



Sabancı for a Sustainable Future

Sustainability Report 2022

We are out in the field, united.

Dear Stakeholders,

The report you are about to read summarizes our activities in the year 2022.

In the process of preparing this report, we are extremely saddened by the February 6, 2023 earthquakes that caused devastation in 11 provinces, and killed and wounded thousands of our citizens.

As Sabancı Group, we lost 19 colleagues and approximately 1,000 family members of employees in the earthquakes that had a direct impact on nearly 7,000 of our employees living in the region. 2,343 employees lost their homes in the earthquakes.

May our deceased colleagues, relatives of employees, contractors, business partners, and all deceased citizens rest in peace. We send our condolences to their grieving families.

As Sabancı Group and Sabancı Volunteers, we have been out in the field working tirelessly to heal the wounds since day one.

We contacted relevant authorities in the region to provide our support.

To this end, we lent support to the region in the form of energy supply, bank financing, search and rescue, accommodations, food and provision of basic needs.

We are aware that this is a marathon. Therefore we are out in the field, and we will be there for the people in need until all wounds are healed.

We are grateful for the support of all colleagues on this long journey.



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About the Report



The Sabancı Holding's Sustainability Directorate is responsible for the improvement of the Report. **Please send any questions, comments, and suggestions you have related to the Report to sustainability@sabanci.com**



Indicates verified data.

We have shared the economic, social, and environmental sustainability performance of H.Ö. Sabancı Holding A.Ş. (Sabancı Holding) and the value we create through our activities on an annual basis, transparently with our stakeholders since 2014. In light of our rapid and sharp transformation based on technology and sustainability, we define our Group's purpose thus; "We unite Türkiye and the World for a sustainable life with leading enterprises." To fulfill this purpose, we have built our Sustainability Roadmap on the following pillars: Act on Climate Emergency, Maximize Our Positive Impact on People and Society, and Foster Sustainable Business Models.

In the 2022 Sustainability Report (Report), we share the performance and best practices of the Group companies¹ regarding their activities in Türkiye from January 1, 2022, through December 31, 2022. The report covers our progress toward our goals for 2050 as included in the Sustainability Roadmap and reveals the Group's performance on the Holding and industry level² where relevant.

This report has been prepared in accordance with the GRI Standards. While preparing this Report, United Nations Global Compact (UNGC), Women's Empowerment Principles (WEPs) and the recommendations of Task Force on Climate-Related Financial Disclosures (TCFD) (Annex 6: TCFD) and United Nations (UN) Sustainable Development Goals (SDGs) are considered. The report also includes the contributions we have made to the UN SDGs through our activities.

This year, the selected environmental, social and economic performance indicators serving the long-term goals in our 2022 Sustainability Roadmap have been verified in accordance with the International Standard on Assurance Engagements - "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" ("ISAE 3000" Revised) and verified in accordance with International Assurance Audit Standard 3410 - "Assurance Engagements on Greenhouse Gas Statements" ("ISAE 3410")³ (Annex 5: Assurance Statement).

¹ The affiliates and subsidiaries included in the report are H.Ö. Sabancı Holding A.Ş. (Sabancı Holding), Akbank T.A.Ş. (Akbank) (Banking); Aksigorta A.Ş. (Aksigorta), Agesa Emeklilik ve Hayat A.Ş. (Agesa) (Financial Services); Enerjisa Enerji A.Ş. (Enerjisa Enerji) and Enerjisa Üretim Santralleri A.Ş. (Enerjisa Üretim) (Energy); Temsa Skoda Sabancı Ulaşım Araçları A.Ş. (Temsal Ulaşım Araçları), Kordsa Teknik Tekstil A.Ş. (Kordsa), and Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. (Brisa) (Industrials); Akçansa Çimento Sanayi ve Ticaret A.Ş. (Akçansa), Çimsa Çimento Sanayi ve Ticaret A.Ş. (Çimsa) and Cimsa Sabancı Cement BV (CSC BV) (Building Materials); Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. (Carrefoursa) and Teknosa İç ve Dış Ticaret A.Ş. (Teknosa) (Retail); Sabancı Dijital Teknoloji Hizmetleri A.Ş. (SabancıDx) (Digital); Enerjisa Enerji A.Ş. data (Enerjisa Enerji) includes those related to Başkent Elektrik Dağıtım A.Ş., İstanbul Anadolu Yakası Elektrik Dağıtım A.Ş., Toroslar Elektrik Dağıtım A.Ş., Enerjisa Başkent Elektrik Perakende Satış A.Ş., Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş., Enerjisa Toroslar Elektrik Perakende Satış A.Ş. and Enerjisa Müşteri Çözümleri A.Ş. The data of Enerjisa Üretim Santralleri A.Ş. (Enerjisa Üretim) includes Enerjisa Enerji Üretim A.Ş., Enerjisa Elektrik Enerjisi Toptan Satış A.Ş. and the Enerjisa Doğalgaz Toptan Satış A.Ş. Sabancı Foundation, Sabancı University and the Sabancı Museum (Sabancı Üniversitesi and Sakıp Sabancı Müzesi) are covered in the report only as best practices and are not included in the quantitative performance. ² Grouping of companies: Akbank (Banking), Aksigorta and Agesa (Financial Services), Carrefoursa and Teknosa (Retail), Akçansa, Çimsa and CSC BV (Building Materials), Enerjisa Enerji and Enerjisa Üretim (Energy), Kordsa, Temsa and Brisa (Industrials) and SabancıDx (Digital). ³ ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information and ISAE 3410, Assurance Engagements on Greenhouse Gas Statements.

Our Purpose

We unite Türkiye and the World for a sustainable life with leading enterprises.

“We unite Türkiye and the World for a sustainable life with leading enterprises.” This purpose means a lot to us because Sabancı Group features many sectoral players with the capacity to transform our country and the wider world. To this end, in making our short and longer-term business plans, our actions are determined by adopting sustainability as one of our core values. We make strategic decisions by tracing sustainability-related trends, risks, and opportunities.

