, in accordance with the Reporting Principles.

## Restriction of use

This report, including the conclusion, has been prepared for the Board of Directors of the Group as a body, to assist the Board of Directors in reporting Hacı Ömer Sabancı Holding A.Ş.'s performance and activities related to the Selected Information. We permit the disclosure of this report within the Sabancı Group 2023 Sustainability Report for the year ended 31 December 2023, to enable the Board of Directors to demonstrate they have discharged their governance responsibilities by commissioning a limited assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of Hacı Ömer Sabancı Holding A.Ş. as a body and Hacı Ömer Sabancı Holding A.Ş. for our work or this report save where terms are expressly agreed and with our prior consent in writing.

PwC Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.



Ali Yörük, SMMM  
Partner

# Annex 6: TCFD

FOCUS AREA	RECOMMENDATIONS	REFERENCES
Governance	A. Describe the board's oversight of climate-related risks and opportunities.	Our Material Issues, pages 34-36 Sustainability Trends and Our Response to Emerging Risks, pages 37-53 Our Governance, pages 55-67, 71-72 <a href="#">CDP Climate Change 2023 Report</a> <a href="#">CDP Water Security 2023 Report</a>
	B. Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy	A. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long-term.	Our Material Issues, pages 34-36 Sustainability Trends and Our Response to Emerging Risks, pages 37-53 Our Governance, pages 55-67, 71-72 Our Nature Agenda, pages 120-130 <a href="#">CDP Climate Change 2023 Report</a> <a href="#">CDP Water Security 2023 Report</a>
	B. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Our Purpose and Strategy, page 21 Our Value Creation Model, page 23 Our Material Issues, pages 34-36 Our Governance, pages 51-67, 71-72 Our Nature Agenda, pages 120-151 <a href="#">CDP Climate Change 2023 Report</a> <a href="#">CDP Water Security 2023 Report</a>
	C. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Our Material Issues, pages 34-36 Our Governance, pages 61-67 Our Nature Agenda, pages 120-151 <a href="#">CDP Climate Change 2023 Report</a> <a href="#">CDP Water Security 2023 Report</a>

# Annex 6: TCFD

FOCUS AREA	RECOMMENDATIONS	REFERENCES
<p><b>Risk Management</b></p>	<p>A. Describe the organization’s processes for identifying and assessing climate-related risks</p>	<p>Integrated Sustainability at Sabancı Group, pages 34–53                      Our Material Issues, pages 34–36                      Our Governance, pages 61–67                      Our Nature Agenda, pages 120–151  <a href="#">CDP Climate Change 2023 Report</a>  <a href="#">CDP Water Security 2023 Report</a></p>
	<p>B. Describe the organization’s processes for managing climate-related risks.</p>	
	<p>C. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management</p>	
<p><b>Metrics and Targets</b></p>	<p>A. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>	<p>Our Nature Agenda, pages 120–130                      Environmental Performance Indicators, page 198–200  <a href="#">CDP Climate Change 2023 Report</a></p>
	<p>B. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p>	
	<p>C. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p>Pioneering Sustainability Targets and Actions, pages 28–32                      Our Nature Agenda, pages 120–130  <a href="#">CDP Climate Change 2023 Report</a>  <a href="#">CDP Water Security 2023 Report</a></p>

