

**HACI ÖMER SABANCI HOLDİNG A.Ş.**

**2019**

*SUSTAINABILITY  
REPORT*

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# About the Report

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We have been sharing the economic, social, and environmental performance of H.Ö. Sabancı Holding on an annual basis since 2014.

In our Sustainability Report 2019 (Report), we present Sabancı Group's<sup>1</sup> sustainability performance; introduce the leading best practices of Sabancı Group companies showing value creation; and share the consolidated economic, social, and environmental performance of Sabancı Group by focusing on Sabancı Holding and specific sectors.<sup>2</sup>

In this Report, we share the performance of Sabancı Group activities and projects carried out in Turkey from January 1, 2019, to December 31, 2019. It demonstrates our contribution to the United Nations Sustainable Development Goals, and our commitment to prioritize activities that support these goals, as well as our efforts related to the United Nations Women's Empowerment Principles. In senior management messages, we also cover issues affecting Turkey and the global agenda in the first quarter of 2020.

We share the general outlook and developments of 2019, as well as performance highlights of Sabancı Group companies under *Sabancı Holding in Brief* section; economic performance, and our approach to corporate governance, risk management, and business ethics under *Economic Value* section; our skills that ensure the sustainable success of the companies, and how we manage a good working environment under *Working at Sabancı Holding* section; the value created for society in different regions of Turkey, under *Social Investment* section; and our environmental responsibility and performance management, under *Environmental Impact* section of this report.

This report was prepared in accordance with the GRI Standards: Core option. Please send any questions, comments, and suggestions related to the Report to [sustainability@sabanci.com](mailto:sustainability@sabanci.com).

<sup>1</sup> Sabancı Group covers H.Ö. Sabancı Holding A.Ş. (Sabancı Holding), Akbank T.A.Ş. (Akbank), Aksigorta A.Ş. (Aksigorta), Avivasa Emeklilik ve Hayat A.Ş. (Avivasa), Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. (Carrefoursa), Teknosa İç ve Dış Ticaret A.Ş. (Teknosa), Sabancı Dijital Teknoloji Hizmetleri A.Ş. (SabancıDx), Akçansa Çimento Sanayi ve Ticaret A.Ş. (Akçansa), Çimsa Çimento Sanayi ve Ticaret A.Ş. (Çimsa), Enerjisa Enerji A.Ş. (Enerjisa Enerji), Enerjisa Üretim Santralleri A.Ş. (Enerjisa Üretim), Temsa Motorlu Araçlar Pazarlama ve Dağıtım A.Ş. (Temsal Motorlu Araçlar), Kordsa Teknik Tekstil A.Ş. (Kordsa), Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. (Brisa), Sabancı Vakfı (Sabancı Foundation), Sabancı Üniversitesi (Sabancı University), and S.Ü. Sakıp Sabancı Müzesi (Sabancı Museum). Furthermore, Enerjisa Enerji data include data 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., while those of Enerjisa Üretim cover Enerjisa Enerji Üretim A.Ş., Enerjisa Elektrik Enerjisi Toptan Satış A.Ş. and Enerjisa Doğalgaz Toptan Satış A.Ş.

<sup>2</sup> These sectors consist of Akbank (Banking), Aksigorta and Avivasa (Financial Services), Carrefoursa and Teknosa (Retail), Akçansa and Çimsa (Building Materials), Enerjisa Enerji and Enerjisa Üretim (Energy), Kordsa and Brisa (Industry) and SabancıDx (Information Technologies). Sabancı University, Sabancı Museum and Sabancı Foundation are grouped as Other.

# Letter from the Chairman

• *Sabancı Group has always been an exemplary corporation that breaks new ground and pioneer best practices in sustainability.*



Dear Stakeholders,

In the first quarter of 2020, while we were preparing our Sustainability Report, the COVID-19 outbreak has caused a negative outlook in the markets as it spread rapidly across the world to turn into a pandemic. 2019 was characterized by uncertainties in global markets, Brexit, tensions in different regions of the world, trade wars, and consequently an ongoing slowdown in global growth. Despite the challenging conditions and the forecasts that the slowdown in economies will persist, Sabancı Group continues to grow by taking firm steps.

Giving technology a central role through our Sabancı of New Generation vision and focusing on value-added and high-growth areas has carried the performance of Sabancı Group further. While managing our simplified portfolio with a dynamic approach, we target future lines of business and sustainable growth.

Responsible investment funds have recently experienced rapid growth and their volume has increased by nearly 70% since 2014. We strive to maximize our environmental, social and governance performance while creating economic value with a long-term perspective. We see these performance areas as our strategic priority and take steps to reshape our sustainability strategy.

Cultural transformation and human capital are among the key areas that will enable us to make a difference. We further integrate advanced data analytics into each company and function of Sabancı Group to gain a competitive edge under rapidly changing conditions. We prioritize investing in fast-growing sectors using data analytics, digitalization and technology that will carry us even further. We focus on increasing the social value we create while reducing our environmental impact in all sectors in which we operate. Sabancı Group has always been an exemplary corporation that breaks new ground and pioneer best practices in sustainability. Coupled with solid financial results, sustainability will remain a key priority in our future initiatives in line with our philosophy to meet universal working standards.

I would like to thank all our stakeholders for their unique contribution to the successful results we achieved in 2019. And I trust that Sabancı Group will be committed to reaching for higher goals in 2020 by creating value for our country and stakeholders.

**Güler Sabancı**  
*Chairman and Executive Member*

# CEO's Letter

• At Sabancı Holding, our goal is to steer the sustainable transformation of Sabancı Group with our companies.



Dear Stakeholders,

We have left behind a year in which political and geopolitical issues created global tension; trade wars deepened, economic recession affected more countries, and the impacts of the climate crisis became more evident.

In 2019, Sabancı Group continued to be guided by an effective corporate governance approach founded on transparency and ethical values. And in line with our vision driven by a high-performance culture, we maintained our pace to strengthen our long-term economic performance, to act responsibly in value chain management and investment decisions, to invest in capabilities, to manage our environmental impact, and to scale it through our social investments. In harmony with our philosophy of the Sabancı of New Generation, we have redefined our business model in every segment by focusing on digitalization and technology. This allowed us to adapt ourselves to changing conditions in the fastest and the most effective way possible.

Despite the adverse national and international developments, we achieved significant success in all areas we operate in line with our sustainable growth target. In 2019, we maintained our robust financial structure, and had combined sales revenues of TL 97.6 billion and a consolidated net profit of TL 3.8 billion, strengthening our balance sheet with our decreasing debt rate.

This year, we improved our combined environmental, social and corporate governance (ESG) performance through our effective risk management approach. We also initiated strategy-building efforts that will carry our Sabancı Group companies into the future. As Sabancı Holding our goal is to manage the sustainable transformation of Sabancı Group together with our companies.

In line with our philosophy of the Sabancı of New Generation, we improved our competitiveness, efficiency and growth rate. This was made possible by advanced data analytics practices, digital and lean processes, digital business models and extensive use of technology.

Sabancı Group companies continued to be able to adapt to rapidly changing circumstances by using advanced data analytics thanks to applications that integrate new generation technological solutions, such as the Internet of Things, artificial intelligence, and cybersecurity. SabancıDx played a key role in this regard.

In this context, Brisa began deploying virtual reality at its factories in Aksaray and İzmit last year and started to offer mobility solutions to its clients. With the power of data analytics and the use of artificial intelligence algorithms, powered by data analytics and artificial intelligence algorithms, Carrefoursa develops solutions and applications to improve customer experience by analyzing and predicting customer

needs. In the past couple of years, Aksigorta activated Aksigorta Digital Assistant (ADA), the insurance sector's very first AI-powered app, and executed three million successful transactions. Akbank, the first bank in Turkey to use blockchain technology for international money transfers, closely monitors the Fintech ecosystem. Akbank pursues to bring together its customers and the latest technology by establishing true and strategic collaborations through Fintech initiatives.

We continue to invest in our employees, who play an essential role in sustaining the success of our Sabancı Group companies. We manage our human capital through the Sabancı Competency Model, which specifies behaviors that will ensure Sabancı Group values, leadership and performance improvement. We keep working to ensure that Sabancı Group companies remain an employer of choice.

As part of our support for gender equality, we keep participating in multi-stakeholder initiatives. We continue to support the Business Against Domestic Violence (BADV) project managed by Sabancı University Corporate Governance Forum. Under the BADV project, employees of all companies participated in Gender Equality Trainer Training and Training on Workplace Policies for Combating Domestic Violence Against Women in 2019. In 2018 Akçansa, in 2019 Çimsa and Aksigorta began implementing the BADV Guide Application in 2019 regarding this issue.

Within the scope of reducing the environmental risks that we define specifically for sectors in line with our environmental responsibility, we specify the environmental impact by sector, and manage our

performance and make necessary improvements accordingly. In the sectors where Sabancı Group operates, we contribute to reducing environmental impacts through primarily energy efficiency, emissions management, as well as water and waste management. We focus on alternative resources and recycling in our production processes and contribute to the responsible use of resources by being aware of the environmental and operational gains of circular economy practices.

Acting with a responsible investment approach, Akbank, one of our Sabancı Group companies, financed climate-friendly renewable energy projects in 2019. Its total loan for renewable energy projects reached USD 1,711 million by the end of 2019, and the share of loans provided to renewable energy projects in energy production projects rose to 82%. With its 56% domestic and renewable energy resources portfolio, Enerjisa Üretim contributed to the use of clean, domestic and sustainable energy resources in our country.

Since the first day the Sabancı Group was established, we have continued to create value by touching people's lives throughout Turkey in all our business lines, contributing to the sustainable development of our country. We also maintain our social investments with Sabancı Foundation, supporting training, social change, culture and art, quality education, gender equality, and reducing inequalities.

While we were preparing this Report, the COVID-19 pandemic spread around the globe, upset the balances in all areas of life, and broke the routine, revealing the vulnerability of both the global health system and traditional business models.

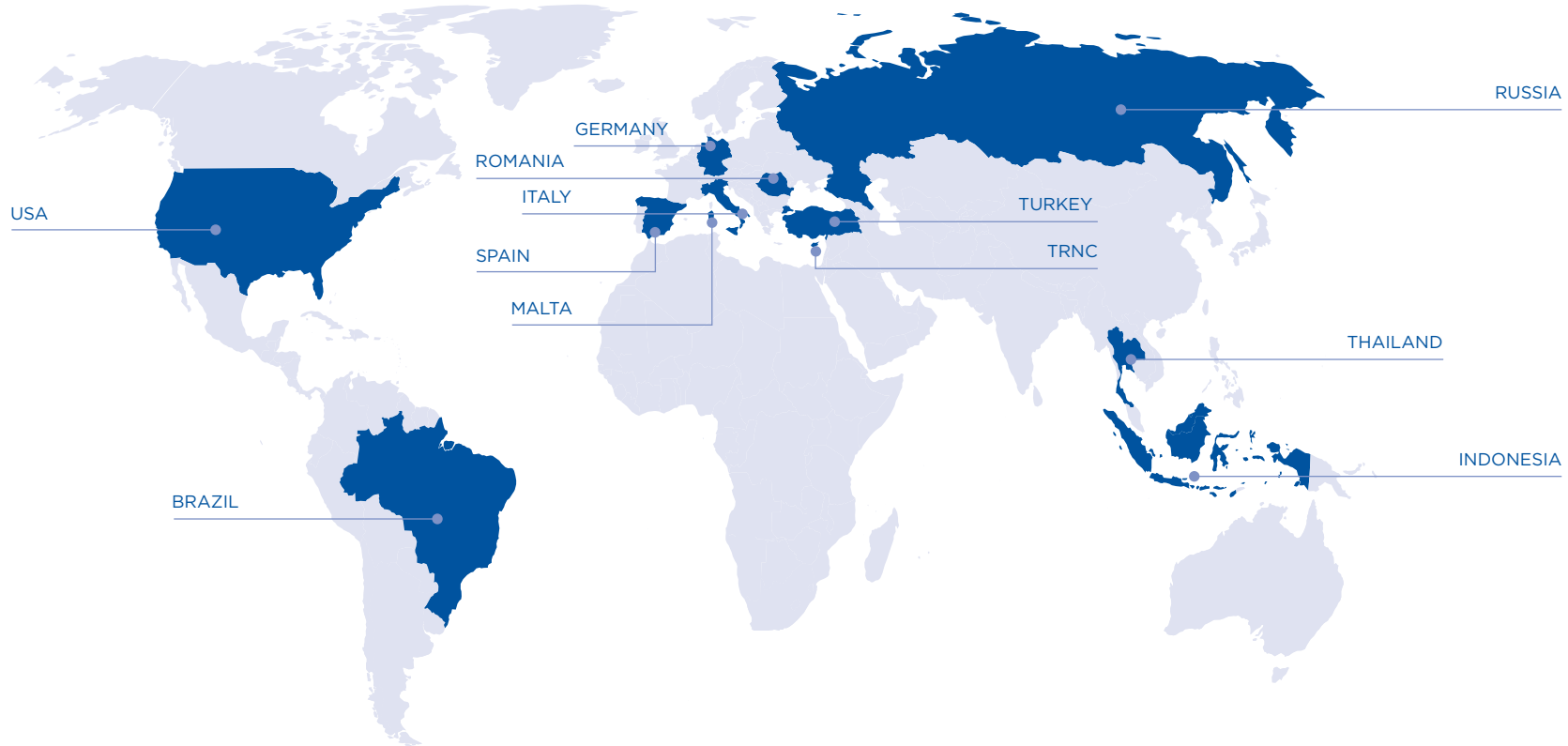
As part of our effort to fight against COVID-19, we continue to focus on the health and safety of our employees, our social responsibilities and business continuity. We are changing our business models and making all necessary changes in order to respond to global and social needs. At this critical juncture, we are focusing on predicting the post-COVID 19 world order, as well as creating strategies and implementing the required actions, while also managing today.

I am pleased to share Sabancı Group's sustainability performance of 2019 through this Sustainability Report. I would like to thank all our stakeholders, especially our employees, who contributed to the practices we shared in this report.

**Cenk Alper**  
**Board Member and CEO**

# Sabancı Holding in Brief

• Sabancı Group companies, with more than 62,000 employees, operate in 12 countries in Europe, the Middle East, Asia, North Africa, North and South America across four continents.



Representing companies affiliated with Sabancı Group, one of Turkey's biggest conglomerates, Hacı Ömer Sabancı Holding A.Ş. has a strategic portfolio dynamically managed with high-performance culture. The main business areas of Sabancı Group companies are banking, financial services, energy, building materials, retail and industry. Furthermore, through Sabancı Foundation, Sabancı University and Sabancı University Sakıp Sabancı Museum, we aim to contribute to social development, especially education, culture and art.

Sabancı Group companies, with more than 62,000 employees,<sup>3</sup> are operating in a total of 12 countries in Europe, the Middle East, Asia, North Africa, North and South America across four continents. Sabancı Holding's multinational business partners include Ageas, Aviva, Bridgestone, Carrefour, E.ON, HeidelbergCement, Marubeni, and Philip Morris, which are all prominent global companies in their respective area of activities.

<sup>3</sup> This figure includes the employees of all Sabancı Group companies - including subcontractor employees - that are not covered by this report.

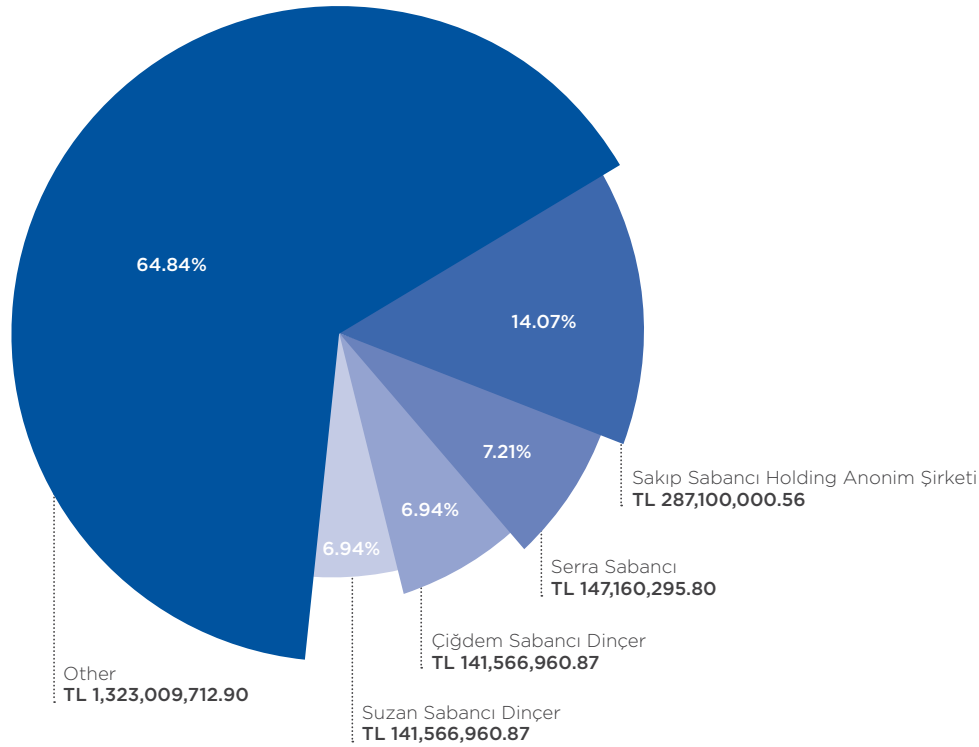


- The Sabancı Family is collectively Sabancı Holding's majority shareholder.
- As of year-end 2019, 48.3% of Sabancı Holding's shares are publicly traded.

**SHARE IN CAPITAL**  
100%

**NOMINAL VALUE**  
2,040,403,931.00 TL

**VOTING RIGHT SHARE**  
100%



As of December 31, 2019

### Vision

*Creating sustainable advantage through differentiation*







### Mission







*Managing a competitive strategic portfolio with sustainable growth potential to create value for all stakeholders*



# Overview of Sabancı Group and Industries

At Sabancı Group, we focus on areas that demonstrate high growth potential. We prioritized transforming our business with technology and future expectations.