We have an ambitious long-term Net Zero Emissions and Zero Waste target as of 2050. As of 2030, we aim to decrease our Scope 1 and 2 GHG emissions by 42% with 2021 as the base year. This interim emission reduction target will not include carbon removal credits and will be realized solely by our innovative actions. Eight of our Group Companies are poised to decide on their Scope 3 GHG emissions target, which will take them one step closer to full decarbonization.

Many of our Group companies have already submitted or prepared their commitments to Science Based Targets initiative (SBTi) in order to reduce their impact on our precious planet. While preparing ourselves for all these commitments, we will benefit from new technologies; and our business ecosystems which include energy & climate technologies, material technologies, digital technologies, and financial services.

While we protect our planet with innovative actions, the welfare of the “human” remains one of the foundations on which we conduct our business. For this reason, we aim to design different community investment programs to reach vulnerable parts of society and help with real, measurable impact. Sabancı Republic Day is one of our outstanding volunteering campaigns and achieves mass participation throughout Türkiye.

In addition, we are embedding sustainability at the heart of all our strategic processes including but not limited to following steps:

- We act on the axis of sustainability in all our capital allocation decisions and direct our new investments to low-carbon businesses which positively contributes to Sustainable Development Goals (SDGs).
- We maintain the ESG focus while implementing and reviewing our 5-year strategic plans.
- We integrate ESG targets into the performance of all our General Managers and Group Presidents.
- We encourage our X-Lab and X-Teams project platforms, established to create synergy within the ecosystem, to develop projects that will serve sustainability.



Letter from the Chair

We continue to mobilize our know-how, resources, and technology for a more sustainable and more equitable world.

Esteemed Stakeholders,

The world is undeniably experiencing a challenging period.

Considering the lingering uncertainties on the global scale, we have ample reason to be concerned about the present day and the future of our world.

Geopolitical challenges, crises, inequalities, and a major climate emergency... In addition to these, we are also witnessing the history's first global energy crisis.

Perhaps for the first time ever, time is working against us to this extent.

Amid such a challenging backdrop, it is exceedingly clear that:

As humanity, we do not have the luxury of merely watching these adversities or being stuck in pessimism.

We need to learn from each other humbly and spring into action considering what we learn.

We need to set sustainability as the primary goal while adhering to rationality and science and pursue this goal collectively.

We need to go beyond words and set an example with our actions.

We should never give up on humanity, the healing power of human beings, the guidance of science, and particularly the young generation.

The keys to our future rest in action, sincerity, and activating the youth.

All projects and practices summarized in this report are examples of Sabancı Group's comprehensive sustainability approach which prioritizes swift action.

I would like to thank each Sabancı employee and all other stakeholders for their efforts in carrying out these projects and applications as well as for contributing to Sabancı's vision of a sustainable future.

As we have always emphasized;

The 'Sabancı responsibility' entails a broad and deep meaning that cannot be reduced merely to economic values.

As part of our Group Purpose, sustainability pledges, and our roadmaps in this journey, we continue to drive social progress while serving a sustainable life.

During this double transformation process centered on sustainability and digitalization, we set our course once again by focusing on people and the community.

As part of the vision of "continuous progress" which is inherent in Sabancı's DNAs, we are equipping our Group with new capabilities, and continuing to mobilize our know-how, resources, and technology for a more sustainable and more equitable world.

On the back of the strength that we derive from you, we will continue to walk on this path resolutely.

I am grateful to each one of you for sharing our vision in this respect.

Respectfully,

GÜLER SABANCI
Chair

GRI 2-22



Letter from the CEO

The approach to sustainability is changing from a transitory trend to being debated within a much broader perspective.

Dear Stakeholders,

In every sustainability-related report and document we come across today, we read about the major threats to our world and humanity.

Unfortunately, we are witnessing that the calamities we were reading about approximately ten years ago and were predicted to happen today are already part of our daily lives. Such projections are turning into reality even faster than we were expecting.

Continuation of the existing economic growth paradigm is no longer an option for the future of our planet and humanity. If we continue to walk on the same path with the same methods, we will hit impenetrable walls this time instead of speed bumps.

On the other hand, we cannot reduce the threats our world is facing today merely to environmental problems.

The geopolitical adversities, global inequalities, and the inflationary environment fueled by sharply rising energy and raw material prices continue to thicken the smokescreen lingering above us.

In the global economic environment now characterized by a shrinking range of visibility, uncertainty has become a permanent business culture rather than a temporary state.

These risks point to the need for a much larger transformation to attain a bright future.

Led by the global energy crisis, the problems in the world economy run counter to sustainability commitments at times.

On the other hand, the glass-half-full perspective suggests that:

These issues reinforce an entirely different viewpoint among related stakeholders.

The approach to sustainability is changing from a transitory trend to being debated within a much broader perspective.

Identifying this situation in which we find ourselves today merely as a “necessity,” and sustainability only as a “prescription,” is akin to putting a band-aid on an open wound. Now is the time to remove all old band-aids, unearth our mistakes, and discover new approaches that will rehabilitate the existing order completely.

From this perspective, sustainability is the beginning of a new era...

[GRI 2-22](#)

Letter from the CEO

Beginning from last year, we project that our CapEx and OpEx in the activities directly associated with the Sustainable Developments Goals will reach USD 5 billion until the end of 2027.

It is the name of a new vision, a new understanding for the way we conduct business...

As Sabancı, when we place sustainability at the center of our Group Purpose and all our investment decisions, we are communicating to our stakeholders that:

“Yes, we recognize these risks and take action. That said, we are part of the solution rather than being part of the problem. Therefore, we see sustainability as a major opportunity that will reinforce value-oriented ecosystems and generate lasting value for all stakeholders while creating new growth areas for our businesses.”