# Annex 7: UNGC

## United Nations Global Compact (UNGC) Index

PRINCIPLES	REFERENCES	
HUMAN RIGHTS	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Human Rights, Diversity, Equity and Inclusion, pages 188-192 Business Ethics, Anti-Bribery and Anti-Corruption, pages 63-65 <a href="#">Corporate Social Responsibility Policy and Principles</a> <a href="#">Sabanci Group Code of Business Ethics</a> <a href="#">Human Capital</a> <a href="#">Sabanci Group Responsible Investment Policy</a> <a href="#">Equality, Diversity and Inclusion Regulation</a>
	Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	
LABOUR	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Human Rights, Diversity, Equity and Inclusion, pages 188-192 Business Ethics, Anti-Bribery and Anti-Corruption, pages 63-65 Social Performance Indicators, pages 201-204 <a href="#">Corporate Social Responsibility Policy and Principles</a> <a href="#">Sabanci Group Code of Business Ethics</a> <a href="#">Human Capital</a> <a href="#">Sabanci Group Responsible Investment Policy</a> <a href="#">Equality, Diversity and Inclusion Regulation</a>
	Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour	
	Principle 5: Businesses should uphold the effective abolition of child labour.	
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	
ENVIRONMENT	Principle 7: Businesses should support a precautionary approach to environmental challenges.	Our Nature Agenda, pages 120-151 Transforming Our Portfolio, pages 107-118 Transforming Our Core Business Areas, pages 74-105 <a href="#">Environmental Policy</a> <a href="#">Sabanci Group Responsible Investment Policy</a>
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	
ANTI-CORRUPTION	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Business Ethics, Anti-Bribery and Anti-Corruption, pages 63-65 <a href="#">Anti-Bribery and Anti-Corruption Policy</a> <a href="#">Sabanci Group Code of Business Ethics</a>

# Annex 8: GRI Content Index



CONTENT INDEX  
ESSENTIALS SERVICE

2024

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. The service was performed on the English version of the report.

**Statement of use** Sabancı Holding has reported in accordance with the GRI Standards for the period of January 1-December 31, 2023.

**GRI 1 used** GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	SUBJECT HEADING	PAGE NUMBER, SOURCES AND/OR DIRECT ANSWERS	ADDITIONAL INFORMATION/ REASONS OF OMISSION
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	About the Report, Our Shareholding Structure, Our Subsidiaries and Joint Ventures	4, 18, 19	
	2-2 Entities included in the organization's sustainability reporting	About the Report	4	
	2-3 Reporting period, frequency and contact point	About the Report	4	
	2-4 Restatements of information			No significant changes were observed compared to the previous reporting period.
	2-5 External assurance	ANNEX 5: Assurance Statement	230-233	
	2-6 Activities, value chain and other business relationships	Sabancı Group in Brief, Our Global Presence, Our Shareholding Structure, Our Subsidiaries and Joint Ventures	16, 17, 18, 19	
	2-7 Employees	Our Human Capital, SOCIAL PERFORMANCE INDICATORS	177, 201-204	
	2-8 Workers who are not employees	Our Human Capital, SOCIAL PERFORMANCE INDICATORS	177, 201-204	

# Annex 8: GRI Content Index

GRI STANDARD	DISCLOSURE	SUBJECT HEADING	PAGE NUMBER, SOURCES AND/OR DIRECT ANSWERS	ADDITIONAL INFORMATION/ REASONS OF OMISSION
<b>GRI 2: General Disclosures 2021</b>	2-9 Governance structure and composition	Integration of Sustainability into Strategy, Board of Directors, Executive Committee	56-60, 68, 70	
	2-10 Nomination and selection of the highest governance body	Skill Matrix	69	
	2-11 Chair of the highest governance body	Board of Directors, Executive Committee	68, 70	
	2-12 Role of the highest governance body in overseeing the management of impacts	Letter from the Chair, Letter from the CEO, Our Material Issues, Integration of Sustainability into Strategy	8-9, 10-13, 34-36, 56-60	
	2-13 Delegation of responsibility for managing impacts	Integration of Sustainability into Strategy	56-60	
	2-14 Role of the highest governance body in sustainability reporting	Our Material Issues, Integration of Sustainability into Strategy	34-36, 59	
	2-15 Conflicts of interest	Enterprise Risk Management at Sabancı Group	65, <a href="https://yatirimciiliskileri.sabanci.com/en/sustainability/detail/Sabanci-Group-Code-of-Business-Ethics/620/2942/0">https://yatirimciiliskileri.sabanci.com/en/sustainability/detail/Sabanci-Group-Code-of-Business-Ethics/620/2942/0</a>	
	2-16 Communication of critical concerns	Our Material Issues, Integration of Sustainability into Strategy, Enterprise Risk Management at Sabancı Group	36, 56-60, 64	
	2-17 Collective knowledge of the highest governance body	Letter from the Chair, Letter from the CEO, Integration of Sustainability into Strategy	8-9, 10-13, 56-60	
	2-18 Evaluation of the performance of the highest governance body	Integration of Sustainability into Strategy	56	
2-19 Remuneration policies	Integration of Sustainability into Strategy, Our Human Capital Strategy	56, 184-186, <a href="https://yatirimciiliskileri.sabanci.com/en/sustainability/detail/Wages-Policy/194/493/0">https://yatirimciiliskileri.sabanci.com/en/sustainability/detail/Wages-Policy/194/493/0</a>		