Sector	Overview		Highlights from 2019
BANKING		<p>Akbank is the pioneer of digital banking in Turkey. The bank offers solutions for its customers' financial needs at the most convenient locations and with the best customer experience. It introduces new banking technologies to the industry.</p> <ul style="list-style-type: none"> <li>• Approximately 18 million customers</li> <li>• 5.1 million digital customers</li> <li>• 771 branches</li> <li>• 5,100 ATMs</li> <li>• Over 600,000 POS terminals</li> </ul>	<ul style="list-style-type: none"> <li>• Akbank was named World's Best Digital Bank at the Euromoney's Awards for Excellence.</li> <li>• Akbank's syndicated loan with a target of USD 600 million was oversubscribed by USD 950 million, corresponding to about 160% of the target. Following this high demand, the syndicated loan amount was updated as USD 700 million, above the targeted level.</li> <li>• Akbank Data and Life Center, its largest single investment to date, is completed.</li> </ul>
FINANCIAL SERVICES		<p>Aksigorta and Avivasa are developing digitalization and new business models in line with their customer-oriented approach.</p> <ul style="list-style-type: none"> <li>• 8.3% market share</li> <li>• 3 million customers</li> <li>• 3,000 agencies</li> <li>• 45% ROE (Return On equity)</li> </ul>	<ul style="list-style-type: none"> <li>• Aksigorta is a leading company in the non-life insurance sector with equities reaching TL 646 million and a premium production volume of TL 4.5 billion. Aksigorta advanced its efforts on product development, customer experience design, and technology development with a customer-oriented perspective.</li> <li>• About 2 million transactions were performed in 2019 through ADA, the first artificial intelligence application of Aksigorta and the sector.</li> </ul>
		<ul style="list-style-type: none"> <li>• Leader in the Private Pension System (PPS) with 18.8%* market share</li> <li>• 761,000 PPS participants*</li> <li>• 2.4 million customers</li> <li>• 33.7% ROE</li> </ul> <p>* Excluding auto-enrollment</p>	<ul style="list-style-type: none"> <li>• Avivasa's total premium production increased by 75% compared to the previous year, reaching TL 988 million.</li> <li>• Avivasa, in collaboration with Akportföy, offered FonPro, Turkey's first digital fund advisor, to Avivasa Mobile users.</li> </ul>
ENERGY		<p>Enerjisa Enerji and Enerjisa Üretim pursue their operations in the fields of electricity distribution and sales, and electricity generation and trade, respectively. They advance in every segment of their portfolio with the right investment and financing models, good governance, efficiency, and operational excellence in dynamic market conditions.</p> <ul style="list-style-type: none"> <li>• Turkey's largest private-sector energy producer with 4% market share</li> <li>• 3,607 MW installed capacity</li> </ul>	<ul style="list-style-type: none"> <li>• Enerjisa Üretim won the 500 MW YEKA wind power plant tender.</li> <li>• Enerjisa Üretim, Turkey's largest private energy production company, contributes to the sustainable growth of our country with its 56% portfolio of domestic and renewable energy resources.</li> </ul>
		<ul style="list-style-type: none"> <li>• Leader with 26% market share</li> <li>• Distribution network reaching 21 million people across 14 provinces</li> <li>• 9.9 million customers</li> <li>• 110,000 km<sup>2</sup> distribution area</li> <li>• TL 8.4 billion Regulated Asset Base</li> </ul>	<ul style="list-style-type: none"> <li>• Enerjisa Enerji's first sustainability report at international standards ranked 39<sup>th</sup> in the Top 100 Global Reports list and was granted the Golden Award at the 2019 Inspire Awards of the League of American Communications Professionals (LACP).</li> </ul>
INFORMATION TECHNOLOGIES		<p>SabancıDx is the digital and analytics company of Sabancı Group. It leads digital transformation by offering products and solutions that are based on new generation technologies such as advanced data analytics, robotic process automation, block chain, artificial intelligence and industrial IoT. SabancıDx has the vision of expanding globally using the power of software. The company digitalizes business processes of organizations with the digital B2B purchasing platform Pratis, e-transformation platform Edoksis, and human capital and payroll management platform HR Web.</p> <ul style="list-style-type: none"> <li>• Nearly 45 years of information technology experience</li> <li>• Listed among the companies to be followed in 2020 by Fortune Magazine</li> <li>• The Catalyst Startup Program examining 300 startup companies for collaborations in SabancıDx Digital Campus</li> </ul>	<ul style="list-style-type: none"> <li>• SabancıDx achieved 39% revenue growth.</li> <li>• Increased its net income by 96%.</li> <li>• Exported the online purchasing platform Pratis to Egypt and Portugal.</li> <li>• Conducted 74 analytical projects in total, 27 in the industry and building materials sectors, 11 in the energy sector, 19 in the insurance sector and 17 in the retail sector.</li> <li>• Supported its customers to increase their productivity, profitability and product quality by creating 200 million TL value through these projects.</li> <li>• In order to increase the synergy and transformation that advanced data analytics can create in the business world, the DnA Community, consisting of graduates of Sabancı University Advanced Data Analytics Academy and competent Sabancı Group employees working in data analytics, reached 200 members in 2019.</li> </ul>

Sector	Overview		Highlights from 2019	
INDUSTRY		<p>The focus areas of Industry Group, which is committed to new technologies and the power of cooperation, are occupational safety, quality, efficiency, working capital, and cash management. The Industry Group carries out pioneering and successful practices in Turkey in the sectors where members operate.</p>	<ul style="list-style-type: none"> <li>• Global leader with 27% share in Nylon 6.6 and 9% share in PET HMLS</li> <li>• Tire and construction reinforcement, composite technologies production in Turkey, Brazil, Indonesia, Thailand and the USA total of 12 plants, 2 R&amp;D centers</li> </ul> <p>* Nylon 6.6 and PET (polyethylene-terephthalate) HMLS (high modulus low shrinkage) polyester and rayon heavy-duty decitex yarn are used in car tires and mechanical rubber products.</p>	<ul style="list-style-type: none"> <li>• Kordsa reinforces one out of every three automobile tires, and two out of every three aircraft tires worldwide.</li> <li>• It invested TL 69 million in R&amp;D.</li> <li>• 183 patents</li> <li>• TL 5.1 billion (USD 906 million) total sales.</li> </ul>
			<ul style="list-style-type: none"> <li>• Leader with 32% market share</li> <li>• Production capacity of 11 million units in Izmit and 2.5 million units in Aksaray</li> <li>• 39% export share within net sales income</li> <li>• 1,350 domestic sales points</li> <li>• 6,000 sales points in 83 countries including 610 with Lassa signs</li> </ul>	<ul style="list-style-type: none"> <li>• Brisa provides one out of every three tires that reach the end consumer in Turkey.</li> <li>• It invested TL 34 million in R&amp;D.</li> </ul>
RETAIL		<p>Sabancı Retail Group companies serve consumers through 634 food markets and 200 technology stores in more than 70 provinces.</p>	<ul style="list-style-type: none"> <li>• 4.7% market share</li> <li>• 170 million customers</li> </ul>	<ul style="list-style-type: none"> <li>• The product range and service understanding improved in parallel with the data obtained by Customer Relationship Management (CRM) activities and customer experience measurement data.</li> <li>• e-commerce channel sales increased by 102%.</li> </ul>
		<p>Teknosa is the most widespread technology retailer in Turkey, with its 200 stores in 68 provinces.</p>	<ul style="list-style-type: none"> <li>• 30% market share in technology superstores</li> <li>• 7% total market share total</li> <li>• Approximately 200 million visitors</li> </ul>	<ul style="list-style-type: none"> <li>• Teknosa strengthened its customer experience under the "New Generation Teknosa" transformation program and restructured its processes in line with the sustainability and profitability goals in many areas. This includes product availability, stock management, field operations, store performance management, pricing and promotion management, expenditure efficiency, digitalization and Robotic Process Automation (RPA) processes.</li> </ul>
BUILDING MATERIALS		<p>Akçansa and Çimsa, Turkey's leading building material companies, continue to direct their investments and focus on value-added products, digitalization, alternative fuel use, and energy efficiency.</p>	<ul style="list-style-type: none"> <li>• 9.2 million tons of cement production capacity</li> <li>• 38% export share within net sales income</li> <li>• 3 integrated plants, 1 grinding plant, 7 domestic terminals, 2 ports</li> </ul>	<p>Akçansa and Çimsa, Turkey's leading building material companies, accounted for 30% of Turkey's cement exports in 2019.</p> <ul style="list-style-type: none"> <li>• Akçansa became one of the suppliers of the Çanakkale 1915 Bridge. The bridge will be the "World's largest suspension bridge with a span" when completed.</li> <li>• It reached Turkey's highest export figure at 3.6 million tons.</li> <li>• It achieved the highest rate in its history with 15% alternative fuel use and 6% biomass.</li> </ul>
			<ul style="list-style-type: none"> <li>• 6.9 million tons cement production capacity</li> <li>• 66% export share within net sales income</li> <li>• 5 integrated cement plants, 2 grinding plants, 1 domestic cement packaging terminal, 7 international terminals</li> </ul>	<ul style="list-style-type: none"> <li>• Çimsa has signed a USD 180 million purchase agreement to acquire Buñol, a white cement factory in Spain.</li> </ul>

# Sabancı of New Generation

Sabancı Holding identified the following material issues: understanding and responding mega global trends such as demographic changes, economic power shifts, rapid urbanization, climate change, and technological developments. Mega trends affect companies' business processes, from production methods to distribution channels, from managing customer demands to the meeting of employee expectations. The new strategic road map, which we call the *Sabancı of New Generation*, underlines world's rapidly changing conditions, specifying how we, at Sabancı Holding, can adapt these conditions expeditiously and properly. At Sabancı Holding, we have determined three focus areas to create value for Group companies: strengthening performance culture, dynamic strategic portfolio management, and creating value from ecosystem.

*The Sabancı of New Generation corresponds to our values of Courage, Sincerity, Passion, Continuous Development, and Inclusion and it:*

Puts the needs and expectations of customers and all stakeholders at focus,

Values different perspectives and taking decisions by considering comprehensive inclusion,

Pioneers innovation,

Accepts making mistakes and sees it as a learning and development opportunity, and

Focus on long-term and sustainable value creation.

We are aware that the fundamental enabler that will create the Sabancı of New Generation and make a difference is cultural transformation and human capital. This is why we are striving to make Sabancı Group the Employer of Choice in a continuous and sustainable manner. We aim to integrate technology and advanced data analytics, which we use to create business value from high volume data, into each group company and Sabancı Group's function to gain competitive advantage.

*The Sabancı of New Generation:*

Grows ever stronger with digitalization,

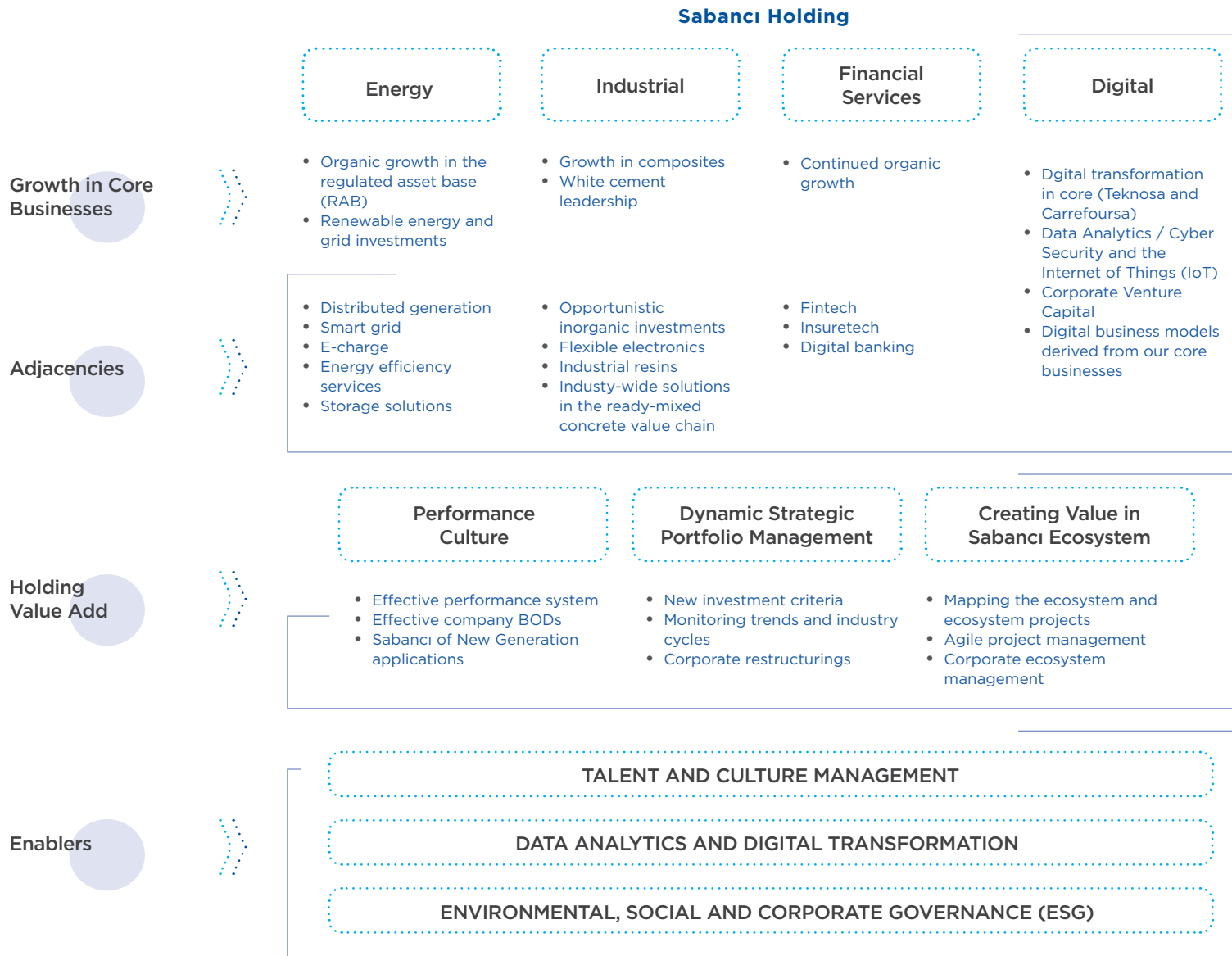
Differentiates itself with data analytics,

Constructs a new future with major investments,

Takes strategic steps on sustainability, and

Continues to grow by achieving strong results.

# Sabancı of New Generation



# Sustainability Approach

102-44, 102-46, 102-47

Sabancı Group's sustainability approach extends from Sabancı Holding to Group companies. It is an intermediary to create long-term value that is generated by the Group for stakeholders in different fields especially in economic extent. We increase the value of the Group for investors through sustainability and strive to ensure long-term social and environmental advantages, while creating economic value. With this approach, we ensure the continuous development of our talented and competent human capital. The future success of Group companies and long-term social contribution could be possible through our investments and projects. These include adopting flexible business models that respond to global environmental problems, particularly the crisis related to climate change.

• *We manage Sabancı Holding's operations, performance and material issues by the Executive Committee, at the highest level.*

## Sustainability Management

We manage Sabancı Holding's operations, performance and material issues by the Executive Committee. Thus, sustainability practices are carried out within Sabancı Holding and Sabancı Group are pursued by the highest execution level at Sabancı Holding.

The Sustainability Working Group that has been operational since 2018 together with representatives from all Sabancı Group companies, aims to manage and promote our sustainability approach and practices more effectively across the Sabancı Group. Chaired by the Human Capital President, who is a member of the Executive Committee, the Working Group evaluates and promotes knowledge, experience, and best practices related with sustainability across the Sabancı Group. Our ESG evaluation reports are supervised by the Human Capital Group President and periodically shared with the Executive Committee.














We issue sustainability reports on an annual basis and participate in CDP Climate Change and Water programs to transparently share the sustainability performance of the Sabancı Group and the value it creates to the stakeholders. We established the Reporting Group, consisting Working Group members, to effectively prepare the ESG reports. The Reporting Group guides the companies, ensures transparent and balanced reporting on the content to meet expectations of key stakeholders. The reporting Group also identifies good practices that stand out during the reporting processes of the companies to ensure standardization reporting in accordance with Sabancı Group's material sustainability issues.

# Material Issues

102-44, 102-46, 102-47

We identified the sustainability issues at Sabancı Holding for the first time in 2015. In this context, we assessed the sustainability issues in all sectors in which we operate and received feedbacks from our internal stakeholders. On an annual basis, we review material issues in accordance with stakeholder expectations and priorities that we are obtaining from different channels. In that respect, we follow global trends and developments and investors' approach via MSCI (Morgan Stanley Capital International), and Vigeo EIRIS to keep our ESG knowledge up to date. We group material issues into four main focus areas. We associate our performance progress on each material issue with our contribution to the United Nations Sustainable Development Goals (SDGs).

KEY FOCUS AREA	MATERIAL ISSUE	HOW WE DEFINE IT	RELATED SUSTAINABLE DEVELOPMENT GOAL(S)
Economic Value	Economic Performance	We aim to create long-term economic value in all sectors in which we operate. At Sabancı Group, we continuously improve our financial performance and profitability.	
	Responsible Investments	Our responsible investment approach is based on contributing to the sustainability transformation of the stakeholder ecosystem. By diversifying responsible investment tools, we support stakeholders in reducing their environmental impact and in providing social benefits.	
	Technology Investments	Technology and digitalization are the two fundamental global trends that contain various risks and opportunities for our operations. We focus on technological investments to adapt to these trends and to make our business models sustainable.	
	Supply Chain Management	We manage an extensive value chain in the sectors in which we operate while maintaining responsibility and transparency in all production processes, supplier choices and relations with current suppliers. In this regard, we make responsible purchases and support local socioeconomic development by prioritizing local suppliers.	
Working at Sabancı Holding	Talent Management	Under the vision of Sabancı of New Generation, focus on "Employer Brand and Talent Acquisition," "Organizational Design, Planning, Succession and Career Management" and "Continuous Learning and Development" processes in accordance with changing trends. In context of talent management, we aim to attract the best talents to Sabancı Group and support them to improve their potential, as well as to create value by implementing the most effective HR policies, employee-focused systems and processes and digitalization.	
	Equal Opportunity and Diversity at Work	The fundamental factors to ensure a successful working environment are closing the gender gap, ensuring diversity in the workplace and providing equal rights and opportunities to all employees. We offer equal opportunities to all of our employees in all Sabancı Companies from the moment they are recruited and actively benefit from diversity.	
	Employee Satisfaction and Engagement	It is crucial to create a business environment with high satisfaction and engagement to keep the new generation in the Sabancı Group, who have advanced consciousness and prefers companies that they can contribute in value creation. We consider employee feedback and undertake regular employee satisfaction and engagement surveys, and introduce improvements accordingly.	