Within this approach, we take great satisfaction in striving to be a pioneer in the new economy that is being shaped around sustainability.

Thanks to the investments we have recently made in the “new economy,” which consists of energy and climate technologies, advanced material technologies, and digital technologies, we are solidifying our financial strength and global footprint while continuing to serve the sustainable life vision which we emphasized in our Group Purpose.

As part of our dynamic portfolio management approach and our new economy-oriented growth strategy which we implemented successfully in 2022, we direct 25% of our investments outside of the banking industry to our existing business lines while channeling the remaining 75% to the energy and climate technologies, advanced material technologies, and digital technologies.

To this end in 2022, we accelerated our investments in the areas that support the Sustainable Developments Goals. Beginning last year, we project that our CapEx and OpEx in the activities directly associated with the Sustainable Developments Goals will reach USD 5 billion until the end of 2027.

While carrying out these investments, one of our top priorities has been to maintain and improve our robust balance sheet.

We increased our combined income by 168%, our combined EBITDA by 242%, and our consolidated net profit by 264% in 2022 while registering a more than two-fold increase in our operating cash flow. Further, we reduced our Combined Net Financial Debt / Non-Bank EBITDA ratio to 0.4x, even below the goal of 2x that we had set in our medium-term roadmap, which in turn created very important flexibility and maneuver room for our Group to be deployed for the new investments we will be undertaking in the period ahead.

Beyond these financial data, one of the most pleasing developments for me personally as well as for the rest of our management team was that our Group companies embraced sustainability as a compass and forged ahead resolutely on the path which we charted for them.

I would like to offer the following summary of the operations and accomplishments carried out by some of our Group companies:

- In 2022, Akbank made great progress toward its sustainable finance goals and obtained a total sustainable finance facility of TL 60 billion. As a result of its accomplishments in sustainable finance, Akbank was selected “Türkiye’s Best Bank in Sustainable Finance” by Global Finance.
- Agesa, which introduced its Sustainability Equity Pension Investment Fund, offered a new investment vehicle to the investors, and continued to support companies with robust environmental, social and governance performance.
- Enerjisa Üretim will reach approximately 4.7 GW installed capacity and 57% renewable energy share in its portfolio, and bolster its position in Türkiye’s private sector power generation, as a result of the commissioning of the 65 MW Kayseri Erciyes Wind Power Plant (WPP) and the acquisition of the 55 MW Akhisar WPP during the year, as well as the additional 1,000 MW wind energy investments we will be undertaking in the period ahead with a total investment of USD 1.2 billion.
- We are leveraging Sabancı İklim Teknolojileri (Sabancı Climate Technologies), a subsidiary company which was established this year, to expand our renewable energy investments beyond Türkiye’s borders and to make strategic investments in U.S.-based venture capital funds and start-ups. To this end, as part of our strategic partnership with the U.S.-based Safar Partners, we made fund investments as well as direct investments in Commonwealth Fusion Systems and Quaise Energy start-ups.

Letter from the CEO

As Sabancı Holding, we will reduce our Scope 1 and Scope 2 GHG emissions by at least 42% by 2030, which will represent a major step toward our Net Zero goal.

- Our subsidiary Sabancı İklim Teknolojileri started the construction of a 272 MW solar power plant in Texas to create a renewable energy portfolio in the U.S.
- Enerjisa Üretim undertook Türkiye's first private sector green hydrogen production as part of the protocol it signed in 2022; green hydrogen being produced at the Bandırma Energy Hub began to be utilized in generator cooling.
- We continued to invest in four focus areas in the digital technology industry: cybersecurity, digital marketing, advanced data analytics, and internet of things. Through SabancıDx, we acquired Radiflow, one of the world's leading start-ups in the cybersecurity space, particularly in the operational technologies segment; and SEM, which operates in the data-oriented digital marketing space.
- Through Brisa's Arvento acquisition, we made a major stride in transforming Brisa into a mobility player and enabling it to grow in an area that helps its customers to reduce their GHG emissions. With the Green Dealer Program that was piloted in 2022, Brisa also supported the initiation of sustainable practices at the dealers and the design of the stores of the newly established dealers using sustainable practices.
- Kordsa, which embraces sustainability as one of the key criteria in the advanced materials industry, acquired Italy-based Microtex Composites, a supplier of carbon fiber fabrics and prepregs to the European market. Additionally, the Company announced a USD 20 million cord fabric investment in the U.S. and a USD 22 million investment in Türkiye during this period. Kordsa maintains its steady investment program in both the domestic and the overseas markets.
- Temsa announced TS 45E, its model developed exclusively for the U.S. market, and LD SB E, the first electric intercity bus model developed by a European manufacturer. As a result, Temsa became one of the very few companies globally that boast eight separate electric bus models in their portfolios.
- In line with its sustainability goals, Çimsa increased its alternative fuel utilization rate from 7% in 2020 to 26% in 2022.
- After setting the goal of sourcing 22% of its electricity consumption from renewable energy resources by 2030, Akçansa attained this goal eight years ahead of schedule and at a much higher rate by reaching 59% renewable energy in its electricity usage in 2022.

In addition to these projects and applications, the "new economy-oriented" investments of our Group companies continue to support our commitment to reach "Net Zero" GHG emissions by 2050.

We recognize that our sustainability focus is a major influence in all regions in which we operate.

As a result, we wanted to emphasize our determination in this matter once again with the key goals we set for ourselves.

As Sabancı Holding, we will reduce our Scope 1 and Scope 2 GHG emissions by at least 42% by 2030, which will represent a major step toward our Net Zero goal.

We aim to attain a 15% reduction no later than 2025 year-end.

In accordance with these goals that consider the direct carbon emissions of all Group companies, we will take important steps in digitalization and efficiency in our business lines while continuing to focus on the new economy as part of our global growth strategy.