# Annex 8: GRI Content Index

GRI STANDARD	DISCLOSURE	SUBJECT HEADING	PAGE NUMBER, SOURCES AND/OR DIRECT ANSWERS	ADDITIONAL INFORMATION/ REASONS OF OMISSION
GRI 2: General Disclosures 2021	2-20 Process to determine remuneration	Integration of Sustainability into Strategy, Our Human Capital Strategy	56, 184-186, <a href="https://yatirimciiliskileri.sabanci.com/en/sustainability/detail/Wages-Policy/194/493/0">https://yatirimciiliskileri.sabanci.com/en/sustainability/detail/Wages-Policy/194/493/0</a>	
	2-21 Annual total compensation ratio	Our Human Capital Strategy	184-186, <a href="https://yatirimciiliskileri.sabanci.com/en/sustainability/detail/Wages-Policy/194/493/0">https://yatirimciiliskileri.sabanci.com/en/sustainability/detail/Wages-Policy/194/493/0</a>	
	2-22 Statement on sustainable development strategy	Letter from the CEO, Preserving and Creating Value, Transforming Our Core Business Areas	10-13, 25, 74	
	2-23 Policy commitments	Committees and Policies	71-72, <a href="https://yatirimciiliskileri.sabanci.com/en/sustainability/policies/Policies/184/0/0">https://yatirimciiliskileri.sabanci.com/en/sustainability/policies/Policies/184/0/0</a>	
	2-24 Embedding policy commitments	Committees and Policies	71-72, <a href="https://yatirimciiliskileri.sabanci.com/en/sustainability/policies/Policies/184/0/0">https://yatirimciiliskileri.sabanci.com/en/sustainability/policies/Policies/184/0/0</a>	
	2-25 Processes to remediate negative impacts	Our Material Issues, ANNEX 1: Stakeholder Relations and Communication	36, 196	
	2-26 Mechanisms for seeking advice and raising concerns	Enterprise Risk Management at Sabanci Group	62-67, <a href="https://yatirimciiliskileri.sabanci.com/en/sustainability/detail/Sabanci-Group-Code-of-Business-Ethics/620/2942/0">https://yatirimciiliskileri.sabanci.com/en/sustainability/detail/Sabanci-Group-Code-of-Business-Ethics/620/2942/0</a>	
	2-27 Compliance with laws and regulations		Within the scope of Sabanci Holding, there are no lawsuits filed and/or concluded against ESG issues, which are important in terms of ESG policies and/or which will significantly affect the activities, for the 2023 fiscal year.	
	2-28 Membership associations	ANNEX 2: Corporate Memberships and Initiatives	197	
	2-29 Approach to stakeholder engagement	ANNEX 1: Stakeholder Relations and Communication	196	
2-30 Collective bargaining agreements	Our Human Capital Strategy; Human Rights, Diversity, Equity and Inclusion; SOCIAL PERFORMANCE INDICATORS	186, 191, 201		