KEY FOCUS AREA	MATERIAL ISSUE	HOW WE DEFINE IT	RELATED SUSTAINABLE DEVELOPMENT GOAL(S)
Working at Sabancı Holding	Performance Management	The Performance Management Process aims to reveal the successful business results of employees and their performance, by assessing if their behaviors are in line with the corporate culture and values. As Sabancı Group, we focus on constantly improving our performance management system.	
	Occupational Health and Safety	Efficient and effective management of Occupational Health and Safety (OHS) ensures a competitive advantage for our Group, and enables Sabancı Group companies to lead their sectors and become the most preferred working places. By focusing on the health and safety of our employees, we carry out our activities with zero tolerance to accidents and occupational diseases. We constantly making annual improvements to provide a safe and accident-free working environment. We focus on managing OHS risks most efficiently and effectively.	 
Social Investments	Social Development	We touch people's lives across Turkey with our diversified business lines. To enable sustainable development, we support individuals' active participation in culture, encourage individuals' self-development by preserving the cultural heritage and provide quality education that will prepare young generations for rapidly changing global environment by providing necessary skill set. We create value for society with our investments and contribute to social development thanks to our education, social change, culture, and arts activities.	  
	Relations with Society	Our platforms, where we regularly communicate with our stakeholders, enable us to receive feedback on various issues, from governance to the environment, and from business performance to career opportunities.	
Environmental Impact	Energy and Emission Management	All the risks that are associated with the crisis in climate change are of particular interest to our businesses. We prefer to invest in business models that promote the responsible consumption of resources and reduce carbon emissions through sound energy and emission management, use alternative fuels to the highest practical level, and increase energy efficiency while reducing energy consumption.	 
	Water Management	Although there is no water source adversely affected by our water withdrawal or discharge under our water related activities, our environmental priority in this subject is to amplify water efficiency, via recycling and to dispose of wastewater in an eco-friendly manner.	 
	Waste Management	We carry out efforts to reduce waste disposal, to prevent environmental pollution in all our operational processes, from design and production of products and services to packaging, logistics, and delivery to customers.	 

Economic Value

Working at Sabancı

Social Investments

Environmental Impact

# Economic Value

Under Sabancı of New Generation vision, we produce and work responsibly for the environment, society and for the future, by creating economic value for both our stakeholders and Turkey at the same time. We strengthen our long-term financial performance with a robust corporate governance approach based on transparency and ethical values, while acting responsibly in value chain management and investment decisions. We are carrying our company into the future with technology investments parallel to our vision. We increased our competitiveness, efficiency and growth in the existing business lines during 2019 thanks to advanced data analytics, simplified processes, digitalization in business applications, and wider use of technology.

Economic Value

• *As Sabancı Group, we contribute to the following United Nations Sustainable Development Goals: Decent Work and Economic Growth; Industry, Innovation and Infrastructure; Responsible Consumption and Production; and Peace, Justice and Strong Institutions.*

Working at Sabancı

## 8 Decent Work and Economic Growth



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

## 9 Industry, Innovation and Infrastructure



Build resilient infrastructures, promote inclusive and sustainable industrialization and fostering innovation

## 12 Responsible Consumption and Production



Ensure sustainable consumption and production patterns

## 16 Peace, Justice and Strong Institutions



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Social Investments



Environmental Impact



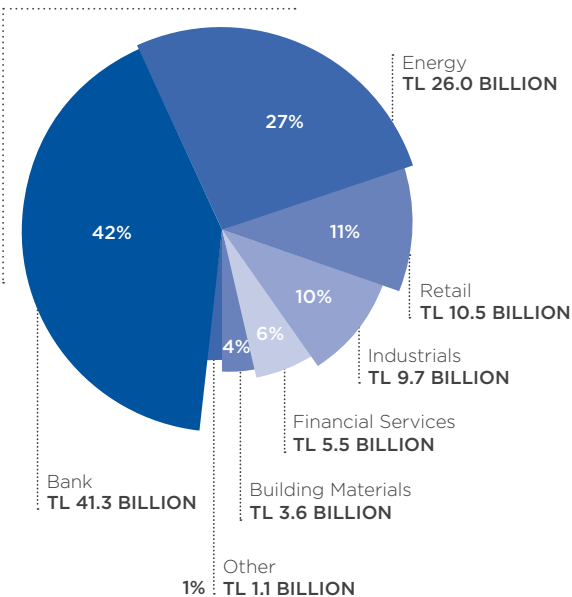
# Economic Performance

• Sabancı Holding's consolidated net profit increased by 14% per annum over the last five years, with a 12% return on equity.

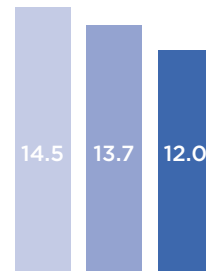
Operating in 12 countries, Sabancı Group achieved a combined net sales of TL 97.6 billion and a consolidated net profit of TL 3.8 billion in 2019. Sabancı Holding's own shares, as well as the shares of its 11 subsidiaries, are listed on Borsa İstanbul (BIST) and constitute 8.1% of total market capitalization of Turkish equity market. Sabancı Holding's consolidated net profit increased by 14% per annum over the last five years, with a 12% return on equity.

## Sectorial Distribution of Combined Net Sales

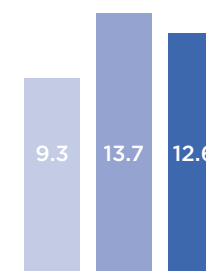
**COMBINED NET SALES**  
TL 97.6 BILLION



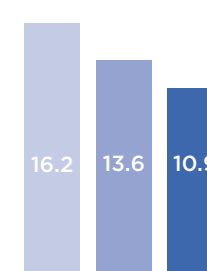
**SABANCI HOLDING CONSOLIDATED ROE<sup>1</sup>**  
(%)



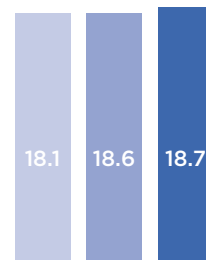
**NON-BANKING CONSOLIDATED ROE<sup>1</sup>**  
(%)



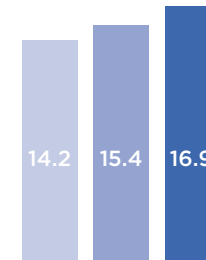
**BAKING ROE<sup>2</sup>**  
(%)



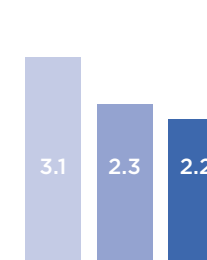
**COMBINED NET FINANCIAL DEBT<sup>1</sup>**  
(TL BILLION)



**COMBINED EBITDA<sup>2</sup>**  
(TL BILLION)



**COMBINED NET FINANCIAL DEBT/EBITDA<sup>1</sup>**



1 One-off income/expenses are excluded.  
2 Based on BRSA results.  
ROE: Return on equity

2017 2018 2019



## Responsible Investments

Sabancı Holding's responsible investment approach contributes to the sustainability transformation of the stakeholder ecosystem. We manage the impact of our activities by undertaking responsible investments in the banking, financial services, retail, energy, industrials, and building materials and support stakeholders to reduce their environmental impact and to provide social benefits.

Above all, we aim to facilitate investments to the projects that targets transition to low carbon economy and prioritize the United Nations Sustainable Development Goals, which play an essential role in reducing potential adverse impact on environment. Conducting banking activities with a responsible investment approach, we support projects that offer sustainable products, services and solutions.

### Akbank Climate-Friendly Loans

Akbank acts with a responsible investment approach to support the fight against environmental problems, especially the climate crisis. It aims to control the environmental and social impacts of all projects that are monitored in the coming period, by reducing the Akbank Environmental and Social Risk Assessment limit of USD 50 million in 2017 and USD 20 million in 2018 to USD 10 million at the end of 2019. Furthermore, it assesses investment loans of USD 50 million and above, regardless of the loan amount and maturity limit through detailed analysis that measures the environmental and social impacts. It also assesses all loans extended to customers irrespective of the amount limit in line with Akbank Environmental and Social Credit Policies and checks whether each commercially eligible credit is within the "non-financeable activities," which is part of the policy. It prioritizes loaning for projects on renewable energy, waste recycling, reducing carbon emissions, and increasing efficiency. For the projects whose adverse effects on the environment cannot be estimated, it supports their customers to make improvements.

As of the end of 2019, the total amount of the financial loans provided by Akbank to renewable energy projects of USD 10 million or above, reached USD 1,171 billion. The share of loans for renewable energy projects in energy production projects rose to 82%. Akbank prevented about 5.8 million tons of CO<sub>2</sub>e emissions in 2019 thanks to the renewable energy projects it finances.<sup>4</sup>

<sup>4</sup> The calculation took into account Turkey's average grid emission factor for 2019 and annual electricity generation of the same year by HES, GES, and RES projects.

# Corporate Governance

• *At Sabancı Holding, we have a robust corporate governance approach that plays an important role in transforming the economic value into long-term value, based on fair, transparent, responsible, and accountable relationships with all of our stakeholders.*

We consider corporate governance as an approach to protect the interests of our stakeholders, employees, the community in which we operate, and all direct or indirect stakeholders. We are aware that strong corporate governance of a company enables sustainable financial performance. At Sabancı Holding, we have a robust corporate governance approach that plays an important role in transforming the economic value into long-term value, based on fair, transparent, responsible, and accountable relationships with all of our stakeholders.

• *Four out of nine board members are women.*

The Board of Directors is responsible for determining corporate goals, ensuring compliance with corporate governance principles, identifying and managing strategic orientations, and ensuring the functionality of risk management and control systems. Sabancı Holding's executive activities are managed by the Executive Board, which consists of the Chief Executive Officer, the Chief Financial Officer, the Human Capital Group President, and Sector Group Presidents, under the Board of Directors. The CEO and Chairman positions are held by separate individuals at Sabancı Holding. Moreover, our senior management favor diversity and gender equality. The ratio of independent members on the Board of Directors is 33%, while that of female members is 44%.

In accordance with the Company's Articles of Association, the Board of Directors is responsible for

establishing an adequate number of Committees to fulfill the required tasks and responsibilities properly. Accordingly, the Corporate Governance Committee, Early Detection of Risk Committee, Audit Committee, Portfolio Management Committee, Nomination and Remuneration Committee were established under the Sabancı Holding Board of Directors. In these committees there are independent members; two members in the Audit Committee, and one each in the Early Detection of Risk Committee, the Corporate Governance Committee, and the Nomination and Remuneration Committee. There is no independent member in the Portfolio Management Committee due to the function of the Committee.

The Corporate Governance 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 Committee makes recommendations to the Board of Directors of the Company to identify the Corporate Governance Principles in line with local legislation and internationally recognized Corporate Governance Principles. It convened five times in 2019 and submitted reports to the Board of Directors on the situation assessment and improvement proposals regarding corporate governance practices.

The Portfolio Management Committee considers Sabancı Group's environmental, social and management plans to ensure maximum value and

dividend efficiency of the Company's investment portfolio. It also undertakes to implement the required measures for the development and management of the investment portfolio and to help the Board of Directors fulfill its duties and responsibilities. The Committee convened six times in 2019 and contributed to the creation of strategies for responsible management of our investments.

Furthermore, in the first quarter of 2020, some changes were introduced to the structure of the committees under the Board of Directors to simplify their duties and functions and increase their effectiveness. Accordingly, the Portfolio Management Committee was abolished, and its duties and responsibilities were transferred to the Corporate Governance Committee, the Nomination Committee, the Remuneration Committee, and the Early Detection of Risk Committee.

You can find further information on Corporate Governance from the Annual Report.



## Risk Management

We manage possible deviations in strategic and financial targets in accordance with the risk-taking policy of Sabancı Group and the corporate risk management approach to maximize the value created by Sabancı Holding companies for their stakeholders and to ensure Sabancı Group's sustainability. The primary duties of the Early Detection of Risk Committee under the Board of Directors are the early identification of all kinds of risks, including strategic, operational, financial, compliance, reputation, reporting, external environment, which may endanger the viability, development and continuity of Sabancı Holding; determining required measures and managing risks; and then informing the Board of Directors to make decisions regarding the issues. In this regard, the Committee identifies and assesses the risks that the Holding is exposed to, monitors them with the developed reporting system and follows the measures taken. The Early Detection of Risk Committee also monitors risks contained in the operations of the Holding subsidiaries that may affect the Holding's consolidated financial statements and strategic goals.

Sabancı Holding and Sabancı Group companies use the Enterprise Risk Management (ERM) system. This system carries out the processes of identifying and assessing the critical and high-level priority risks of Sabancı Holding companies, and continuously measures the performance changes of these risks, as well as monitoring and reporting them.

We conducted a reporting study on the consolidated risks across Sabancı Group in 2019. In the study, we examined the maturity levels of Sabancı Group companies in risk management under governance, business processes, human capital, and technology categories. We consolidated the Holding's risk data by evaluating the companies' risk management

methodologies and outputs, which we made a part of the decision-making processes. Moreover, we identified and evaluated the common aspects of global risks raised at the World Economic Forum to our portfolio, and the extent and timing of those risks affecting the portfolio, and determined the priority risk areas by performing studies to prepare the Sabancı Holding and Sabancı Group companies against these risks.

Risk Committee convened six times in 2019 and submitted risk assessments to the attention of the Board of Directors. The main risk areas for Sabancı Holding and Sabancı Group companies are related to compliance, financial, strategic, operational, brand and reputation management, reporting and the external environment. We also identify emerging risks for the future (three to five years) and assess their effects on the business, determining the required actions.

We are working to promote a risk management culture at the Sabancı Holding and Sabancı Group companies. In this regard, we ensured effective communication throughout the year to strengthen the link among the risk management teams, Risk Committees and Boards, as well as to work more efficiently.

• *We conducted a reporting study on the consolidated risks across Sabancı Group in 2019. In the study, we examined the maturity levels of Sabancı Group companies in risk management under governance, business processes, human capital, and technology categories.*

Risk Area	Risk Definition	Potential Effect	Action
<b>Compliance Risks</b>	These risks include any non-compliance with defined rules such as applicable laws, legal regulations, ethical rules, internal policies and directives.	These are legal sanctions and losses, such as reputational and financial damages that can be encountered if laws, legal regulations, procedures and similar rules specified in the risk definition are not respected.	Continuous monitoring mechanisms were established for Sabancı Group companies and necessary actions were taken to ensure the compliance with defined rules such as applicable laws, legal regulations, ethical rules, internal policies and directives.
<b>Financial Risks</b>	These risks such as exchange rate exposure and interest rate include risks that may arise as a result of a Company's financial position and preferences.	Exposure to these risks may cause financial losses within the Company.	Financial risks are mitigated by alternative solutions.
<b>Strategic Risks</b>	Strategic risks are structural risks that may prevent a company from reaching its short, medium, and long-term goals. Planning, business model, business portfolio, corporate management, and market analysis are examples of these risks.	Exposure to these risks may cause financial losses within the Company.	Sabancı Holding manages strategic risks effectively from a long-term dynamic portfolio management perspective.
<b>Operational Risks</b>	Operational risks are the possible losses that may arise from errors and/or omissions caused by disruptions in internal controls, failure to comply with time and conditions by company management and/or staff, management mistakes, faults and disruptions in information technology systems, and even the possible losses as a result of company operations.	Exposure to these risks may cause potential adverse effects such as financial losses, the loss of reputation, and interruptions in operations within a company.	Effective management of operational risks is ensured by implementing internal control mechanisms and by carrying out studies to identify and eliminate these risks through the efforts of the Audit Group, as well company processes and systems.
<b>Brand/ Reputation Management Risks</b>	These risks are related to loss of value as a result of the corporate name and trademarks not being managed effectively or reputational damage caused by various incidents.	The demand for company's products and/or services decreases due to brand damage or loss of reputation, and accordingly, the company's profit, competitiveness, and customers are lost.	Risks on brand/reputation that is the main asset of Sabancı Group are followed with a multi-discipline monitoring and management system and are managed by taking required interventions.
<b>Reporting Risks</b>	Reporting Risks cover misrepresentations that do not comply with the legislation and standards, lack of adequate sharing in management reporting, lack of effective measurements and sharing of the main indicators, and report quality deficiencies in terms of timing and detail.	Exposure to these risks may cause losses such as legal penalties, reputation loss, and financial losses within the Company.	The Audit Group and independent organizations use monitoring and auditing mechanisms to ensure continuous quality of reporting.
<b>External Environmental Risks</b>	These risks are based on external factors the company cannot control through its operations and management processes. These may include management of limited natural resources, climate change, fast technological transformation and adaptation to the transformation, political and economic developments within and outside the country; new decisions made by regulatory authorities in sectors where business activities are subject to public regulation, changes in competition rules.	Exposure to these risks may cause losses such as legal fines, reputation loss, and financial losses within the Company.	We take high-level measures to eliminate the risks through periodic risk assessments, emergency action plans with detailed scenarios, business continuity plans, actions and follow-up plans.

The main reason for creating a comprehensive risk management approach is that we operate in a range of sectors. We also define the risks arising from climate change, water, and technology, whose importance and priority change in different sectors in the Sabancı Holding and Sabancı Group companies. We are assessing potential effects mentioned below:

- We perform assessments on issues such as high carbon emissions, stack emissions, renewable energy, and energy resources management to reduce the potential impacts of climate change to our portfolio. We also assess the effects of the risks that these issues may cause on operational activities. We conduct potential scenario analyzes that take into account local and global regulations. The significance and management methods of climate change risks differ according to the area of activity of Sabancı Group companies. At Sabancı Holding, we focus on energy efficiency projects in our companies and invest in renewable energy, promoting alternative fuel use to support the transition to a low carbon economy.
- We assess water risks by taking into account their adverse effects on the managed portfolio and their ramifications at the operational level. The key external environmental risks are water shortages, failure to meet the water demand in industrial production, and operational disruptions in energy production due to lack of resources. To reduce water consumption in general, we take certain actions, such as measuring, detecting and repairing the water losses and leaks in the lines, and collecting and recycling of surface waters. The practices vary according to the sectors of Sabancı Group companies.
- The Risk and Compliance Directorate of the Holding has identified three priority areas for technological risks in its global risk assessment: cybersecurity, data fraud, and business continuity. We conduct risk mitigation for these issues across Sabancı Group.



## Business Ethics

We comply with Sabancı Holding Code of Business Ethics (SA-ETHICS) to manage the relations and identify mutual responsibilities with all stakeholders with whom we establish business relations, as well as the employees. Aiming to protect companies and employees, SA-ETHICS contains the values and working principles of Sabancı Holding. It provides decisive guidance on laws, regulations and internal procedures in all actions and decisions. SA-ETHICS complies with the Universal Declaration of Human Rights and the fundamental conventions of the International Labour Organization.

[You can access the Sabancı Holding Code of Business Ethics here.](#)

Sabancı Holding Board of Directors is primarily responsible for the adoption, implementation, and compliance control with SA-ETHICS across Sabancı Group. Sabancı Holding Ethics Board is in charge of supporting the Board of Directors in fulfilling this responsibility. SA-ETHICS is binding on all Board Members, managers and employees of Sabancı Holding and Sabancı Group companies. We also expect all of our suppliers, subcontractors, dealers, business partners and similar stakeholders to respect this Code.