On the other hand, one of the biggest mistakes we could make today in the matter of sustainability would be to reduce the subject to a single dimension and limit it to the boundaries of our own operations.

Letter from the CEO

As Sabancı Group, we are integrating sustainability and all its elements into our decision processes, business conducts, and future strategies because of this holistic approach and our comprehensive roadmap that is built on three key areas of focus.

To this end, responsible leadership today requires the following at a minimum:

- Embracing a holistic approach that entails all elements of ESG,
- Devising all design process in various areas according to the "limited resources" reality, and establishing circularity as a business conduct standard,
- Creating a new cooperation culture that embraces collaboration; makes innovation available to all stakeholders instead of keeping it in-house; and prioritizes the "benefit of the ecosystem and synergy" over the "benefit of the company,"
- Designing a value model that goes beyond economic value and focuses on social impact that benefits all stakeholders.

As Sabancı Group, we are integrating sustainability and all its elements into our decision processes, business conducts, and future strategies because of this holistic approach and our comprehensive roadmap that is built on three key areas of focus.

We registered important accomplishments in 2022 because of our activities in this respect.

- We raised our rating by three notches in three years, as assessed by MSCI, one of the world's leading ESG rating companies in responsible investing and reached an A rating in 2022.
- As part of our Net Zero Emissions commitment by 2050, the sustainability initiatives carried out by Sabancı Group were deemed exemplary on a global scale. Three of the nine companies on the CDP (Carbon Disclosure Project) Global A List in Türkiye are part of Sabancı Group.
- Sabancı Holding was added to the BIST 25 Sustainability Index, which includes companies listed on BIST with the highest corporate sustainability performance in Türkiye. In addition, we were assigned a "B" rating, which corresponds to "Management Level," in the Climate Change and Water Safety programs administered by the CDP (Carbon Disclosure Project).
- We were assigned an "A" rating, which corresponds to "Excellent Performance," in the "Investment Conglomerates" category of the Refinitiv ESG Assessment that evaluated more than 50 companies.
- We broke another new ground as the first and only Turkish conglomerate to be included in the "Bloomberg Gender Equality Index" for two consecutive times.

- As part of our Sabancı Republic Day Campaign in 2022, we carried out 32 social responsibility projects and 242 events in 48 provinces of Türkiye with more than 15 thousand Sabancı Volunteers. As a result of this project that greatly contributed to our employees personally relating with our sustainability vision, we won the International Corporate Social Responsibility Excellence Gold Award at the CSR Excellence Awards.

In other words, we did not just see the opportunity created by sustainability.

We seized on this opportunity, and we are continuing to do so.

We believe that this is also necessitated by Sabancı's responsible investing approach, and its value-oriented perspective that encompasses all stakeholders.

On the journey which we set out as Sabancı of the World, we will continue to support this approach through our actions, and to reflect Sabancı's pioneering and example-setting mission in the field.

I would like to take this opportunity to thank our employees as well as all other stakeholders for their contributions to the preparation of our Sustainability Report, which shares Sabancı Group's ESG performance in 2022.

Respectfully,

CENK ALPER
Member of the Board of Directors and CEO



Quote from Dr. Fatih Birol

A number of clean energy technologies, including solar, wind, other renewable energy sources, electric vehicles, energy storage, and hydrogen continue to advance at an accelerating pace.

“As the energy industry witnessed the largest energy crisis in history in 2022, the vitality of uninterrupted and affordable access to energy for the sustainability of the economies and the day-to-day life has become apparent once again. On the other hand, the critical role of renewable energy, energy efficiency, electric vehicles, and many other clean energy solutions in reinforcing energy security was also seen clearly.

As a result of the striking developments in the growth of clean energy, the repercussions of the energy crisis were lessened while the increase in the energy-sourced carbon dioxide emissions on the previous year remained modest despite the adverse effects of the crisis.

A number of clean energy technologies, including solar, wind, other renewable energy sources, electric vehicles, energy storage, and hydrogen continue to advance at an accelerating pace. The advancements in technology and cost reductions strongly support the attainment of more sustainable energy and climate future goals.

We are gladly observing that, based on our studies, we are entering a period in which the share of clean energy in global energy investments is beginning to exceed fossil fuels by leaps and bounds. It is essential that this momentum is sustained and strengthened...

The critical role of clean energy in ensuring energy and climate security is strongly manifesting itself, not just in investment trends, but also in shaping industry and technology policies. The U.S., the EU, Japan, India, and many other economies have recently been deploying large resources in the development of clean energy technologies. It is important to remember that the industry strategies which will support the production and widespread adoption of these technologies will be a key element in the development of an energy system that is consistent with the net-zero path and goals identified by the International Energy Agency while playing a critical role in ensuring a more sustainable future for our planet economically, socially, environmentally, and with all our dimensions.”

DR. FATİH BİROL
IEA Executive Director

About Sabancı Holding

Sabancı Group unites Türkiye and the World, for a sustainable life with leading enterprises through its performance culture, dynamic portfolio management and value creation via a data driven ecosystem.

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

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

Sabancı Holding is managed by an Executive Committee, a team of top-level executives including the Chief Executive Officer, Group Chief Financial Officer, Strategic Business Unit Presidents and function-based Group Presidents.

⁴ KPIs are not limited to the examples cited here.

The Executive Committee is responsible mainly for major capital allocation decisions, and reports to the Board of Directors, which is the ultimate decision-making body of the Holding.

The Board of Directors has four sub-committees: the Audit Committee, Corporate Governance, Nomination and Remuneration Committee, Early Detection of Risk Committee and Sustainability Committee, each of which directly reports to the Board of Directors in regard to their areas of function.

Sabancı Holding defines its holding value-add on three pillars: performance culture, dynamic portfolio management, and value creation via a data driven ecosystem. Regarding the Holding's performance culture, a short-term and long-term management incentive system is adopted across the organization. Performance evaluation is conducted annually, involving various financial and non-financial criteria. Revenue, EBITDA, free cash flow and the relative total shareholder return (rTSR) of listed companies are financial key performance indicators (KPIs)⁴.