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GRI STANDARD	DISCLOSURE	SUBJECT HEADING	PAGE NUMBER, SOURCES AND/OR DIRECT ANSWERS	ADDITIONAL INFORMATION/ REASONS OF OMISSION
<b>MATERIAL TOPICS</b>				
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	Our Material Issues	34-36	
	3-2 List of material topics	Our Material Issues	35-36	
<b>FINANCIAL PERFORMANCE</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Preserving and Creating Value	25	
	201-1 Direct economic value generated and distributed	2023 Sustainability Indicators at a Glance	24	
<b>GRI 201: Economic Performance 2016</b>	201-2 Financial implications and other risks and opportunities due to climate change	Sustainable Finance	103-105	
	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Our Human Capital Strategy; Human Rights, Diversity, Equity and Inclusion	186, 192	
<b>SOCIAL CONTRIBUTION AND INVESTMENTS</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Community Investments	155-162	
	203-1 Infrastructure investments and services supported	Community Investments	155-162	
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-2 Significant indirect economic impacts	Community Investments	155-162	
	413-1 Operations with local community engagement, impact assessments, and development programs	Our Social Agenda, Community Investments	153-154, 155-162	
<b>GRI 413: Local Communities 2016</b>				



# Annex 8: GRI Content Index

GRI STANDARD	DISCLOSURE	SUBJECT HEADING	PAGE NUMBER, SOURCES AND/OR DIRECT ANSWERS	ADDITIONAL INFORMATION/ REASONS OF OMISSION
<b>SUPPLY CHAIN MANAGEMENT</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Enterprise Risk Management at Sabancı Group	67	
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	Our Value Creation	23	
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-2 Negative environmental impacts in the supply chain and actions taken	Sustainability Trends and Our Response to Emerging Risks, Decarbonization Initiatives	41, 127-129, <a href="https://yatirimciiliskileri.sabanci.com/en/images/pdf/SAHOL-Policy-ENG.pdf">https://yatirimciiliskileri.sabanci.com/en/images/pdf/SAHOL-Policy-ENG.pdf</a>	
<b>GRI 414: Supplier Social Assessment 2016</b>	414-2 Negative social impacts in the supply chain and actions taken	Sustainability Trends and Our Response to Emerging Risks, Enterprise Risk Management at Sabancı Group	42-43, 63-64, <a href="https://yatirimciiliskileri.sabanci.com/en/images/pdf/SAHOL-Policy-ENG.pdf">https://yatirimciiliskileri.sabanci.com/en/images/pdf/SAHOL-Policy-ENG.pdf</a>	
<b>CORPORATE GOVERNANCE</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Risk and Opportunity Management - Our Governance Model	55	
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	Enterprise Risk Management at Sabancı Group	62-67	
	205-2 Communication and training about anti-corruption policies and procedures	Enterprise Risk Management at Sabancı Group	62-67, <a href="https://yatirimciiliskileri.sabanci.com/en/sustainability/detail/Anti-Bribery-and-Anti-Corruption-Policy/475/1709/0">https://yatirimciiliskileri.sabanci.com/en/sustainability/detail/Anti-Bribery-and-Anti-Corruption-Policy/475/1709/0</a>	
<b>GRI 206: Anti-competitive Behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Enterprise Risk Management at Sabancı Group	62-67, <a href="https://yatirimciiliskileri.sabanci.com/en/sustainability/detail/Anti-Bribery-and-Anti-Corruption-Policy/475/1709/0">https://yatirimciiliskileri.sabanci.com/en/sustainability/detail/Anti-Bribery-and-Anti-Corruption-Policy/475/1709/0</a>	
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax	Committees and Policies	71-72, <a href="https://yatirimciiliskileri.sabanci.com/en/sustainability/detail/Tax-Policy/455/1582/0">https://yatirimciiliskileri.sabanci.com/en/sustainability/detail/Tax-Policy/455/1582/0</a>	
	207-2 Tax governance, control, and risk management	Committees and Policies	71-72, <a href="https://yatirimciiliskileri.sabanci.com/en/sustainability/detail/Tax-Policy/455/1582/0">https://yatirimciiliskileri.sabanci.com/en/sustainability/detail/Tax-Policy/455/1582/0</a>	