Sabancı Group employees can report ethical violations to the Ethics Board by sending an email to [etik@sabanci.com](mailto:etik@sabanci.com) or dialing 0212 385 85 85 or mailing to the Sabancı Holding Head Office. The person reporting to the Ethics Board is under the protection of this Board and is guaranteed that they shall not endure any repression, pressure, or penalty due to their submission.

Regular or on-request special audits regarding compliance with legal obligations, working principles, and corporate policies, including but not limited to ethical rules, anti-bribery and anti-corruption, human capital, and environmental policies are carried out by the Audit Committee in accordance with the International Internal Auditing Standards and Ethical Rules, under the control of the Audit Committee. The audits in 2019 did not determine any violation of human rights, trade union rights and labor norms or any case involving discrimination, bribery and corruption. Examination of the violation reports in 2019 revealed that 45% of them were due to ethics violations. Cases were investigated, and necessary actions were taken. Various sanctions, including the cancellation of labor contracts, were imposed on persons who violated the Code.

### TRAINING ON ETHICS AND PERSONAL DATA PROTECTION

We give SA-ETHICS training to each new employee at Sabancı Group to ensure that they act in accordance with the Code. Current employees regularly attend refresher training annually to keep their SA-ETHICS knowledge up to date. At the end of the training, we request a written statement from the employees that they will comply with SA-ETHICS. In 2019, we provide 7,233 hours training on ethics. Besides, this year we started to give Personal Data Protection training to Sabancı Group companies through an online training platform to give information and raise the awareness of Personal Data Protection. We gave 618 hours training on Personal Data Protection through this platform.

### Anti-Bribery and Anti-Corruption

Sabancı Holding has a zero-tolerance approach to bribery and corruption. We expect all Sabancı Group managers and employees to comply with the

[You can access the Sabancı Holding Anti-Bribery and Anti-Corruption Policy here.](#)

duties and responsibilities set out in the Anti-Bribery and Anti-Corruption Policy. Ethics training given to employees covers Anti-Bribery and Anti-Corruption Policy related topics. Employees can report violations to the Ethics Board. The Ethics Board is responsible for reviewing all reports thoroughly in accordance with the privacy policy and resolving them as soon as possible.

In our contracts, we impose our business partners to comply with SA-ETHICS as a condition and the Anti-Bribery and Anti-Corruption Policy. The Anti-Bribery and Anti-Corruption Policy is binding on Sabancı Group members, all relevant stakeholders, as well as suppliers, business partners, and consultants. We follow the blacklisted individuals and companies in close coordination with public authorities. We blacklist suppliers that are deemed as objectionable or risky by public institutions for any reason, act contrary to our Sabancı Group culture, or violate our processes, and we terminate our business relationship accordingly. We can thus identify suppliers, contractors and customers who are known or suspected to be 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 in a timely manner. Nevertheless, those suppliers can be re-evaluated every year, and they can be added to the suppliers' list again after they have remedied the violations.

# Technology Investments

Technology and digitalization are two fundamental global trends that contain both risks and opportunities for the future of companies. The digitalization of business processes increases efficiency and thus contributes to companies' economic value and competitiveness, while digital transformation promotes data privacy against cyber threats. We implement pioneering practices that adapt to the changing global agenda, and one of the focus areas of our sustainable business model is technology investments.

SabancıDx provides next-generation technology solutions such as big data, advanced data analytics, cybersecurity, industrial IoT, robotic workforce, and artificial intelligence to Sabancı Group companies. SabancıDx, together with its expert staff, meets all IT needs of the future goals of medium-sized and large companies, ranging from business consultancy to corporate-specific applications, from operation to technical services, and from hardware to software.

Thanks to SabancıDx, we aim to lead Turkey's digital transformation and globalize with the power of software. The company, certified by ISO 22301 Business Continuity Management System and ISO 27001 Information Security Management System, values the continuous improvement in customer satisfaction and company processes, providing services at international standards.

The main products and platforms of SabancıDx are Edoksis, which provides an e-Invoice, e-Archive, e-Dispatch, e-Ledger, e-Analysis, e-Learning and e-Reconciliation and e-services; Pratis, a digital B2B purchasing platform; and HR-Web, a digital human capital and payroll management platform.

## Projects in Cooperation with

### Advanced Data Analytics Academy

SabancıDx founded Advanced Data Analytics Academy in cooperation with Sabancı University Executive Development Unit (EDU) to create customer-based advanced data analytics programs. Over 135 employees have graduated from the Academy, which aims to train data engineers and digital explorers, since 2018.



### Catalist Startup Program

The Catalist Startup Program aims to bring together large companies and startups, developing new products and services. The program examined over 300 startups in 2019, identified more than 50 candidates, and worked on value proposals with 10 companies.

### Akçansa Uses Artificial Intelligence to Improve Energy Efficiency

It is aimed to optimize fuel consumption in rotary kilns thanks to the use of artificial intelligence at Akçansa. The project, launched in cooperation with SabancıDx, helps to increase the usage rate of alternative fuel sources in the fuel mixture, which creates energy efficiency and cost advantages and also reduce carbon emissions. The development and testing processes of the project are ongoing.

### SabancıDx Digital Campus

Seeking to develop new generation technologies, SabancıDx launched the Digital Campus to create an R&D ecosystem covering initiatives and the private sector. Digital Campus focuses on next-generation technologies such as big data, advanced data analytics, cybersecurity, industrial IoT, robotic process automation and artificial intelligence.

### Çimsa Uses Machine Learning to Save Energy

SabancıDx and Çimsa created a cloud infrastructure to develop projects through big data under the Advanced Data Analytics program launched in 2019. A machine learning project was developed to reduce electricity consumption in cement and raw mills. The aim is to reduce annual electricity consumption by 16,160 MWh and to save TL 5 to 7 million.

## Outstanding Projects Implemented by the Digitalizing Sabancı Holding

### Aksigorta Uses ADA to Satisfy Customers

In the past couple of years, Aksigorta activated Aksigorta Digital Assistant (ADA), the first artificial intelligence application of the insurance sector, and executed 3 million successful transactions using it, managing to increase its customer satisfaction by 3 percentage points. ADA completed over 70 business processes in eight different departments and was named Best IT Cost Efficiency Project of the Year by International Data Corporation (IDC).



### Carrefoursa Improves Customer Experience

Carrefoursa predicts the needs of its 6 million Carrefoursa card customers with their team of experts using data analytics and offers them tailor-made opportunities. It analyzes data with artificial intelligence algorithms and launched new applications to optimize the experience offered to customers.

### Brisa Uses Virtual Reality in Production

In 2019, Brisa began positioning as a company that produces mobility solutions, not just selling tires. Brisa increased its investments in the mobility solutions of the new age, such as smart services, and automation and improvements in lean business processes and was able to initiate virtual reality-based production at its plants in Aksaray and İzmit. It also participated in the TÜBİTAK (Scientific and Technological Research Council of Turkey) Industry Digital Transformation program with its digital tire assistant design project using image processing technology.

### Akbank and Mobile Banking

Akbank, which makes 69% of consumer loans available through digital channels, was named “World’s Best Digital Bank,” thanks to its digital solutions focused on customer satisfaction and services at its new generation branches, as part of Awards for Excellence by Euromoney, one of the world’s most prestigious financial publication houses.

Akbank also transforms global innovations into fast banking products and applications in Akbank LAB to provide its customers with the best banking experience. Akbank, the first bank in Turkey to use blockchain technology for international money transfers, closely monitors the Fintechs and pursues to bring together customers and the latest technology by establishing true and strategic collaborations by Fintechs.

### Akbank’s Next Generation Sales and Service Model

Akbank launched the Next Generation Sales and Service Model, thanks to which it developed digital solutions to respond to changing customer expectations and behavior. Accordingly, it started to offer new services in its digital branch.

Document approvals were ensured through Akbank Mobile to offer faster services to customers, thereby eliminating the need for a physical signature, document scanning, and archiving. Contracts in printed form began to be accepted through Akbank Mobile, which saved approximately 12 million sheets of paper in 2019,

equivalent to the conservation of 1,000 trees. Furthermore, customers were ensured the ability to perform transactions previously made at pay-desks faster on their own in Extra Tellers. Approximately 15 million receipts were thus saved in 2019.

### Kordsa Uses Advanced Data Analytics to Achieve Efficient Production

Kordsa achieved more than 10% energy savings at the twisting facility with the highest twisting energy consumption while managing over a 2% increase in first time through yield productivity in the spinning mill thanks to its optimization efforts using advanced data analytics at the production sites.

### Enerjisa Enerji Uses Data-Driven Decision Making

Enerjisa Enerji realized over ten analytical projects, such as early detection, replacement, and maintenance of defective meters, detection of illegal energy use, and improving call center efficiency. Enerjisa’s Self Service Analytical Platform project, which aims to contribute to data democratization, was awarded the first prize in the Analytics and Big Data category at IDC 2019 Energy Summit.



# Supply and Value Chain Management

Responding to the evolving demands and transparency expectations of stakeholders and protecting brand reputation in the new global economic order is only possible through sustainable business models with responsible and transparent value chain management. At Sabancı Holding, while managing an extensive value chain in six main sectors, we stick to the principles of responsibility and transparency in all production processes, supplier choices, and our relationships. We carry out responsible purchasing, supporting local socioeconomic development by prioritizing local suppliers.

Local suppliers providing products and services make up 92% of Sabancı Holding's 362 suppliers and 70% of Sabancı Group companies' over 60,000 suppliers. 78% of payments to suppliers are made to local suppliers.

Sabancı Holding and Sabancı Group companies assess their suppliers according to criteria such as technical and organizational capacity, quality and cost-efficiency, competitiveness, development, and environmental performance. We include these criteria in purchase contracts. Moreover, we expect our suppliers to comply with SA-ETHICS rules. If we detect that a supplier violates these ethical rules, we take action that may lead to the termination of business relations with the supplier. We do not cooperate with companies that are reported to have been involved in bribery or corruption. We gave 3,243

hours training to suppliers on occupational health and safety, environment, and professional development. We audit our subcontractors on occupational health and safety and employee rights and support them to improve their practices by identifying areas that are open to improvement.

• *While managing value chain, we stick to the principles of responsibility and transparency in all production processes, supplier choices, and our relationships and we implement responsible purchasing practices.*

## Carrefoursa Domestic Stockbreeding Project

Carrefoursa continued its stockbreeding project in 2019 to support domestic production. Under the project, animal welfare inspections on ranches are conducted to check the beef supply chain from ranch to table. Domestic livestock, bred by domestic producers and whose origin is registered and inspected at every stage, are slaughtered by halal methods and delivered to markets by cold chain following compliance tests. We offer various product types to customers under a reasonable pricing policy.



# Working at Sabancı

We work to make Sabancı Holding's "Employer of Choice" position permanent and sustainable. To develop and do the best for our human capital, we prioritize equality and diversity, occupational health and safety, employee satisfaction and engagement, talent and performance management.

*With our talent management approach and understanding that focuses on employee safety, health, and satisfaction, we contribute to United Nations Sustainable Development Goal 4 (Quality Education) and Goal 8 (Decent Work and Economic Growth) while supporting Goal 17 (Partnerships for the Goals) through collaborations we established within Sabancı Group for employee development and training. We also contribute to the Sustainable Development Goal 5 (Gender Equality) and Goal 10 (Reduced Inequalities) through our efforts on ensuring equality and diversity within Sabancı Group.*

Economic Value

Working at Sabancı

Social Investments

Environmental Impact

**4** **Quality Education**



*Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all*

**5** **Gender Equality**



*Achieve gender equality and empower all women and girls*

**8** **Decent Work and Economic Growth**



*Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all*

**10** **Reduced Inequalities**



*Reduce inequality within and among countries*

**17** **Partnership for the Goals**



*Strengthen the means of implementation and revitalize the global partnership for sustainable development*



# Sabancı of New Generation

• We manage our human capital through the Sabancı  
• Competency Model and aim to create the Sabancı of New  
• Generation (SNG) in today's world where the concept of  
• "new" is constantly evolving in the light of global trends.

As Sabancı Holding, we adopt a human-oriented policy to create value for the society. As one of the biggest groups in Turkey serving in sectors ranging from banking to energy, and from retail to building materials, we prioritize employing competent human capital. In this respect, we adapt to changing global trends to retain talents while attracting new ones, who will carry our business forward.

We manage our human capital through the Sabancı Competency Model, which specifies behaviors that will instill Sabancı Group values, leadership and

performance improvement, and aim to create the Sabancı of New Generation in today's world where the concept of "new" is constantly evolving in the light of global trends.

With the Sabancı of New Generation, we adopt a business culture focusing on the needs and expectations of all stakeholders, valuing diverse opinions and promoting broad participation in decision-making, being the pioneer of innovation, learning from experience, and focusing on creating long-term value. Under the SNG vision, we aim to

provide a unique employee experience offering employees a purpose and an opportunity to self-actualization, and promoting fair, continuous development, participation, high performance, and diversity. To extend this culture, values and principles to Sabancı Group, we redesign all human capital processes and systems and take positive actions, such as creating a new generation-working environment and adopting flexible working hours. We also reward projects and programs that promote SNG values.

## Value Drive Competencies;

- Valuing Differences
- Being Resilient
- Displaying Courage
- Learning from Experiences

## Leadership Drive Competencies;

- Global and Long-Term Thinking
- Cultivating New & Better
- Balancing Stakeholders
- Agile Decision Making
- Driving Vision & Purpose
- Building Effective Teams

## Performance Drive Competencies;

These are the competencies, which are precisely determined for each Sabancı Group company and expected to be developed by employees in order to advance their performance.

# Employee Profile

We believe that our versatile and diverse workforce is a key factor in what makes us a leader. All Sabancı Holding companies together employ approximately 62,000 people.

We care about having a dynamic workforce and believe that young people will drive innovation. Today, Generation Y now accounts for 35% of the global workforce. The rate of Generation Z in business has reached 24%.<sup>5</sup> In 2019, approximately 63% of newly hired employees were under the age of 30, while Generation Y accounted for about 70% of all white-collar employees.



Approximately 1,000 employees from Sabancı Holding companies participated in the 41st İstanbul Marathon. Sabancı employees and family members who participated in the marathon collected donations for five different NGOs reflecting their courage, sincerity, passion, continuous development and participation values.

<sup>5</sup> Global Labor Market by Generations

# Equality and Diversity

102-41

Ensuring diversity in the workplace and providing equal rights and opportunities to all employees enables a successful business environment. We do not discriminate on the grounds of language, race, color, sex, political opinion, belief, religion, sect, age, physical disability, and similar reasons. In recruitment processes, we equitably assess the candidates' competence, potential and eligibility to Sabancı values.

We respect the union rights and freedoms of our employees and guarantee this approach within Sabancı Holding Human Capital Policy. As of the end of 2019, the unionization rate of blue-collar employees was 95%.

Moreover, we are aware that women should have equal rights, opportunities and possibilities for sustainable economic growth and balanced social development. In [the Global Gender Gap Report](#) of the World Economic Forum (WEF), Turkey ranks 136th in women's participation in the labor force and equal opportunity and 130th in the gender gap indices. It is an important responsibility for the business world in Turkey to change this bleak picture for the sake of achieving equality. Closing the gender gap is a requirement for a successful business environment as well as social development. In an effort to close the gender gap at all Sabancı companies, we offer our employees equal opportunities starting from the recruitment process and actively take advantage of the potential brought by equality and diversity. We signed the United Nations Women's Empowerment Principles Declaration in 2011 and became the first

signatory from Turkey. We are trying our best to promote gender equality awareness for all employees, increase women's participation in the labor force, support them throughout their careers, and become a pioneer and exemplary in this regard. In 2019, 96% of the employees who took maternity leave and returned to their jobs.

In Capital magazine's 2018 Women Friendly Companies Survey, we were awarded first place in the category of Groups with the Highest Number of Women Executives and the runner-up prize in the category of Groups with the Highest Number of Women Employees. Our female employee rate is 31%, while the female manager rate is 37%.

As Sabancı Holding, we support the Business Against Domestic Violence (BADV) project run by Sabancı University Corporate Governance Forum. The project is carried out under the main sponsorship of the United Nations Population Fund (UNFPA) and Sabancı Foundation and in cooperation with the Turkish Industry and Business Association (TÜSİAD). It aims to identify methods to prevent domestic violence by using executive and organizational capabilities of the business world and establish support mechanisms in workplaces in this regard, making the problem of violence against women more visible.

[You can access the gender equality policy of Sabancı Holding the Equality at Work Declaration, here.](#)

- *Under the BADV project, employees of all companies participated in Gender Equality Trainer Training and Training on Workplace Policies for Combating Domestic Violence Against Women in 2019. In 2018 Akçansa, in 2019 Çimsa and Aksigorta began implementing the BADV Guide Application in 2019.*

Qualified human capital equipped with specific skills and competencies empower Sabancı Holding, and we, therefore, adopt encouraging practices to ensure more effective participation of women, youth, and people with disabilities in business life. We review the physical settings, especially for employees with disabilities, to offer them the most inspiring working environment and make required improvements immediately.

**Mother Mentors of Teknosa (Teknosa Anne Mentörler - TAM)**

Teknosa carries out the Mother Mentors of Teknosa (Teknosa Anne Mentörler - TAM) to support and increase women's participation in the labor force and to ensure long-term employment guaranteeing an uninterrupted career. The project, supported by 26 mentor mothers in stores and 10 mentor mothers in the head office, aims to ensure that women are employed for longer durations in Teknosa and that they progress in their career after marriage and birth. Each mother mentor provides mentoring to other women employees on issues such as career and work-life balance. About 450 women employees are planned to benefit from the project.



**Heroes of the Customer Project by Brisa**

Brisa launched the Heroes of the Customer project to promote female participation in the economy. The project intends to ensure equal opportunity in the tire industry by increasing the number of women employees holding managerial, sales manager, and service technician positions. Under this project, female professionals receive training from experts, from retail to sustainability, and innovation to store management and become eligible for new positions in the sector. The Net Promoter Score increased by 10% in selected dealers while the use of the Brisa Academy portal rose by 30% thanks to the program attended by a total of 38 women employees in 2019.



**TogetHER by Avivasa**

Avivasa launched the TogetHER program aiming to identify and eliminate barriers to women's participation in the labor force and increase the rate of female managers, raising the awareness of gender equality. Under the program, the Mother Child Education Foundation (AÇEV) gave gender equality training to company employees. A volunteer group of 29, consisting of company employees, was established afterward. The volunteer group attended the Gender Equality workshop organized in cooperation with AÇEV and conducted awareness studies on gender equality within the company.



# Talent Management

• We aim to create value by implementing the most effective HR policies, systems and processes that are employee-focused and digitalization-oriented.