Meanwhile, the improvement in ESG ratings and actions to achieve the Group's Net Zero Emissions and Zero Waste status by the 2050 target comprise the non-financial KPIs⁴. Net Asset Value (NAV) growth and rTSR are among the KPIs used in determining long-term incentives.

In dynamic portfolio management, Sabancı Group focuses on growth and strengthening its market leading position in its core businesses and investing in new growth platforms, particularly in energy and climate technologies, advanced material technologies, digital technologies and healthcare ecosystem. The Group's overarching goal in its approach to dynamic portfolio management is maximizing shareholder returns while maintaining its healthy balance sheet structure and serving its higher Purpose.

Operating as a value-focused, data driven ecosystem to support innovation and transformation across the Group, Sabancı Group companies have investments in 14 countries worldwide and supply their products and services around the world. Sabancı Holding's multinational business partners include leading global companies such as Ageas, Bridgestone, Carrefour, E.ON, Heidelberg Materials, and Skoda.

Sabancı Holding is registered with the Capital Markets Board, the securities regulator of Türkiye. And since 1997, Sabancı Holding has been listed on Borsa Istanbul. The Sabancı Family jointly controls Sabancı Holding as a majority shareholder, while 49.61% of the Holding's shares is publicly traded. As of year-end 2022, Sabancı Holding and its 11 listed subsidiaries' shares constitute around 6% of the total market capitalization of Borsa Istanbul.

Sabancı Group at a Glance

Sabancı Group implements pioneering and exemplary practices to achieve its sustainability goals.

Being Pioneer Means...

Türkiye's **1st green hydrogen** valley

Investment in disruptive technologies with **Sabancı Climate Technologies**

1 out of 3 solar and wind power plants **in Türkiye will be realized by Sabancı Group in the next four years**

One of the largest investors in grid expansion, upgrading, and modernization

Operating **the largest, fastest, and green** charging station network in Türkiye

The highest attended voluntary program Sabancı Republic Day Campaign

1st and only conglomerate in Türkiye included **in the Bloomberg GEI index for two years in a row**

3 Sabancı Group companies in the **CDP A List out of 9 companies from Türkiye**



First Net Zero Emissions Target by 2050 among the holding companies in Türkiye

First Zero Waste Target by 2050 among the holding companies in Türkiye

42% Scope 1&2 GHG emissions reduction target by 2030

First bank in Türkiye to make a sustainable finance pledge

USD 5 billion investment pledge in SDG-linked areas between 2022-2027

First holding company to embed ESG criteria into its capital allocation criteria

First holding company in Türkiye to issue Responsible Investment Policy

14.18 SROI, an outstanding level of contribution provided with Temsa - Çukurova University collaboration

Sabancı Group at a Glance

Our Global Presence and Businesses

Sabancı Group continues to grow with its solid global footprint, thousands of employees and prominent global business partners.