# Annex 8: GRI Content Index

GRI STANDARD	DISCLOSURE	SUBJECT HEADING	PAGE NUMBER, SOURCES AND/OR DIRECT ANSWERS	ADDITIONAL INFORMATION/ REASONS OF OMISSION
<b>CLIMATE EMERGENCY</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Preserving and Creating Value	25	
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	Decarbonization Initiatives, ENVIRONMENTAL PERFORMANCE INDICATORS	123-124, 198	
	302-3 Energy intensity	ENVIRONMENTAL PERFORMANCE INDICATORS	200	
	302-4 Reduction of energy consumption	Decarbonization Initiatives	123	
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	Water Management	131-135	
	303-2 Management of water discharge-related impacts	Water Management	131-135	
	303-3 Water withdrawal	Water Management, ENVIRONMENTAL PERFORMANCE INDICATORS	131-135, 199	
	303-4 Water discharge	Water Management, ENVIRONMENTAL PERFORMANCE INDICATORS	131-135, 199	
	303-5 Water consumption	Water Management, ENVIRONMENTAL PERFORMANCE INDICATORS	131-135, 199	
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	ENVIRONMENTAL PERFORMANCE INDICATORS	198-199	
	305-2 Energy indirect (Scope 2) GHG emissions	ENVIRONMENTAL PERFORMANCE INDICATORS	198-199	
	305-3 Other indirect (Scope 3) GHG emissions	ENVIRONMENTAL PERFORMANCE INDICATORS	198-199	
	305-4 GHG emissions intensity	ENVIRONMENTAL PERFORMANCE INDICATORS	200	
	305-5 Reduction of GHG emissions	2023 Sustainability Indicators at a Glance	24	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	ENVIRONMENTAL PERFORMANCE INDICATORS	199	

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GRI STANDARD	DISCLOSURE	SUBJECT HEADING	PAGE NUMBER, SOURCES AND/OR DIRECT ANSWERS	ADDITIONAL INFORMATION/ REASONS OF OMISSION
<b>BIODIVERSITY AND NATURE POSITIVE ACTIONS</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Biodiversity	136-141	
<b>GRI 304: Biodiversity 2016</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity	136-141	
	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity	136-141	
	304-3 Habitats protected or restored	Biodiversity	136-141	
<b>CIRCULAR ECONOMY</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Circular Economy	142-151	
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	Circular Economy	142-151	
	306-2 Management of significant waste-related impacts	Circular Economy	142-151	
	306-3 Waste generated	ENVIRONMENTAL PERFORMANCE INDICATORS	200	
<b>HUMAN RIGHTS AND EQUAL OPPORTUNITY</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Human Rights, Diversity, Equity and Inclusion	188-192	
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	SOCIAL PERFORMANCE INDICATORS	202	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our Human Capital Strategy	184	
	401-3 Parental leave	Human Rights, Diversity, Equity and Inclusion; SOCIAL PERFORMANCE INDICATORS	189, 203	

# Annex 8: GRI Content Index

GRI STANDARD	DISCLOSURE	SUBJECT HEADING	PAGE NUMBER, SOURCES AND/OR DIRECT ANSWERS	ADDITIONAL INFORMATION/ REASONS OF OMISSION
<b>HUMAN RIGHTS AND EQUAL OPPORTUNITY</b>				
<b>GRI 402: Labor/ Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes		Minimum notice periods regarding operational changes are respected within the company.	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	2023 Sustainability Indicators at a Glance, Skill Matrix	24, 69	
	405-2 Ratio of basic salary and remuneration of women to men	Pioneering Sustainability in Targets and Actions, Our Human Capital Strategy	30, 186	
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	Skill Matrix	69	
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	2023 Sustainability Indicators at a Glance; Our Human Capital Strategy; Human Rights, Diversity, Equity and Inclusion	24, 186, 192	
<b>GRI 408: Child Labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	Human Rights, Diversity, Equity and Inclusion	191-192	
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights, Diversity, Equity and Inclusion	191-192	
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GRI STANDARD	DISCLOSURE	SUBJECT HEADING	PAGE NUMBER, SOURCES AND/OR DIRECT ANSWERS	ADDITIONAL INFORMATION/ REASONS OF OMISSION
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GRI STANDARD	DISCLOSURE	SUBJECT HEADING	PAGE NUMBER, SOURCES AND/OR DIRECT ANSWERS	ADDITIONAL INFORMATION/ REASONS OF OMISSION
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