We firmly believe that our workforce is the key to Sabancı Holding's long-term sustainability. Under the vision of the Sabancı of New Generation, we offer a business environment adapting to the changing trends, focus on the development of our employees by creating innovative training programs and applications, and aim to instill in them our corporate culture through effective communication. We aim to create value by implementing the most effective HR policies, systems and processes that are employee-focused and digitalization-oriented. Under talent management, we intend to attract and retain the best talents to Sabancı Holding. In doing so, we aim to improve the potential of the employees.

and career plans in line with future strategies and requirements by taking into account the performance, leadership potentials and individual preferences of our employees.

In 2019, we reviewed the Organizational People Review (OSP), which forms the basis of Sabancı Group's existing sustainable human capital in line with the vision of the Sabancı of New Generation and assesses the human capital management factors on a company basis. We updated the criteria of the Sabancı Competency Model, a model that presents, in a holistic way, the competency model that creates the vision of the Sabancı of New Generation, and the

personality traits, motives and experiences required to reveal these competencies. Addition to this update, OPR's leadership potential assessment, succession principles, and organizational wellbeing criteria were updated. We renewed and digitized OPR in 2019, making it available to Sabancı Group as a more user-friendly application.

The OPR process continued with the Sabancı People Review (SAPR) for top management of Sabancı Group; for critical positions internal and intercompany succession plans and development plans for successors were created. These plans are followed regularly.

• According to the result of the "World's Most Attractive Employers 2019" survey by Universum, a trusted partner of various domestic and international brands, we achieved a better ranking in all departments in the employer category of choice by students, compared to 2018.

## Organizational Design, Planning, Succession and Career Management

We regularly plan and revise the organizational structure of Sabancı Holding through the Organizational Design and Planning Process in accordance with company strategies, goals, and needs. Through the Succession and Career Management Process, we prepare succession plans

### Enerjisa Enerji Young Advisory Board

Inspired by the energy, perspective, potential, and diversity of its young employees, Enerjisa Enerji established the Young Advisory Board. The Board was created in 2019 to train new leaders under the vision of the Sabancı of New Generation and is the first advisory board consisting of young employees. The board also functions as a Sustainability Working

Group while strengthening communication between senior management and employees and ensuring that the decisions are communicated throughout the organization. The Enerjisa Enerji Young Advisory Board project won first place in the Golden Collar Awards in the category of the Sabancı of New Generation in 2019.

### Akçansa Shadow Excom

Akçansa launched "Shadow Excom" in 2019 to support courage, sharing, and leadership development under the vision of the Sabancı of New Generation. Energy and the dynamism of Shadow Excom and the Young Employees of Akçansa, formed by Generation Y representatives from every function, has been integrated into business models, and the communication link between the senior management and employees has been strengthened. Enabling future managers of Akçansa to be involved in varied decision processes, the program promotes learning by experience in leadership development.

## Continuous Learning and Development

Covering education and development policies implemented across Sabancı Holding, the Development Program aims to create long-term value for both employees and companies under the vision of the Sabancı of New Generation. With training and development programs, we support employees' continuous learning under their personal development responsibility and encourage them to improve their work. We are launching programs to ensure the continuity of communication between managers and employees within companies in line with the strategic goals of Sabancı Group, promoting know-how transfer and experience sharing. During this process, designated coaches and mentors support employees and guide them in professional development.

We implement new learning techniques created for the needs of our employees and offer them development programs designed by experts. Group-level training covers blue-collar, white-collar and subcontractor employees. We gave more than a million hours of training to our employees in 2019. We provided 6,967 hours of training on environment and sustainability. Additionally, 61 employees across Sabancı Group benefited from the support for participation in graduate degree programs in 2019. We gave 24,902 hours of training to our subcontractor employees.



*X-CELERATE Program*, was developed to ensure that the leadership potential of senior management is further improved. Initiated for the General Managers of Sabancı Group companies in 2018 under the vision of the Sabancı of New Generation in response to today's rapidly changing dynamic business environment, the X-CELERATE program was expanded to apply to Deputy General Managers/Directors in 2019. X-CELERATE consists of three modules and is designed as an eight-month program, featuring diverse learning methods, such as in-class trainings, personal coaching sessions, company visits for experience sharing, and business simulation applications.



We developed the *Talent Pool of Next (TP-X) Program* to improve the leadership skills of high potential talents who began their professional careers at Sabancı Holding. We held the first module of the three-module program with the participation of 22 employees from Sabancı Group companies in October 2019. The program has webinar sessions, mentoring, and business simulation applications with expert trainers.



We designed the *X-POSURE Program* in cooperation with Sabancı University Executive Development Unit (EDU) in 2019 as three modules to improve the leadership potential of Sabancı Holding Mid-Level managers. The one-year program includes in-class training, webinars with renowned instructors, coaching sessions, and business simulation applications. The first module of the program was held in October 2019 with the participation of 22 mid-level managers from all Sabancı Holding companies.







*The Industry Leaders (In-Lead) Program*, developed in collaboration with Sabancı University Executive Development Unit, promotes the professional and leadership development of high potential technical managers and engineers of companies operating in industry, building materials and energy sectors by allowing them to share their know-how and experience with each other. Last year, 19 participants in the second group of the program completed their presentations based on real life business scenarios. We plan to continue the program in 2020 with the third group of employees.



### Sabancı Advanced Data Analytics Academy

In 2018, we launched the Sabancı Advanced Data Analytics Academy to develop our human capital sustainably, in cooperation with Sabancı University and by using the Digitalization and Advanced Data Analytics strategy that underlies the vision of the Sabancı of New Generation. The second edition of the Sabancı Advanced Data Analytics Academy ended in 2019 after a five-month training. Following the academy education, 37 Data Scientists and 33 Data Translators attended various technical training and field visits. Employees who took part in sessions at the



Academy, where the best practices were shared, including the Hackathon experience, continue their learning experiences as members of the Sabancı Digital and Analytics Community (DnA), which was established in 2019 after the training. The DnA platform with the SabancıDx initiative held four major meetings, where data analytics and digitalization experts gave lectures and which transformed projects into a learning experience across Sabancı Group. DnA members' projects are monitored and shared with senior management at SabancıDx on a platform that is open only to the members' use.



### SA-ETHICS

We provide Ethics and KVKK Training to explain the Sabancı Holding Code of Business Ethics (SA-ETHICS), which covers laws, regulations, and in-house procedures that are decisive in all operations and activities, and Sabancı values and working principles that protect companies and employees. Each newly hired employee at Sabancı Holding is trained in SA-ETHICS. Additionally, we regularly give refresher training to keep employees' knowledge and awareness up-to-date. At the end of the training, we request a written statement from the employees that they will comply with SA-ETHICS.

### Young Energy of Production at Enerjisa Üretim

Enerjisa Üretim cooperates with universities to share the experiences and practices of its expert teams with students. Enerjisa Üretim experts give lectures during the academic year under “Young Energy of Production” program. The theoretical knowledge of the participants is put into practice by field visits to Enerjisa Üretim plants. Enerjisa Üretim collaborated with Istanbul Technical University, Sabancı University, and Boğaziçi University as part of the project.

### Teknosa Support Team Project

Teknosa launched the Teknosa Support Team project in 2019 to support and promote the interaction between employees of stores and the Head Office. Volunteer applications were received for the project and a Teknosa Support Team (TST) was formed. Teknosa Academy developed an in-class store training program for TSTs and assigned training from online sources to the team members. As a member of the TST, employees who complete their training both improve the communication between the stores and the Head Office and help improve customer satisfaction.

### Aksigorta Management Trainee Program

Aksigorta initiated the Management Trainee Development Program to identify and attract qualified talent to the company in an effort to achieve its strategic goals. Special training programs were designed for new generation employees with the second five-month program in 2019, and 17 more talents from Turkey’s leading universities were planned to be recruited to the company during the year.

### Akçansa’s Wins Gold for its People Management Practices

Focusing on the development and management of human capital, Akçansa was awarded the Gold Standard by Investors in People (IIP), the only people-oriented quality standard in the world, making it the first company in Turkey to achieve this success in the sixth generation of the IIP. Akçansa, which values people and wholeheartedly embraces human capital management across the entire company, ranked among the top 7% worldwide as a result of the process and field assessment by domestic and foreign raters in the IIP procedure that began with the motto “We pursue for our people.”



## Performance Management

The Performance Management Process aims to highlight employees' successful work results, attitudes and behaviors in line with the corporate culture and values, and their high performance. Sabancı Holding employees work on achieving corporate, individual business and competency development goals of their choosing which falls under Financial, Strategic, HR and Organization categories during the year and receive feedback from their managers at the end of the year.

In the five-year strategic roadmap of Sabancı Holding created in 2019, Performance Culture is positioned as one of the core factors enabling added value. We identified Performance Culture, Incentive Systems That Reward High Performance and Operational Excellence as our focus areas on our roadmap. We designed the new Performance Management System participatory methods to support both Sabancı Group and company strategies, commitments and targets. The PMS aims to be transparent, agile and flexible while fostering cooperation, in

a contemporary structure based on open and continuous feedback dialogues. The new PMS is expected to be introduced in 2020.

### Recognition, Appreciation and Reward Management

Our remuneration, benefits and appreciation management process includes fair and objective recognition and reward practices that bolster high performance and center on employees' work objectives and competencies. Remuneration; is conducted per legal and regulatory requirements, and in line with reward policies. We act in accordance with legal obligations, taking into account variables such as long-term goals, performance results, company size, market salary policies and national economic data. We regularly review and update those policies through market analyses and benchmarking studies. We use short-term incentive system that aims to help companies attain their budget goals and outperform their business results targets as well as to encourage employees to demonstrate superior performance and foster a target-oriented performance culture. For top management positions, a long-term incentive plan is

in place to boost the company's share value and help senior managers gain a shareholder's perspective.

*We reviewed the salary scale and incentive systems used in 2019 to encourage competition.*

Flexible Working / Career Development Training Support / Golden Collar Awards / Recognition & Appreciation Programs / Work Environment	Recognition, Appreciation and Supportive Practices	Total Reward
Private Pension Plans with Company Support / Private Health Insurance / Life Insurance / Employee Transportation Support / Fuel Support / Company Car / Mobile Phone / Data Line	Benefits & Allowances	
Short Term Incentives Long Term Incentives	Variable Salary	Total Cash
Base Salary	Fixed Salary	
		Total Income Package

### Golden Collar Awards

As Sabancı Holding, we encourage good practices. The Golden Collar Awards is our unique tool in this regard, which brings together Sabancı Group companies. Over 700 employees attended the 10th Sabancı Golden Collar Awards held in June 2019. A total of 163 projects competed in the Sabancı of New Generation, Innovation, Customer Experience, Lean Transformation & Continuous Development and Digitalization categories. We rewarded good practices voted for by Sabancı Group employees.

On behalf of the projects awarded within the scope of Golden Collar Awards, donations are made to the NGOs determined with Sabancı Foundation. Within the scope of the 10<sup>th</sup> Golden Collar Awards, a donation has been made to a foundation that offers solutions to inequality of opportunity for hearing impaired groups with limited access to education as well as a foundation that carries out activities to support the psychosocial development of children in need, both selected with the guidance of Sabancı Foundation.



# Employee Satisfaction and Engagement

The changing global trends and the fact that Generations Z and Y are increasingly involved in business life urge companies to adopt different management approaches to ensure employee welfare and happiness. To attract and retain the new generation that is increasingly conscious and prefers companies that create value for work, sustainability, especially on environmental issues, needs to be more internalized. To this end, we offer a business environment at Sabancı Holding where sustainability is internalized, and safe, sound, and ethical values are cared about, work-life balance is respected, and suggestions and expectations are considered.

We perform regular satisfaction and engagement surveys through independent companies to receive employee feedback and make improvements to increase satisfaction and engagement and use the results to improve our business processes. The employee satisfaction and engagement rate for 2018-2019 was measured above the Turkish average. We conduct annual reviews on the employee perception towards the working environment and the top officials' leadership and management styles that may have a substantive impact on this environment.

We obtain our Group score with an analytical method by assessing the results of employee satisfaction and engagement surveys conducted at Sabancı Group companies with different scope, measurement frequencies, and employee categories.

We announce open positions and job applications to Sabancı Group employees first via SA-PORT, the internal communication portal of Sabancı Holding, and support inter-company talent transfer, promoting different career opportunities.

## Akçansa EVReni Project

Akçansa digitized the orientation process with the Akçansa EVReni Project launched in 2019. The intensive orientation process for newly hired employees has been facilitated by the use of virtual reality. Thus, the orientation process was shortened by eliminating the need to visit the facilities at different locations. Accordingly, we have enabled employees to undergo this process contently, saving both time and energy.



## Flexxa by Kordsa



Kordsa started to implement a flexible working model for employees through the Flexxa by Kordsa. The project aims to improve motivation, increase employee satisfaction and engagement, and reduce stress and occupational diseases.

# Human Capital and Digitalization

In line with the Technology and Data Analytics strategy, we launched the HR-Next project in 2018 to digitalize human capital processes and implement human capital analytics schemes. In the first step of the project, all human capital data related to employees across all Sabancı Group companies were transferred to the newly established İKolay Database.

In 2019, Sabancı Group conducted four main modules of the HR-Next project: Performance Management, Sabancı Social Network, Data Analytics, and Organizational People Review.

## Performance Management



In order to support the new Performance Management System designed in 2019, new-generation performance management software was developed by SabancıDx for Sabancı Holding as part of the HR-Next program. The user-friendly software is transparent, agile, flexible, cooperation-supporting, open and continuously develops with ongoing feedback dialogues. The new software is also accessible through different platforms. The new performance management software will be introduced in 2020.

## Sabancı Social Network



The Sabancı Social Network project aims to develop an easy-to-use, reliable mobile and web platform that provides access to group-wide HR applications from one place. This effort is designed to improve communication and cooperation between Sabancı Holding employees. The platform's preparations were completed in 2019; Sabancı Social Network will be available for employee use in 2020. Under the Sabancı of New Generation vision, rapid communication and the agile way of working are expected to spread across Sabancı Group with this platform.

## HR Data Analytics

The Human Capital Data Analytics projects are designed to consolidate decision mechanisms related to human capital with proactive data-based models. Data enrichment activities that form the foundation for the projects as well as support them were completed. Continuous access was provided by producing HR Database and reporting and analysis solutions. As part of the efforts in 2019, Sabancı Holding conducted research studies to provide feedback to the candidate determination process. The studies aimed to support succession, appointment and development planning decisions with data-based insights, accelerate and simplify the evaluation process, boost candidate diversity and career opportunities. Sabancı Group plans to introduce a platform for the above-mentioned objectives in 2020.

## Digital Organizational People Review

In 2019, the Organizational People Review (OPR), which constitutes Sabancı Holding Talent Management, was renewed on a digital platform. As a result, OPR was relaunched as a more user-friendly digital application.

# Safe Working Environment

As Sabancı Holding, we aim to follow the national and international trends and good practices and make OHS an integral part of the corporate culture.

By focusing on our employees' health and safety, we carry out our activities with the target of zero accidents and occupational diseases, making annual improvements to provide a safe and accident-free working environment. Efficient and effective management of Occupational Health and Safety (OHS) ensures a competitive advantage for Sabancı Group, and enables Sabancı Group companies to lead their sectors and become the preferred employers of choice. Occupational health and safety applications are carried out under relevant legal and regulatory requirements, obligations and standards; national and global trends and best practices in this field are constantly monitored, making them an integral part of the corporate culture.

Akçansa, Brisa, Çimsa, Enerjisa Enerji, Enerjisa Üretim, and Sabancı University have ISO 45001 / OHSAS 18001 certification, while Kordsa is certified to ISO 45001-2018 Occupational Health and Safety Management System.

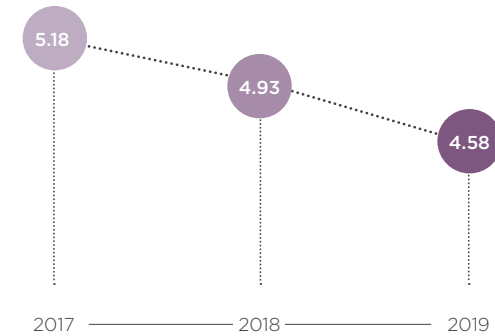
We provide OHS training to all employees during and after their recruitment. In 2019, we gave approximately 260,000 hours of OHS training to Sabancı Group employees. We also provide regular training to raise the OHS awareness of our employees and our subcontractors' employees.

OHS Committees, established in Sabancı Holding pursuant to the number of employees under the legal regulations, function independently and submit regular reports to Sabancı Holding. We fully implement the OHS provisions contained in the relevant legislation and collective labor agreements at all companies.

We work with the zero-accident target to ensure a healthy and safe working environment for our employees. Our accident number across the community decreased by 13% since 2017. The accident frequency rate<sup>6</sup> decreased by 12% since 2017, down to 4.58.<sup>7</sup>

We organized an Occupational Health and Safety Week to ensure that occupational health and safety is adopted across the organization and that knowledge and experiences are shared. Sabancı Group companies had the chance to share their leading best practices with the industry on a single platform during this week

## ACCIDENT FREQUENCY RATE



<sup>6</sup> The formula for calculating Accident Frequency Rate is the Number of Reported Accidents multiplied by 1,000,000, divided by Annual Total Working Hours.

<sup>7</sup> In calculating the accident frequency rate, the data of Sabancı Foundation, Sabancı University, and Sabancı University Sakıp Sabancı Museum are excluded.

## Kordsa Develops New Technology

New technologies were developed to reduce the effects of chemicals used in tire cord production for a more sustainable and safe business manufacturing environment.



## Enerjisa Üretim Develops Fark@ App

Enerjisa Üretim developed Fark@, a mobile app by which employees can process field observation findings and track all work permits received for the field. The app allows instant flow of data entered from mobile devices and speeds up processes, thereby ensuring faster action about OHS.



## Akçansa Driving Academy

Akçansa gave theoretical and practical safe drive training to heavy-duty vehicle drivers working in all ready-mixed concrete plants and factories in 2019. Safe driver certificates were issued to the 494 drivers who attended, with a total of 3,952 hours of training provided. A hundred and ninety employees using heavy vehicles, as well as company cars, completed a total of 1,520 hours of safe driving training in extreme weather and road conditions.

Akçansa's Çanakkale Plant, where OHS related risks are managed with great attention, was awarded with Cement Industry OHS Performance Award by Cement Industry Employers' Association (CEIS).

## Enerjisa Enerji Launches Video Verification System

Enerjisa Enerji commissioned the Video Verification System, a first in the industry, on Occupational Health and Safety in line with the approach of Being Role Model Within the Sector. The company achieved a 40% decrease in critical occupational accidents during 2019 thanks to the project, which requires visual approval with next-generation push-to-talk devices to check that required measures have been taken before critical work.

## Çimsa Magna

The project aims to move into a work accident prevention system by using digitalization to extend the health and safety culture across the company. Under the project, launched in 2019, 793 blue collar, white collar and sub-contractor employees working at plants were surveyed, and 74 team leaders and managers were interviewed. OHS measures were improved according to the results of global research.