6

Business Partners

14

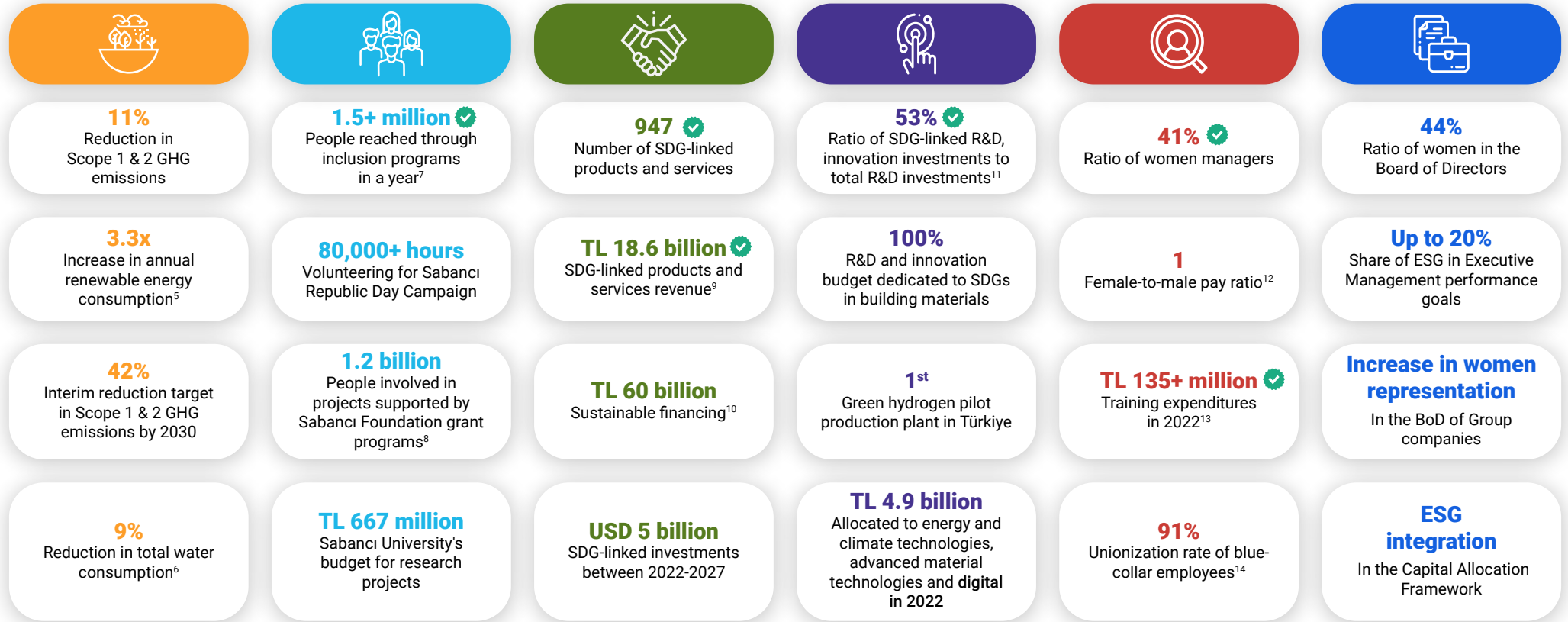
Countries

60 Thousand+

Employment

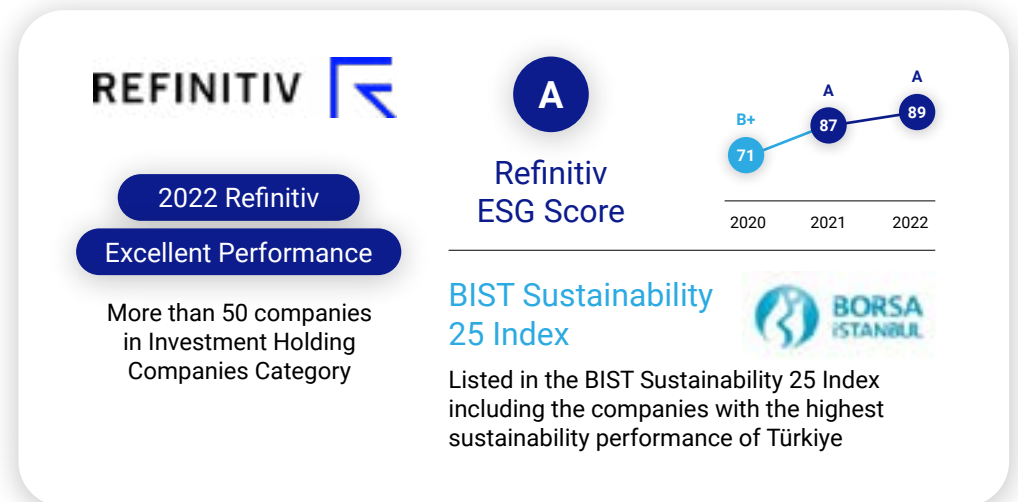
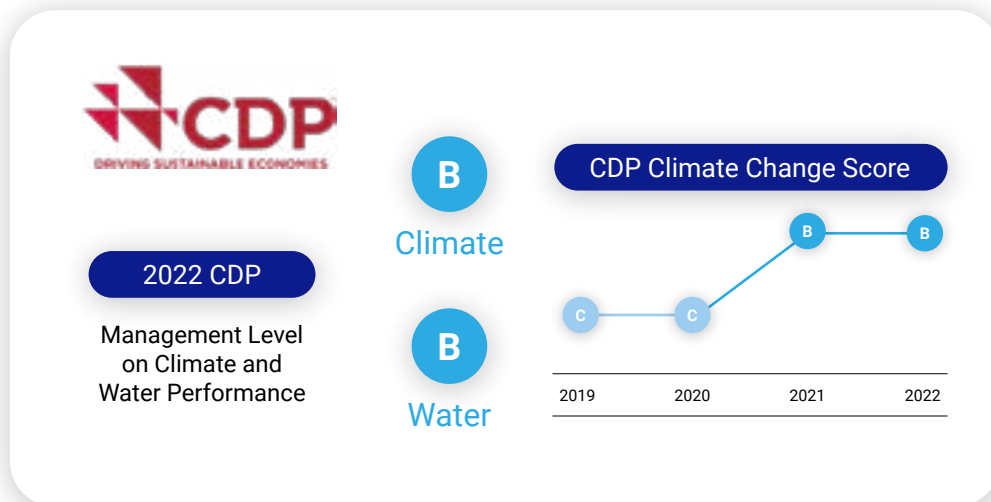


Sabancı Group at a Glance



⁵ For Holding, Akbank, Aksigorta, Akçansa, Brisa, Çimsa, Kordsa, Teknosa, Temsa, Enerjisa Enerji, Enerjisa Üretim, and SabancıDx. ⁶ Water withdrawal was also reduced by 9%. ⁷ Inclusion programs refer to the community investment programs developed by the group companies. The number of vulnerable groups reached through these programs was followed by the breakdown of citizens over the age of 65, youth, children and socio-economically disadvantaged groups. Akbank, Agesa, Brisa, Carrefoursa, Çimsa, Enerjisa Üretim, Enerjisa Enerji, Kordsa, and Teknosa are included. ⁸ The figure represents the cumulative value for over 16 years. ⁹ Akbank and CSC BV are not included. ¹⁰ Includes cash and non-cash SME (assessed by ESIA – Environmental and Social Impact Assessment System) and renewable Project Finance (PF) loans and ESG type Eurobond purchases, according to the unconsolidated management reporting in 2022. ¹¹ Akçansa, Brisa, Carrefoursa, Çimsa, Kordsa, Teknosa, Temsa, Enerjisa Enerji, and Enerjisa Üretim are included. ¹² This refers to the principle of equal pay for equal work. ¹³ Akbank is not included. ¹⁴ Carrefoursa, Akçansa, Çimsa, Brisa, Kordsa, Enerjisa Enerji and Temsa are included.