# Sabancı Volunteers

- *Having spent three years on gender equality projects, Sabancı Volunteers will create new projects focused on problems of the younger generation in the second three-year term as part of their nine-year targets.*

We care that our employees take part in different projects to strengthen their bond with our companies, elevate their social awareness, and generate social benefit. The Sabancı Volunteers program, launched in 2015 to increase the social awareness of Sabancı Group employees and consolidate the social impact created, is in progress with the participation of about 2,000 employees. Having spent three years on gender equality projects, Sabancı Volunteers will create new projects focused on problems of the younger generation in the second three-year term as part of their nine-year targets.

Sabancı Holding volunteers involved in the program primarily receive team leader training covering Project Cycle Management, Volunteering, and Civil Society, followed by the implementation phase. In the first phase of the program completed as of 2019,

45 projects were implemented at 12 Sabancı Holding companies across 11 provinces, namely İstanbul, Ankara, İzmir, Adana, Kahramanmaraş, Kocaeli, Osmaniye, Eskişehir, Mersin, Tekirdağ, and Balıkesir. Additionally, the Volunteers collaborated with many NGOs across Turkey, focusing on gender equality and youth issues and has so far supported 2,000 disadvantaged women. Furthermore, 40,000 employees participated in the online training on gender equality, prepared in collaboration with Sabancı University Center of Excellence for Gender and Women's Studies. During the second phase of the Sabancı Volunteers Program, 500 employees were trained in six team leader courses held in 2019 in İstanbul, Ankara, İzmir, and Adana. The projects, whose groundwork have been completed, are intended to be implemented in 2020.



## Volunteer for the Future

We organized a well-attended event on International Volunteer Day for Economic and Social Development, celebrated every year on December 5. We discussed the importance and potential of the volunteering concept and shared volunteerism stories at the special event held with the theme "Volunteered for the Future."





# Social Investments

We touch the lives of individuals across Turkey with our diversified business lines since the day we were established as Sabancı Holding. To enable sustainable development, we support the active participation of individuals in cultural life, encourage the development of individual and social-cultural freedoms in society by preserving the moral and material cultural heritage and provide quality education that will prepare young generations for the future in a rapidly changing world by providing the skills they require. We add value to society with our investments and support social development thanks to our activities related to education, social change, culture, and arts. Sabancı Foundation, established in 1974; Sabancı University, founded in 1994; and Sabancı University Sakıp Sabancı Museum, inaugurated in 2002; are in service for this context. Furthermore, we also serve these purposes with our Sabancı Volunteers and other social benefit projects of our companies.

• *With our projects, we contribute to UN Sustainable Development Goals of Quality Education, Gender Equality, Reduced Inequalities.*



## 4 Quality Education

Ensure inclusive and equitable quality education and promoting lifelong opportunities for all



## 5 Gender Equality

Achieve gender equality and empower all women and girls



## 10 Reduced Inequalities

Reduce inequality within and among countries

*You can access the Sabancı Holding Social Responsibility Policy here.*



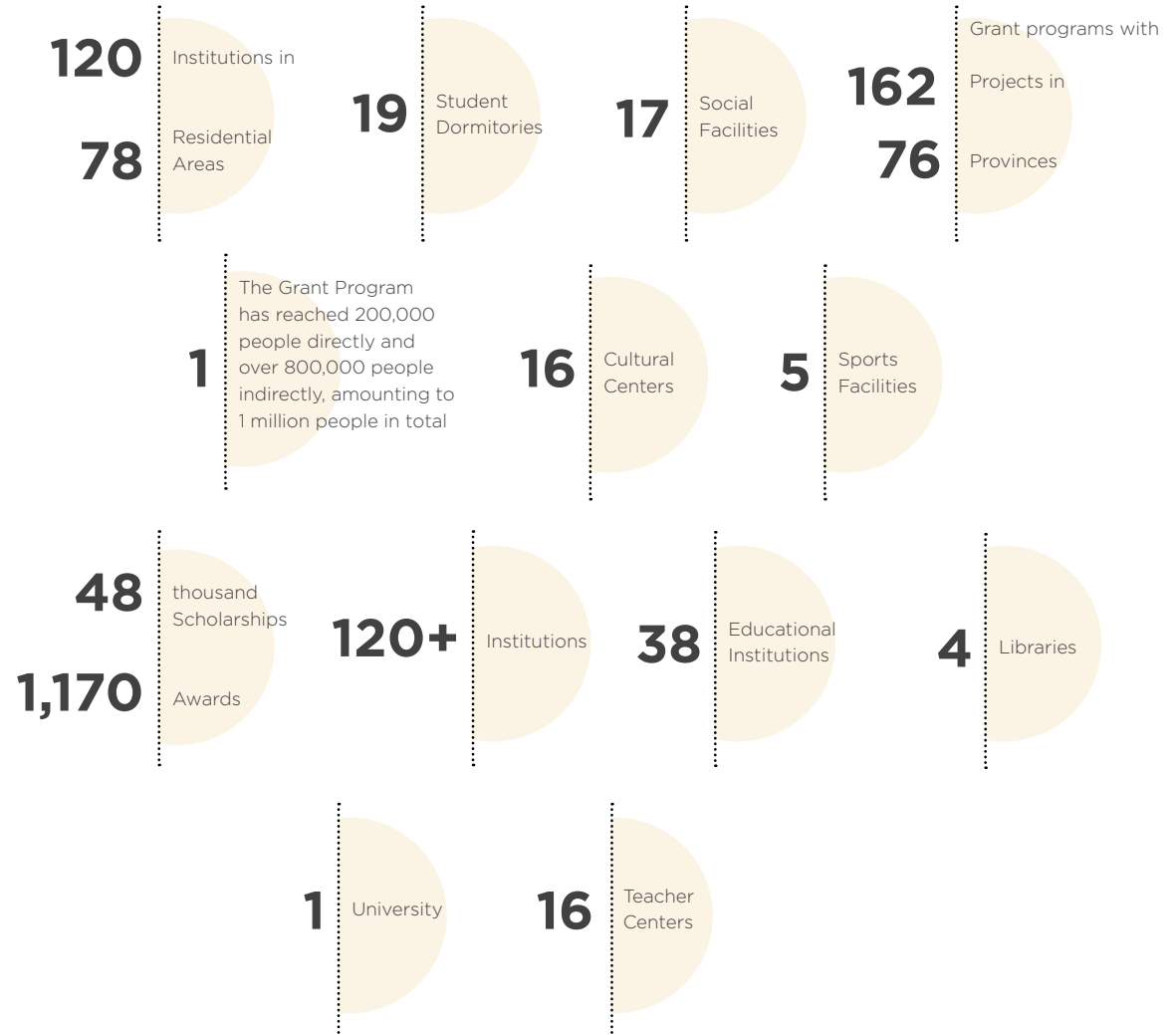
# Sabancı Foundation

*Sabancı Foundation is presented on the leading national and international civil society platforms.*

Sabancı Foundation has become one of the leading family foundations in Turkey as a result of the sharing of the power Sabancı Holding has accumulated in industry and economy in such a way that will also ensure social and cultural development. Founded on the principle of “Sharing what we have obtained from this land with its people”, Sabancı Foundation contributes to educational, cultural and social development in Turkey with the vision that “A society in which all individuals enjoy their rights equally”. Its activities primarily focus on women, youth, and persons with disabilities.

Sabancı Foundation is a founding member of the Third Sector Foundation of Turkey (TUSEV); a member of the European Foundation Center (EFC); a founding member of the Disability Thematic Network and Gender Equality Network under EFC; a partner of Zero Project Impact Transfer; and a member of the US Council on Foundations (COF).

## The 45 Years of the Foundation



## Sabancı Foundation Grant Program

Sabancı Foundation supports the projects of leading NGOs with grant programs to discover lasting solutions to today's complex social problems. Supported by Sabancı Foundation Grant Program, projects focus on education, disability rights, early and forced marriages, and teachers' empowerment. Long-term partnerships with various stakeholders in these areas consolidate the impact of civil society efforts.

### Sowing Season Meeting

A gathering was held on October 15-16, 2019, bringing together all the organizations that had received grants until that time. Over 200 representatives from 78 NGOs attended the gathering. Ten NGOs, supported by Sabancı Foundation Grant Program and which completed their projects in 2019, shared their experiences in the meeting convened with the theme of "Sowing Season." A book entitled *Sowing Season: Grant Program Stories*, has stories of the projects, was presented as a gift to the NGOs, and representatives of the civil and media that attended the meeting.



### Make Tomorrow

Make Tomorrow project was launched and completed in 2019 with the support of Sabancı Foundation Grant Program and in collaboration with the Technology Development Foundation of Turkey. The project aimed to contribute to the development of students and teachers who can identify the global, contemporary educational requirements for technology. 845 students from four provinces developed 165 technology projects. Two days of electronic and coding training is provided to 150 teachers in cooperation with provincial directorates of national education of Adana, Konya, Mardin, and Trabzon. Following the training, volunteer teachers formed groups of five with ninth, 10th and 11th grade high-school students, and they worked on real life problems and/or solutions of smart cities, energy and environment throughout an education term. A total of 845 students generated 165 project ideas, and 20 projects selected from four cities were presented to the jury members. The top five project leaders participated in the maker, coding and entrepreneurship camps at Sabancı University.



*"This was the first time my students heard about the concepts of programming and robotics. The opportunity to travel to and see Istanbul sounded great. And everyone in the class wanted it. They are open to producing, so the ideas came from them. They made appointments and went there for interviews. They are awesome"*

*A Project Participant Teacher*

*"We were about to give up after several group meetings when a member of the group said if we wanted a change, we needed to start from the basics and she told us her idea. With the project, we were going to generate electricity at home for our own use."*

*A Project Participant Student*

### Rural Teachers

The Rural Teachers project, developed in cooperation with the Rural Schools Transformation Network Association (KODA) and supported by Sabancı Foundation Grant Program since 2017, stayed on in 2019. The project sought solutions to the problems of schooling in Diyarbakır, İzmir, Samsun, Şanlıurfa and Muş provinces, which are caused by lack of equipment, transportation difficulties, teacher circulation and lack of parent support, and aimed to introduce an innovative education model in rural schools with multi-grade classes. Best practices were developed for rural schools, and a network of teachers who can lead change was established to support teachers and students and expand promising practices in this regard. Child-centered, holistic, and quality education was provided. Seven meetings were held with 60 rural teachers and experts on education and 20 teachers were regularly received

mentorship. For teachers working in rural schools with multi-grade classes, an Activity Book with good practices for improving the quality of education and a Guide Book that contains topics such as working in rural conditions, rural development, and classroom management were prepared. The books were printed and distributed to all rural teachers under a cooperation protocol signed with the Ministry of National Education General Directorate of Teacher Training and Education. Following the inclusion of the Ministry of National Education in the project that aims to support rural teachers' professional development, 400 teachers received trainer training. These trainers are expected to reach 7,000 rural teachers. Education modules were created to provide teachers college students with rural education experience. A group of 45 volunteer students received this education at three universities in İzmir, Samsun and Muş and developed workshops for children in rural schools, performing workshop activities.

### 10 Years of Turkey's Changemakers

Designed to encourage those who contribute to social development in Turkey and promote their stories and efforts, and to inspire the society, the Turkey's Changemakers Program completed its 10<sup>th</sup> season in 2019. The Changemakers Program, an awareness project, seeks to raise awareness on social issues and encourages people to become more aware of social issues and active citizens. Individuals or institutions who choose to be part of the solution to the problems of society and produce innovative solutions for tangible and sustainable change, inspiring their neighborhood with their stories, are identified, and supported under the project. Videos of 190 Changemakers from 42 provinces chosen among more than 3,000 applicants nominated since 2009 are shared on the Turkey's Changemakers website and social media. To date, videos of Changemakers have been viewed more than 33 million times on the internet and social media in both Turkey and abroad.

One of the Changemakers chosen for the themes of environment, education, economic development, health, social justice and citizen participation was Lisinia Nature Project, which works on environmental issues. Some of Lisinia Nature projects are keeping Lake Burdur alive, nature school, protection of indigenous plant and animal species, and eco-friendly farming practices.

*“ The program made me overcome the fear of multi-grade classes. I was afraid because I had no experience. I can say I became more confident and willing to teach multi-grade classes by the end of the program. ”*

*A Prospective Teacher and Participant of Child Workshops*

*“ I have seen children reveal their talent and speak better when they are encouraged. I think this is our accomplishment, and I'm happy about it. Every challenge we encountered was an advantage for us. KODA has helped us a lot. We have gained great experiences. ”*

*A Prospective Teacher and Participant of Child Workshops*



# Sabanci University

Sabanci University has been committed to raise visionary individuals and leaders who will add value to society and our country since 1999. Being one of the most respected universities in the world and Turkey's most entrepreneurship-focused and innovative foundation university, Sabanci University conducts education and research activities in various fields. It contributes to many areas of sustainability such as sourcing, operational efficiency, gender equality, and climate, thanks to the collaborations it established.

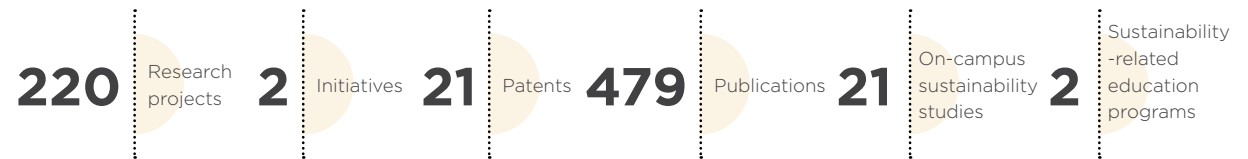
Sabanci University ranked in the 401-500 band in the 2020 World's Best Universities ranking by The Times Higher Education (THE) and ranked the first among the 34 universities evaluated from Turkey.

## Sabanci University in Numbers

### In the past 20 years



### In 2019



Sabancı University also provides considerable information transfer through Sabancı Group companies, especially with its projects on R&D and innovation. Significant gains are achieved in terms of both business and sustainability thanks to this synergy created in Sabancı Group. Sabancı Group companies can get support from the university on diverse topics, such as research, product prototyping, innovation in mass production, and education.



## The Sabancı University Research Centers and Forums

### Area of Activity

**Sabancı University Nanotechnology Research and Application Center (SUNUM)**

This high-tech center is working on advanced materials, nanobiotechnology, nanomedicine, nanoelectronics, nanooptics, micro/nanofluids, micro/nano electromechanical systems, renewable energy systems, 3D printing, biosensors, biomedical applications, food safety, and wireless broadband communication technologies.

**Sabancı University Integrated Manufacturing Technologies Research and Application Center (SU-IMC)**

SU-IMC aims to be a global bridge between the academia and industry with exemplary university and industry collaborations. The Composite Technologies Center of Excellence (CTCE) was founded as a leading business model on composite technologies in cooperation with SU-IMC and Kordsa. Established in Teknopark İstanbul, the CTCE is one of the global composite technologies development centers.

**Sabancı University İstanbul International Center For Energy and Climate (IICEC)**

IICEC is a future-oriented independent research and policy center designed to conduct objective, high-quality economic and policy studies in energy and climate. IICEC efforts help the development of solutions to a sustainable energy future for the region and the world.

**Sabancı University Center of Excellence in Finance (CEF)**

Acting as a bridge between the academic world and the financial and real sectors, the CEF organizes certificate programs, seminars, workshops, and high-profile conferences. Furthermore, the center prepares research reports and shares them with a broad audience, ranging from academia to the financial world, and from the real sector to individual investors.

**Sabancı University Gender and Women's Studies Research and Application Center (SU-GENDER)**

SU-GENDER also offers its knowledge and experience to society through award programs such as the Dicle Koğacıoğlu Article Awards and the Şirin Tekeli Research Awards, as well as its main activities like Purple Certificate and Curious Steps. In addition, the center supports gender equality transformation through activities, such as international conferences, panel discussions, and adult education.

**İstanbul Policy Center (IPC)**

İstanbul Policy Center is a policy research institute with global outreach that has expertise in major political and social issues ranging from democratization to climate change, and from transatlantic relations to conflict analysis and resolution.

**The Center of Excellence on Nano Diagnostics (EFSUN)**

EFSUN is one of the few centers of excellence in Turkey that was certified by the Council of Higher Education (YÖK) and whose establishment was validated by publishing in the national official journal. It is the only center dedicated to nano diagnostics in Turkey.

**The Data Analytics Research and Application Center (VERİM)**

Established to produce solutions with an interdisciplinary approach to commercial and scientific needs on big data mining, VERİM conducts value-added scientific research.

**The Corporate Governance Forum of Turkey (CGFT)**

The CGFT, an interdisciplinary and cross-sectoral initiative focusing on corporate governance issues that support economic and social development, continues its activities hosted by Sabancı University School of Management.

**TÜSİAD - Sabancı University Competitiveness Forum (REF)**

REF helps improve the competitiveness of the Turkish private sector in international markets by conducting and supporting research on competitiveness, innovation and technology management, and benchmarking in order to achieve a permanent market share in international markets during the globalization process, with a particular emphasis on Turkey's integration with the European Union.

# Sabancı University Sakıp Sabancı Museum

Inaugurated in 2002 to protect our cultural values and heritage and hand them down to future generations, Sabancı University Sakıp Sabancı Museum (SSM) focuses on sustainable transfer of cultural heritage. In addition to introducing milestone movements in art history with international artists, the museum provides a detailed retrospective about the influential figures of Turkish art to younger generations and also to different segments of society using archival documents and artworks.

SSM has hosted exhibitions of key figures of world art such as Pablo Picasso, Auguste Rodin, Joan Miró, Claude Monet, Anish Kapoor, Heinz Mack, Ai Weiwei, and Marina Abramović in temporary exhibitions since its establishment, as well as the works of contemporary movements like the Cobra, Zero, and Russian avant-garde. The museum has held exhibitions featuring prominent figures in the history of Turkish art, in line with SSM Painting Collection, which covers unique works mainly from the period between 1850 and 1950 and describes the transition from the Ottoman Period to the Republic of Turkey. Bringing together the multifaceted artistic and cultural productions of Abidin Dino, Kuzgun Acar, Feyhaman Duran, Selim Turan, and Avni Lifij, these exhibitions also reveal their artistic positions in Turkish art history.