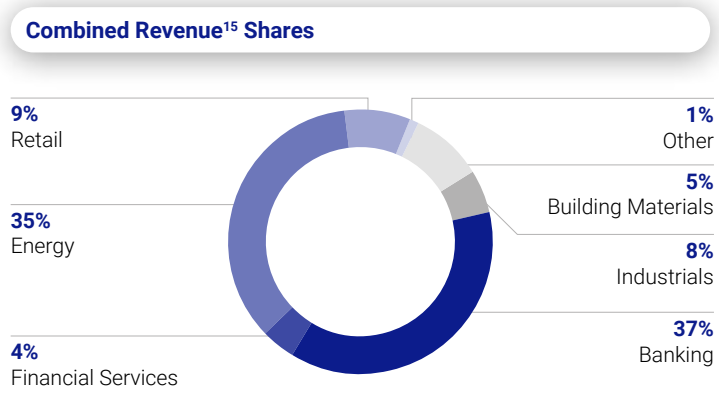
Sabancı Group at a Glance



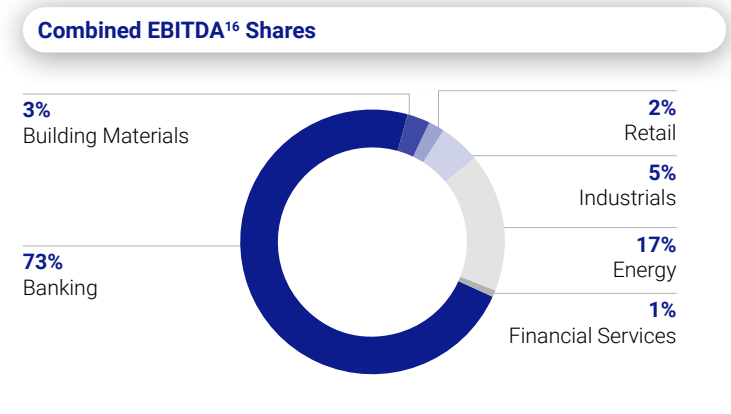
Sabancı Group at a Glance

Sabancı Holding is constantly working for a sustainable and equitable world with its 'new economy' investments coupled with its strong financial performance.

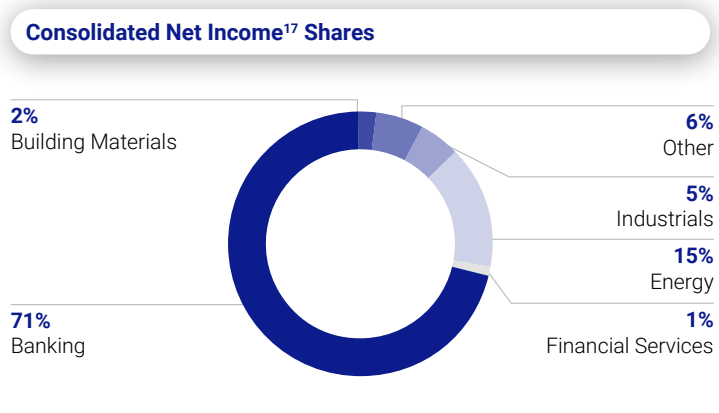
Key Financial Performance



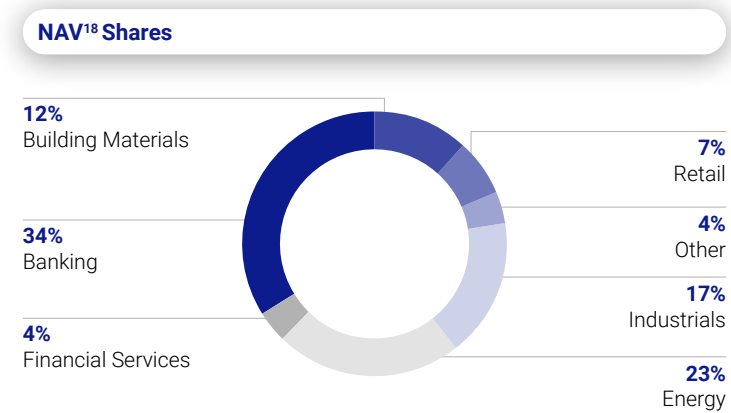
¹⁵ Excludes Holding dividend income



¹⁶ Excludes one offs and IFRS 16 impact in retail



¹⁷ Excludes one offs and IFRS 16 impact in retail



¹⁸ Excludes cash

Sabancı Group at a Glance

Shareholder Structure

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

Free Float Ratios



Resource: Central Securities Depository of Türkiye as of 31.12.2022

Sustainability Related Highlights from the Group Companies

Enerjisa Üretim's site in Balıkesir will produce a minimum of 500 tons/year of green hydrogen for use at various facilities.



Türkiye's First Green Hydrogen Valley

Enerjisa Üretim's site in Balıkesir will produce a minimum of 500 tons/year of green hydrogen for use at various facilities. The pilot project focuses on green hydrogen production and liquid and solid hydrogen derivatives. It aims to produce hydrogen derivatives such as methanol and ammonia through environmentally friendly methods and local resources. This pilot project has been the first step of our growth ambition in the green hydrogen value chain. Additionally, Türkiye's first Sodium Boron Hydride Plant will be established as part of the Project.

New Investments in Growth Areas Through Sabancı Ventures

Sabancı Ventures, corporate venture capital arm of Sabancı Holding, has invested in hydrogen equipment manufacturer SunGreenH2 in order to early-position itself in the hydrogen market which is in line with Sabancı Holding's sustainability and zero-emission strategy. Sabancı Ventures invested the highest amount in the round. With the aim of transforming traditional hydrogen production process, Singapore-based SunGreenH₂ develops green hydrogen-powered systems using sustainable energy sources and water. With its own patented electrolyzer technology,

SunGreenH₂ aims to produce green energy that is much more environmentally friendly, low-cost and efficient than its competitors in the sector. The initiative aims to expand the mass production of green growth on a global scale, which will significantly contribute to the zero emissions of corporates and countries. After five investments in 2022, Sabancı Ventures made two more investments in 2023 and increased the number of companies in its portfolio to nine. Moving forward, Sabancı Ventures will continue to actively evaluate opportunities with innovative business models and/or cutting-edge technologies in sustainability and climatech as well as burgeoning areas such as internet of things (IoT), artificial intelligence (AI) and big data, insurtech, healthtech, fintech, mobility, advanced materials and cloudtech.

Investment in Disruptive Technologies with Sabancı Climate Technologies

As part of Sabancı Group's strategies for new economy-oriented growth, reinforcing the global footprint and developing the technologies of the future, a new company named Sabancı Climate Technologies was incorporated, of which Sabancı Holding is the sole and founding shareholder, to invest in renewable energy and climate technologies.