As part of Sabancı University and as per its academic mission, SSM has prepared catalogs for each exhibition it has hosted so far. Serving as a source to pass on the exhibition contents to future generations, these publications cover the works presented in these



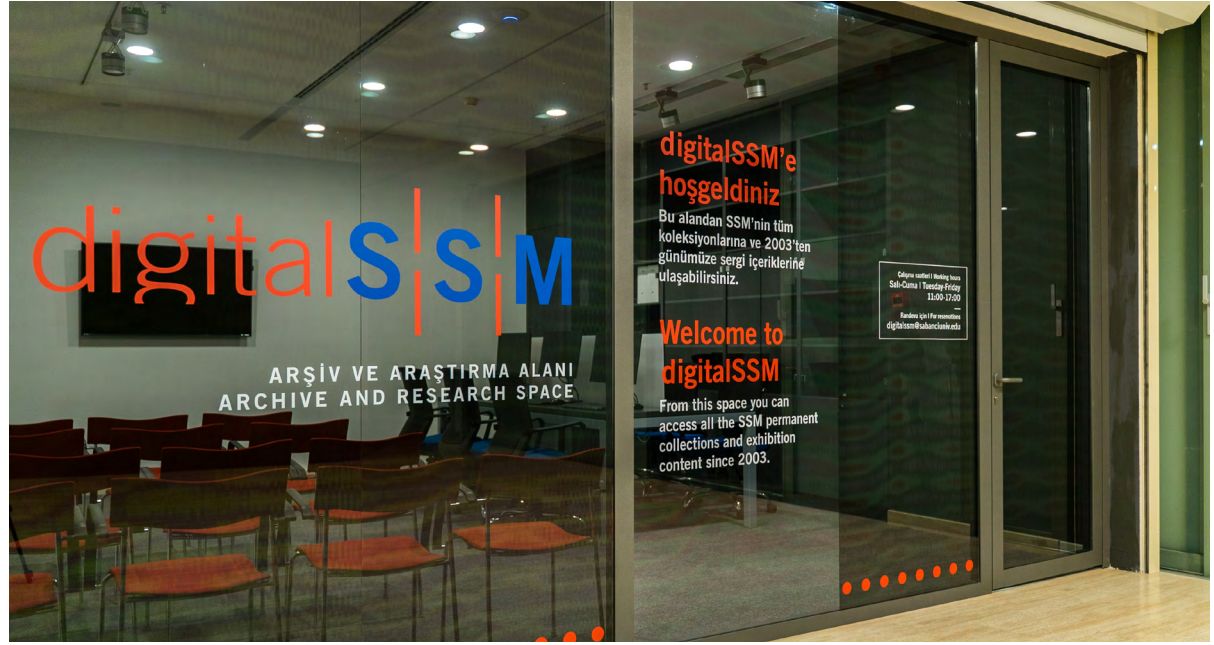
exhibitions and include detailed articles evaluating the artist or art movement in question.

SSM also hosts events for both adults and children contemporaneously with the exhibitions. As part of adult art enthusiasts, the museum organized insightful conference programs on the period, work, and significance of the artist or art movements exhibited, as well as artist speeches, and guided tours by experts, contributing to increased understanding of the exhibition's content. As part of child activities, children get the chance to know the artists' life stories and work in workshops held with individual participation over the weekend, and during exhibition tours on weekdays with school groups. In addition to the workshops scheduled in parallel to the temporary exhibitions and collections, the education programs continue during the holiday periods with events covering a wide range of topics, such as philosophy, rhythm, pantomime, astrology, and ecology.

## digitalSSM

SSM initiated the digitalSSM project in 2013 in order to transfer its cultural experience to digital media. Under the project, the contents of the Arts of the Book and Calligraphy Collection, the Painting Collection, the Abidin Dino Archives and the Emirgan Archives are supported with more than 77,000 high-resolution visuals. The digitalSSM posts the dates, sizes, production materials and technical information of the works, details on how they registered to the museum collection, and academic research on collections.

SSM has so far organized exhibitions in cooperation with about 350 museums, archives and libraries, such as the Louvre (Paris), Museu Picasso de Barcelona (Barcelona), Musée Picasso (Paris), Museu Calouste Gulbenkian (Lisbon), Gala-Salvador Dalí Foundation (Figueras), the British Museum (London), Victoria and Albert Museum (London), Benaki Museum



(Athens), State Hermitage Museum (St. Petersburg), Rijksmuseum (Amsterdam), Musée Marmottan Monet (Paris), and Joan Miró Foundation (Barcelona). Photographs and conference videos from the preparatory processes of these exhibitions are also available on digitalSSM website.

digitalSSM, accessed 200,000 times so far, is an outstanding digital art archive, which facilitates research, supports museology and art history studies with its advanced search system, and contributes to the protection of Turkey's cultural heritage.





# Corporate Social Responsibility

As Sabancı Holding, we create value for the society with the understanding of corporate citizenship. We perform our activities in all of Sabancı Group companies with an understanding of corporate social responsibility. We develop and carry out projects that touch people's lives in every corner of Turkey.

## Akçansa - Fine Arts High School in Çanakkale

Acting responsibly to ensure that young people receive a good education and build a promising future, Akçansa launched the Akçansa Fine Arts High School project in cooperation with the Governorship of Çanakkale and the Ministry of National Education. The 200-student Akçansa Çanakkale Fine Arts High School supports talented young people by providing education to up-and-coming students on painting and music. The school was designed as a training center with 27 classrooms, together with 31 specialized classrooms, such as a laboratory, a culture classroom, a design classroom, a recording and broadcasting room, and a tonmeister room. Established to prepare high school students for fine arts faculties and conservatories according to their interests, ambitions, and talents, the high school has modern classrooms, as well as a conference and performance hall.



## Çimsa - Summer Children

Çimsa puts education and children at the center of its social responsibility activities. Summer Children, a corporate social responsibility project, aims to contribute to children in the field of education. The project, launched at the Çimsa Niğde plant in 2011, continues to support the emotional, cognitive, social and physical development of children. Originally started with the participation of the children of the plant employees, the project was implemented in Niğde, Mersin, and Kayseri over the past nine years. In 2019, 116 children were trained in Niğde and Kayseri, and a total of about 1,000 children have been reached to date.

## Teknosa - Technology for Woman

Teknosa continues to implement the Technology for Women project, which was launched in 2007 to contribute to cultural and social life with technology and to facilitate women's access to technology. The Habitat Association is the partner and coordinator of this project. So far, 50 volunteer trainers from various universities and company and association representatives supported 18,000 women in 66 provinces to become digitally literate. The Technology for Women project enables women to face technology and informatics boldly, and women participating in the training express that their biggest gain is self-confidence. We aim to improve the content and format of the training according to the speed of technology and the needs and expectations of women.



## Avivasa - Public Awareness About Aging

Avivasa aims to create awareness of aging and old age in Turkey and change the negative perception in society on the issue with its corporate social responsibility project titled At Any Age, launched in 2019. Avivasa carried out a country-wide survey called "Old Age Imagination and Practice in Turkey," the first step of the project, to illustrate society's perception and agenda regarding aging and old age and announced the results of the survey to the public with an extensive launch. The survey was conducted in cooperation with the Foundation For Life (YADA) and under the supervision of Özgür Arun, Ph.D., Assoc. Prof. of Gerontology at Akdeniz University. Avivasa published the survey results as a book and shared it with relevant stakeholders. To offer a guide for society to prepare for aging and change society's negative perception into positive, Avivasa began sharing content on [www.heryasta.org](http://www.heryasta.org) and its social media accounts as part of its Project "At Any Age", announced with the motto "Live Life to the Fullest." Avivasa plans to extend its At Any Age project to a much wider audience with workshops, field activities, and various awareness and communication activities in the near future.



# Stakeholder Relations and Communication

102-40, 102-42, 102-43

Our stakeholders consist of individuals, institutions and organizations that are directly and indirectly affected by our activities. We are in both one-way and two-way communication with our stakeholders through our activities in different sectors. Our platforms, where we regularly communicate with our stakeholders, enable us to receive feedback on various issues, from governance to the environment, and from business performance to career opportunities. We focus on increasing our existing communication platforms.

STAKEHOLDERS	FREQUENCY	COMMUNICATION PLATFORMS	STAKEHOLDER PRIORITIES
Employees	Daily	Audits, supplier meetings, training	Work results, pricing, performance management
Shareholders and Investors	At least monthly	Activity reports, annual meetings, conferences	Financial performance, ESG performance, future targets
Suppliers	Daily	Audits, supplier meetings, training	Business performance, incentives, quality
Dealers and Business Partners	At least weekly	Dealer meetings, field visits, training	Business performance, business goals
Labor and Employer Unions	Periodic	Collective labor agreements, representative meetings	Employee and human rights
Professional Associations	Periodic	Meetings, panels, joint projects	Sectoral problems, compliance, benchmarking
Public Institutions	At least monthly	Seasonal meetings, projects	Compliance, performance, quality
National and International Regulatory Bodies	At least monthly	Panels, annual meetings	Adaptation and performance improvement, adaptation to trends
Local Administrations	At least monthly	Visits, panels	Performance, charitable donations, and sponsorship on social sustainability issues
Nongovernmental Organizations	At least monthly	Conferences, project partnerships, panels	Sustainability performance of the issues of society, environment, and work-life
Universities	Project-based	Career days, project partnerships	Contribution to career opportunities, knowledge generation and development
Mass media	Weekly	Press conferences, press releases, exclusive interviews, special news studies, digital communication channels	Business goal development, driving sectoral development, agenda assessment, transparency

# Environmental Impact

Adverse environmental conditions caused by natural resource scarcity, climate and water crises, the waste problem and biodiversity loss, and the triggering effect of the rapid population growth on these problems create a severe pressure on the businesses in the world. According to the World Economic Forum (WEF), the top five risks in terms of likelihood are environmental risks. Climate action failure, biodiversity loss, and extreme weather are among the top five risks with respect to their impact. Having a significant impact on the sustainability of global systems, these global trends and risks necessitate a responsible approach in business conduct.

We operate in many critical sectors, such as banking and retail, which have diverse environmental impacts, as well as in manufacturing, energy and building materials sectors in which natural resources are used extensively. Therefore, we strategically manage our environmental impact from a broader perspective. We identify sector-specific environmental risks and their impacts and always aim to reduce them. The areas we focus on environmental impact are energy, emission, water and waste management, all of which are among our sustainability priorities.

• We contribute to the UN Sustainable Development Goals 12, 13 and 15 through our efforts in managing our environmental impact.

**12** Responsible Consumption and Production



Ensure sustainable consumption and production patterns

**13** Climate Action



Take urgent action to combat climate change and its impacts

**15** Life on Land



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

8 The Global Risks Report 2020, World Economic Forum

# Energy and Emission Management

We value energy and emission management in all sectors in which we operate, as carbon emissions from fossil fuels are increasing and the climate crisis is regarded as one of the fundamental global risks today. All our Sabancı Group companies operating in different sectors are affected from the devastating effects of the climate crisis as well. The building materials sector offers opportunities for transition to low carbon production, while the banking and insurance sectors are developing new tools for green energy financing. Therefore, we manage energy and emissions, considering the critical effects of our companies. The production from renewable energy resources in the energy sector, the key to combating the climate crisis, is on our agenda. All our Holding companies focus on carbon emission reduction and energy efficiency. We devote our efforts on financing responsible investments and support green energy investments.

Sabancı Group consumed a total of 18,774,462 MWh of energy in 2019. Energy intensity is decreased 20% compared to previous year. Our Scope 1 and Scope 2 emissions totaled 17,295,541 tons of CO<sub>2</sub>, and this figure reached 17,577,270 tons when the Scope 3 emissions added<sup>9</sup>. GHG intensity is decreased 14% in reference to last year.

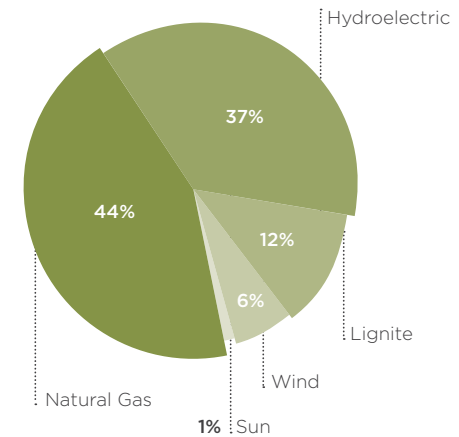


... We value energy and emission management in all sectors in which we operate, as carbon emissions from fossil fuels are increasing and the climate crisis is regarded as one of the fundamental global risks today.

## Enerjisa Üretim and Next Generation Energy Vision

Focusing on domestic and renewable energy-based production, Enerjisa Üretim won the 500 MW YEKA wind power plant tender in 2019 in line with its Next Generation Energy Production vision and sustainable growth targets. In 2019 3.53 million tons of CO<sub>2</sub> emissions prevented thanks to installed renewable energy sourced (hydroelectric, wind, solar) electricity generation plants in different regions of Turkey (compared to the same amount of energy facilities with fossil fuels). Its domestic and renewable energy portfolio reached 56%. Enerjisa Üretim supported its New Generation Energy Vision by providing for ISO 14001 Environmental Management System and ISO 50001 Energy Management System certifications in its 18 power plants in 2019.

## INSTALLED POWER



<sup>9</sup> Sabancı University is excluded from emission calculations. Avivasa, Enerjisa Üretim, Construction Materials sector companies, Kordsa, and Carrefoursa are not included in Scope 3 Emissions.



### HASAT Project by Enerjisa Enerji

Enerjisa Enerji takes place in the HASAT project, led by the Association of Distribution System Operators (ELDER). The project aims to develop methods for increasing energy efficiency in distribution services and to create a road map for energy efficiency. Enerjisa Enerji supports the project in raising awareness of efficient energy consumption by users in addition to improvements in infrastructure and systems.

### Energy Efficiency at Çimsa

Çimsa invested in the recycling facility, where the waste gas heat is recycled to electricity, at the Mersin Cement Factory built in 2012. Çimsa has achieved significant savings with this energy efficiency investment since then. In 2019, it generated 46,504 MWh of electricity, resulting in a financial gain of TL 14.7 million together with a reduction of 21,950 tons of CO<sub>2</sub> emissions.



### Energy Efficiency at Brisa

Brisa saves about 2,100,000 kWh of energy annually thanks to the LED lighting conversion project at its plant. The project contributed 38% to energy-saving targets. The Smart Pressing and Automatic Steam Systems Projects launched in 2019, the first in the sector, aim to save 7,000 tons of steam annually and reduce carbon emissions by 852 tons.

### Energy Efficiency at Teknosa Stores

Teknosa began working on transforming environmentally friendly devices and automation systems of its stores in 2019 and started to control the parts, such as lighting, air conditioning systems, and panel TVs, of 21 stores with the highest energy consumption through an automation system, achieving about 20% energy savings. The company plans to add 40 more stores to the project in 2020.



### Kordsa's Contribution to Combating the Climate Crisis

Kordsa aimed to reduce the air consumption in warehouses by 15% thanks to the dryer silo optimization project. Under the project, the company saved approximately 420,000 kWh of electrical energy and made a saving about USD 36,000. Additionally, Kordsa values strategic sector collaborations and produces solutions for various sectors to reduce carbon emissions. Aware of the light vehicles' role in reducing carbon emissions, the company has developed an e-glass prepreg in collaboration with Ford Otosan to lighten heavy duty vehicles over 16 tons.

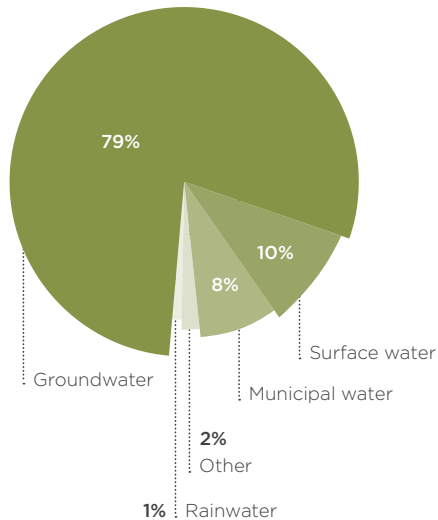
### Akbank and Responsible Finance

Using the power of finance responsibly, Akbank evaluates all loans granted to customers according to Akbank Environmental and Social Credit Policies, irrespective of the limit. It pre-evaluates all commercial loans based on the Non-Fundable Activities List. Supporting renewable energy, recycling and carbon emission reduction projects to promote environmental impact reduction, Akbank funded 123 MW solar energy and 79 MW wind energy projects this year.

# Water Management

Depletion in water resources, one of the fundamental environmental problems, adversely affects business processes and prevents the transfer of natural resources to next generations. Since we are a global player in diverse sectors, our impact on water also varies according to the sectors which we operate in. Accordingly, we first identify the impact according to our business lines. We seek to minimize this impact by managing it in a broad framework. To ensure the continuity of our business, we value the efficient use of water, a fundamental natural capital. Efficient use and recovery are the main factors of water management.

**WATER USE BY SOURCE (%)**



# Waste Management

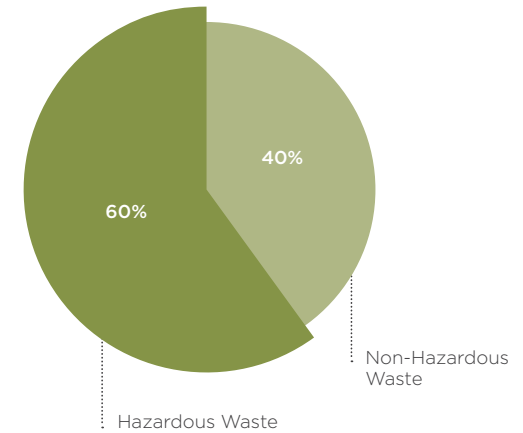
Increasing waste volume, triggered by population growth, consumption trends, and industrialization, has become a global problem requiring the business world to take responsibility. We deem the waste problem as one of our substantial environmental impacts and take responsibility to combat this issue. We joined the Business World Plastic Initiative in 2019, which guides the business community to combat against plastic pollution. As per our membership requirements, we make a commitment to reducing plastic waste and design our waste management practices accordingly. We focus on preventing the use of single-use plastic, and recycle plastic waste or reuse it for different purposes.

We recycle waste on a circular economy basis, thereby reducing waste and ensuring financial savings. We make waste management a part of our approach to the efficient use of resources that forms the basis of our business processes.

- We recycled 20% of the water we consumed in 2019. The
- amount of wastewater we discharged to receiving water
- bodies in the last three years has decreased by 17%.

As we attach importance to the recycling of packaging materials, we prefer using recyclable materials to help manage packaging waste, which is a common problem in many sectors. Food waste is a major global issue. To mitigate this issue, we implement good practices in the retail industry.

**WASTE AMOUNT (%)**



### Alternative Fuel Use at Çimsa

Reducing natural resource consumption is crucial in combating climate change. Being aware of this fact, Çimsa provides energy recovery with co-process combustion using alternative fuels, which have calorific value, instead of primary fuels (such as coal and petrocoke). Under the White Way project, in 2019 and for the first time in Turkey, the company used wastes as fuel in burner where white cement was produced. The company used 1,400 tons of waste as fuel in the Project and generated financial savings. Moreover, Çimsa consumed 7.5% of alternative fuel for gray cement in 2019, thereby generating a profit of TL 3.8 million. Çimsa aims to increase this rate to 10% by 2025 as per its Alternative Fuel & Alternative Raw Material Strategy. Within this scope, the company liaises with metropolitan municipalities on the use of SRF (solid waste recovery) through the Turkish Ministry of Environment and Urban Planning.



### Waste Management at Carrefoursa



Carrefoursa ensures recycling of paper and battery waste collected from the markets in cooperation with the Environmental Protection and Packaging Waste Recovery and Recycling Foundation (ÇEVKO). Carrefoursa stores also manage the collection of waste oils. Collected wastes are recovered as biodiesel in collaboration with a recycling company in Kocaeli with a licensed interim storage capacity in 24 provinces, as well as 74 licensed vehicles. In 2019, 6,780 kilograms of biodiesel was recovered from approximately 9,300 kilograms of waste vegetable oils collected in various cities. Additionally, aiming to prevent food waste through the Loss Reduction Project launched in 2018, Carrefoursa has reduced the food loss rate to 1.8%, resulting in TL 23.6 million savings. The company persists to keep food waste at a minimum level.

### Avivasa is Combating Deforestation



Avivasa released the “Bi’Tikla” Online Sales application and initiated a paperless sales process at the Insurance of Good Prospects to save 2.6 million pages of paper and about 26,000 cubic meters of water and ensure the conservation of 313 trees for every 100,000 policies issued. The app also aims to increase the efficiency of risk analysis regarding policy application processes and reduce Avivasa’s financial risks, contributing to economic sustainability.

### Circular Economy at Kordsa

Kordsa transforms the technological by-products generated by Nylon 6.6 yarn production lines in its İzmit plant into chips for the use of the engineering plastics industry. Kordsa’s profit from these by-products reached USD 7.96 million in 2019. These by-products are used in new products such as fishing nets, canvas, and rope in various sectors, thereby being reintroduced into the economy.

### Akçansa’s solution for the wastes of İstanbul and Responsible Use of Resources – Gold Sustainability Certificate

At Akçansa, resources are used responsibly and the wastes are regained economically, as alternative fuels and raw materials. Akçansa Büyükçekmece Plant uses the waste of İstanbul, with a population exceeds 15 million people, during the cement production process through recycling. One million tons of waste of the city used as a resource in the last five years. In 2019, 65,000 tons of dried sewage sludge and 25,000 tons of refuse derived fuel used as alternative fuel. Liquid wastes from ships in the Bosphorus are converted

into energy at the Plant. Akçansa’s alternative fuel target for 2030 is 30% while the biomass target is 15%. Kemberburgaz Ready-mixed Concrete Facility received the globally recognized CSC “Responsible Use of Resources – Gold Sustainability” Certificate, which is granted to cement, concrete and aggregate producers according to the rules set by the Concrete Sustainability Council (CSC), thereby making Akçansa the first brand to earn this certification in Turkey.



# Protecting Biodiversity

Sabancı Holding cares about protecting ecological resources and natural life with an eco-friendly approach. Biodiversity, a fundamental component of environmental sustainability, plays a key role in the continuity of systems around the world. Our Sabancı Group companies support the protection of biodiversity to the extent of their impact.

## Bird Isolation Project by Enerjisa Enerji

Birds, particularly migratory birds, face the risk of electrocution as they commonly perch on utility poles and nest or enter between conductors. Accidents often result in the death of birds. Enerjisa Enerji installed “Bird Deterrent” devices on migration and/or risky routes in the pilot area in Adana to prevent bird deaths and protect the bird diversity in the region.

## Biodiversity Competition and Rehabilitation Activities by Akçansa

Akçansa organizes the Biodiversity Project Competition, a first in the industry, to promote fauna/flora diversity at mining sites and restore degraded lands in harmony with local ecology. Students, graduates, academics and researchers of all ages participate in the competition to increase biodiversity at mining sites, where raw materials are produced, through creative, unique, and innovative projects. The competition, the first of which took place in 2013, will be held for the fourth time in 2021.

Akçansa also conducts rehabilitation activities at mine sites. As of 2019, it has rehabilitated a total of 25.2 hectares in the mining area, where production was terminated, by land preparation and planting trees compatible with the local flora. The company supports planting activities across Turkey and organizes arbor days with the active participation of its employees and their families.



# Corporate Memberships

As Sabancı Holding, we are members of various local and national associations, boards, and communities. We take active roles in varied formations and work shoulder to shoulder with all stakeholders for the development of our country.

STAKEHOLDER	REPRESENTATION
The Turkish Industry and Business Association (TÜSİAD)	High-level Representation and Representation in Various Commissions and Working Groups
The Foreign Economic Relations Board of Turkey (DEİK)	Business Councils Membership
The Corporate Governance Association of Turkey (TKYD)	High-level Representation
The Institute of Internal Auditors of Turkey (İİA)	High-level Representation and Ethics Committee Membership
The Turkish Investor Relations Society (TUYİD)	High-Level Representation
The İstanbul Chamber of Commerce (İTO)	Member
The Board of Directors Association (YUD)	Membership of Board of Directors
The American Turkish Society	Co-Chairmanship
The World Energy Council	Member
The Turkish Cement Manufacturers' Association	Chairman
The Cement Industry Employers' Association	Membership of Board of Directors
The Global Cement and Concrete Association (GCCA)	Membership of Board of Directors
CEMBUREAU- The European Cement Association	Membership of Board of Directors
The Business Initiative for Plastics	Member
The Business Council for Sustainable Development Turkey (SKD)	Member
The Ethics and Reputation Society of Turkey (TEİD)	Member
The People Management Association of Turkey (PERYON)	Member
The European Round Table of Industry (ERT)	Member
World Economic Forum - WEF	Member

# Performance Indicators

## Social Performance Indicators

Number of Employees in Sectors by Category*	2017		2018		2019	
	Female	Male	Female	Male	Female	Male
SABANCI GROUP	14,833	31,291	13,907	30,635	13,941	31,374
SABANCI HOLDING	53	255	62	262	67	257
BANKING	7,392	6,501	7,046	6,331	6,727	6,033
ENERGY	1,192	9,072	1,153	9,236	1,204	9,767
FINANCIAL SERVICES	1,268	839	1,212	795	1,223	796
BUILDING MATERIALS	138	2,071	154	2,029	171	1,960
RETAIL	4,546	8,774	4,012	7,968	4,245	8,481
INDUSTRY	244	3,779	268	4,014	304	4,080
INFORMATION TECHNOLOGIES**	49	112	54	123	55	136
OTHER**	544	590	557	625	566	670
TOTAL***		46,124		44,542		45,315

Number of Employees in Sectors by Form of Employment	2017		2018		2019	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
<b>SABANCI GROUP</b>	<b>46,037</b>	<b>87</b>	<b>44,508</b>	<b>34</b>	<b>45,205</b>	<b>110</b>
SABANCI HOLDING	308	0	324	0	324	0
BANKING	13,869	24	13,375	2	12,673	87
ENERGY	10,264	0	10,389	0	10,971	0
FINANCIAL SERVICES	2,106	1	2,006	1	2,017	2
BUILDING MATERIALS	2,209	0	2,183	0	2,131	0
RETAIL	13,259	61	11,949	31	12,705	21
INDUSTRY	4,022	1	4,282	0	4,384	0
INFORMATION TECHNOLOGIES	161	0	177	0	191	0
OTHER	1,043	91	1,092	90	1,161	75

Number of Subcontractor Employees by Gender	2017		2018		2019	
	Female	Male	Female	Male	Female	Male
<b>SABANCI GROUP</b>	<b>3,359</b>	<b>7,064</b>	<b>4,562</b>	<b>6,604</b>	<b>4,374</b>	<b>6,761</b>
SABANCI HOLDING	44	110	56	109	55	109
BANKING	1,168	2,068	1,482	2,037	1,543	2,119
ENERGY	215	1,152	238	1,189	225	1,211
INSURANCE	114	102	131	152	165	227
BUILDING MATERIALS	118	2,872	101	2,339	93	2,138
RETAIL	1,513	0	2,350	0	2,090	66
INDUSTRY	59	510	66	538	68	514
OTHER	128	250	138	240	135	377

\* The number of employees of Sabancı Group includes Sabancı Holding, Akbank, Akçansa, Aksigorta, Aviva, Brisa, Carrefoursa, Çimsa, Enerjisa Enerji, Enerjisa Üretim, Kordsa, Teknosa and Temsa data in Turkey. Based on monthly average as of December 31, 2019. The number of employees abroad is excluded. Subcontractors are not included.

\*\* Other includes Sabancı Foundation and Sabancı University.

\*\*\* It includes only Sabancı Holding total.



## Environmental Performance Indicators

Greenhouse Gas Emissions by Sector (tonCO <sub>2</sub> )		2017	2018	2019
<b>SABANCI GROUP<sup>10</sup></b>	<b>SCOPE 1</b>	<b>21,974,713</b>	<b>17,273,466</b>	<b>16,422,329</b>
	<b>SCOPE 2</b>	<b>894,448</b>	<b>825,835</b>	<b>873,212</b>
	<b>SCOPE 3</b>	<b>382,741.19</b>	<b>256,256.61</b>	<b>281,729.19</b>
SABANCI HOLDING	SCOPE 1	56.97	51.57	49.61
	SCOPE 2	440.29	454.88	478.45
	SCOPE 3	128.00	140.00	132.00
BANKING	SCOPE 1	6,558.43	6,569.33	6,151.44
	SCOPE 2	41,132.78	42,586.24	47,663.16
	SCOPE 3	542.02	581.77	564.69
ENERGY	SCOPE 1	10,189,162.57	6,259,311.66	5,826,692.68
	SCOPE 2	22,589.79	16,344.33	42,263.31
	SCOPE 3	-	-	1,286.15
FINANCIAL SERVICES	SCOPE 1	1,645.38	1,412.28	1,281.10
	SCOPE 2	1,821.61	1,897.98	1,555.74
	SCOPE 3	309.81	307.00	304.40
BUILDING MATERIALS	SCOPE 1	11,569,866.00	10,830,739.00	10,394,484.00
	SCOPE 2	511,738.00	463,268.00	480,549.00
	SCOPE 3	-	-	-
RETAIL	SCOPE 1	136,408.22	82,351.70	98,568.92
	SCOPE 2	124,955.93	118,583.10	115,213.05
	SCOPE 3	17.22	13.69	13.12
INDUSTRY	SCOPE 1	71,015.46	93,030.24	95,101.37
	SCOPE 2	191,770.09	182,700.47	185,489.01
	SCOPE 3	381,744.15	255,214.15	279,428.84
OTHER	SCOPE 1	10,866.18	11,189.56	11,432.84
	SCOPE 2	1,687.36	1,862.04	3,041.02
	SCOPE 3	-	-	-

<sup>10</sup> Sabancı University is not included in the total figure of Sabancı Group.

## Environmental Performance Indicators

### Energy Consumption by Sector (MWh)

	2017	2018	2019
<b>SABANCI GROUP<sup>11</sup></b>	<b>22,693,120.82</b>	<b>21,163,709.03</b>	<b>18,774,426.10</b>
SABANCI HOLDING	19,643.94	18,897.46	20,741.94
BANKING	104,735.57	180,330.35	115,502.14
ENERGY	20,012,868.01	18,485,692.98	16,194,695.99
FINANCIAL SERVICES	8,288.76	7,887.96	7,222.93
BUILDING MATERIALS	1,623,088.10	1,497,964.02	1,384,927.46
RETAIL	254,410.08	234,155.67	232,590.47
INDUSTRY	670,086.36	801,780.59	818,745.18
OTHER	57,094.76	59,046.20	57,585.97

### Waste by Sector (in tons)

	2017	2018	2019
<b>SABANCI GROUP<sup>12</sup></b>	<b>HAZARDOUS WASTE 696,347.88</b>	<b>107,289.76</b>	<b>232,050.65</b>
	<b>NON-HAZARDOUS WASTE 128,210.69</b>	<b>184,028.34</b>	<b>151,658.79</b>
SABANCI HOLDING	HAZARDOUS WASTE 4,195.00	4,816.00	5,751.00
	NON-HAZARDOUS WASTE 42,640.00	25,710.00	22,410.00
BANKING	HAZARDOUS WASTE -	-	-
	NON-HAZARDOUS WASTE -	-	-
ENERGY	HAZARDOUS WASTE 683,169.00	98,129.00	222,394.00
	NON-HAZARDOUS WASTE 35,193.00	141,465.00	113,907.00
FINANCIAL SERVICES	HAZARDOUS WASTE 1,548.70	-	511.69
	NON-HAZARDOUS WASTE 287.05	268.05	258.05
BUILDING MATERIALS	HAZARDOUS WASTE 4,046.70	1,863.10	756.69
	NON-HAZARDOUS WASTE 41,336.60	7,050.69	5,666.70
RETAIL	HAZARDOUS WASTE 5.00	4.00	2.80
	NON-HAZARDOUS WASTE 196.00	159.00	168.00
INDUSTRY	HAZARDOUS WASTE 2,383.48	2,477.65	2,634.47
	NON-HAZARDOUS WASTE 8,558.04	9,375.60	9,249.04
OTHER	HAZARDOUS WASTE 25.23	13,918.00	23.84
	NON-HAZARDOUS WASTE 363.00	345.65	337.36

<sup>11</sup> Sabanci University is not included in consolidated Sabanci Group data.

<sup>12</sup> Sabanci University is not included in consolidated Sabanci Group data.

**Water Use by Sector (m<sup>3</sup>)****SABANCI GROUP<sup>13</sup>**

SABANCI HOLDING

BANKING

ENERGY

FINANCIAL SERVICES

BUILDING MATERIALS

RETAIL

INDUSTRY

OTHER

**2017****8,188,669.60**

26,934.00

-

3,001,509.60

12,682.00

3,236,333.00

389,531.00

1,184,457.00

337,22.00

**2018****7,769,281.00**

27,143.00

-

3,382,667.00

12,876.00

2,958,882.00

332,120.00

759,691.00

295,902.00

**2019****10,294,531.15**

26,616.85

-

3,756,759.00

12,186.00

3,671,266.30

261,603.00

2,228,966.00

337,134.00

<sup>13</sup> Sabancı University is not included in consolidated Sabancı Group data.

# GRI Content Index



GRI STANDARD	DISCLOSURE	REFERENCES	OMISSION
<b>GRI 101: Foundation 2016</b>			
<b>General Disclosures</b>			
	<b>Organizational Profile</b>		
	102-1	3	-
	102-2	7, 9, 10	-
	102-3	67	-
	102-4	7	-
	102-5	8	-
	102-6	7, 9, 10	-
	102-7	7, 8, 17, 28	-
	102-8	59	-
	102-9	25	-
	102-10	7-10	-
	102-11	20, 21	-
	102-12	58	-
	102-13	58	-
	<b>Strategy</b>		
	102-14	4-6	-
	102-15	20, 21	-
	<b>Ethics and Integrity</b>		
	102-16	22	-
	102-17	22	-
	<b>Governance</b>		
	102-18	19	-
	102-19	13, 19	-
	102-20	13	-
	102-21	13 - 15	-
	102-22	19	-
	102-23	19	-
<b>GRI 102: General Disclosures 2016</b>			

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The service was performed on the Turkish version of the report.



GRI STANDARD	DISCLOSURE	REFERENCES	OMISSION
	<b>Stakeholder Engagement</b>		
	102-40	51	-
	102-41	29	-
	102-42	51	-
	102-43	51	-
	102-44	13-15	-
	<b>Reporting Practice</b>		
	102-45	3	-
	102-46	13-15	-
<b>GRI 102: Genel Bildirimler 2016</b>	102-47	13-15	-
	102-48	No changes.	-
	102-49	No changes.	-
	102-50	3	-
	102-51	1 January 2018 - 31 December 2018	-
	102-52	3	-
	102-53	3	-
	102-54	3	-
	102-55	63	-
	102-56	No external assurance.	-
<b>GRI 200: Economic Performance Series</b>			
<b>Economic Performance</b>			
	103-1	16-18	-
<b>GRI 103: Management Approach 2016</b>	103-2	16-18	-
	103-3	17	-
<b>GRI 201: Economic Performance 2016</b>	201-1	17	-
	201-3	<u>2019 Annual Report</u>	-
<b>GRI 300: Environmental Standards Series</b>			
<b>Energy</b>			
	103-1	53	-
<b>GRI 103: Management Approach 2016</b>	103-2	53	-
	103-3	53	-
	302-1	53, 61	-
<b>GRI 302: Energy 2016</b>	302-3	53	-
	302-4	53	-



GRI STANDARD	DISCLOSURE	REFERENCES	OMISSION
<b>Water</b>			
	103-1	55	-
<b>GRI 103: MANAGEMENT APPROACH 2016</b>	103-2	55	-
	103-3	55	-
	303-1	55	-
<b>GRI 303: Water 2016</b>	303-3	55, 62	-
<b>Biodiversity</b>			
	103-1	57	-
<b>GRI 103: Management Approach 2016</b>	103-2	57	-
	103-3	57	-
	304-3	57	-
<b>GRI 304: Biodiversity 2016</b>			
<b>Emissions</b>			
	103-1	53	-
<b>GRI 103: Management Approach 2016</b>	103-2	53	-
	103-3	53	-
	305-1	55, 60	-
<b>GRI 305: Emissions 2016</b>	305-2	53, 60	-
	305-3	53, 60	-
	305-4	53	-
	305-5	53	-
<b>Effluents and Waste</b>			
	103-1	55	-
<b>GRI 103: Management Approach 2016</b>	103-2	55	-
	103-3	55	-
	306-2	55, 61	-
<b>GRI 306: Effluents and Waste 2016</b>			
<b>GRI 400: Social Standards Series</b>			
<b>Employment</b>			
	103-1	26, 27	-
<b>GRI 103: Management Approach 2016</b>	103-2	26, 27	-
	103-3	26, 27	-
	401-2	35	-
<b>GRI 401: Employment 2016</b>	401-3	29	-

GRI STANDARD	DISCLOSURE	REFERENCES	OMISSION
<b>Occupational Health and Safety</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	38	-
	103-2	38	-
	103-3	38, 39	-
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1	38	-
	403-2	38	-
	403-3	38	-
	403-4	38, 39	-
	403-5	38	-
	403-6	38, 39	-
	403-7	38, 39	-
	403-9	38	-
<b>Training and Education</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	31, 32, 35	-
	103-2	31, 32, 35	-
	103-3	31, 32, 35	-
<b>GRI 404: Training and Education 2016</b>	404-1	32	-
	404-2	31-34	-
	404-3	35-36	-
<b>Diversity and Equal Opportunity</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	29	-
	103-2	29	-
	103-3	29	-
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1	29	-
<b>Local Communities</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	41	-
	103-2	41	-
	103-3	41	-
<b>GRI 413: Local Communities 2016</b>	413-1	42-50	-

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