Sabancı Climate Technologies and Safar Partners, a leading USA venture-capital fund management company, have established a long-term strategic partnership. With this strategic partnership, Sabancı Climate Technologies, alongside investing in the funds managed by Safar Partners, is entitled to directly invest in start-ups that are a part of Safar Partners' network. At the initial stage, investments were made in the funds and start-ups aiming to provide sustainable and clean energy solutions, such as Commonwealth Fusion Systems, an initiative capable of bringing fusion technology to life, and Quaise Energy, a company developing deep geothermal energy technologies.



Clean Energy Business Expansion in the U.S. with Sabancı Renewables Inc.

Sabancı Renewables Inc. was found in the USA by Sabancı Climate Technologies as the sole and founding shareholder to create a renewable energy portfolio in the USA. Sabancı Renewables Inc., whose shares are fully and indirectly owned by Sabancı Holding, has completed the acquisition of a project license to establish a 272 MW solar power plant in the USA. An Engineering, Procurement, and Construction Agreement (EPC) for the power plant investment has been signed. The project is expected to be completed in the first half of 2024.

Sustainability Related Highlights from the Group Companies



An Intersection of Sustainability and Digital Business: Cybersecurity

In 2022, Dx BV made strategic investments in leading companies operating in the cybersecurity and digital marketing sectors to accelerate these rising stars' growth and value creation. Radiflow is a leading developer of advanced solutions for safeguarding critical infrastructures in industries such as energy, utilities, manufacturing, transportation, and logistics. A recent increase in demand for comprehensive OT cybersecurity solutions has allowed Radiflow to expand rapidly across the USA and Europe, doubling its sales in 2021. The acquisition provides Radiflow with a unique position in the OT security market. By leveraging the extensive industrial footprint of the Sabancı Group, Radiflow plans to further optimize its OT security offering.

Investing in Sustainable Mobility Solutions for Fleets: Arvento

As part of Sabancı Group's growth strategy in sustainable mobility solutions, Brisa, Türkiye's tire industry leader, took a major step into the mobility ecosystem through the acquisition of Arvento, a company servicing more than half of Türkiye's vehicle fleets using telematics. Arvento Mobile Systems is a key player in vehicle tracking and fleet management systems. With this move, our tire business will provide customers convenience, efficiency, and productivity through fleet management services based on integrated mobile systems and data analytics.

Building One out of Every Three Solar and Wind Power Plants in Türkiye

In line with Sabancı Group's growth ambitions in sustainable energy generation, one of every three solar and wind power plants in Türkiye will be realized by Enerjisa Üretim over the next four years. Enerjisa Üretim added the Akhisar WPP to its portfolio and commissioned the 41 MW first part of its 150 MW hybrid solar power plant projects and the 65 MW Erciyes WPP. By adding the 500 MW Balıkesir-Muğla YEKA projects to the 500 MW Aydın-Çanakkale YEKA projects, Enerjisa Üretim signed a turbine supply agreement of 1,000 MW in total. In this way, over the next 4 years, we will add 10% to Türkiye's wind power capacity.

Sabancı Holding's 42% GHG Reduction Target Announced for 2030

2022 signals a significant transformation in Sabancı Holding's growth model. We committed to reduce our Scope 1 & 2 GHG emissions by at least 15% by 2025 and 42% by 2030 vs. the 2021 baseline without using carbon offsets. To this end, Sabancı Group will launch numerous initiatives to promote renewable energy use, green hydrogen use, alternative fuels, raw material substitutions and reduce electricity losses. The Group will also cement its approach to sustainability through 'new economy' investments.

Sustainability Dedication Through SMART Targets and Commitments

Sabancı Holding aims to encourage the Group companies from different sectors to define their interim GHG emissions reduction targets in line with Sabancı Group's Net Zero Emissions goal and the Science Based Targets initiative (SBTi). Accordingly, the Group companies have

started to set their 1.5°C aligned decarbonization plans and to submit their targets to SBTi. For instance, Brisa has established its Net Zero Emissions targets in alignment with the Paris Agreement to limit global warming to 1.5°C. The SBTi has approved its target. Other Group companies,

including Akçansa, Çimsa, Kordsa, and Temsa, have either prepared or committed to the SBTi in line with the 1.5°C pathway, including Scope 3 targets where required by SBTi. The remaining Group companies are in the process of preparing their decarbonization pathways for alignment with SBTi.

Sustainability Related Highlights from the Group Companies



Achieving 11% Lower GHG Emissions in 2022

In line with our decarbonization efforts, Sabancı Holding's Scope 1 and Scope 2 GHG emissions were reduced by 11% in 2022 against the 2021 baseline despite the growth in our businesses. In 2022, Sabancı Group companies ramped up their decarbonization efforts to align with the 1.5°C pathway. A variety of actions, such as the use of renewable electricity, energy efficiency, electric vehicle fleet transformation, reducing grid losses, SF6 recovery, use of alternative refrigerants, raw material switch, use of alternative fuels, clinker substitution, furnace/boiler electrification, mixing renewable natural gas (RNG), use of heat pumps, biodiesel blend, and product and network optimization are among the key initiatives on our Group's decarbonization pathway.



USD 5 Billion Investment Pledge in SDG-linked Areas

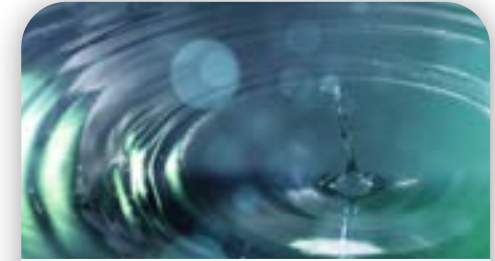
As Sabancı Holding, we will grow in sustainable businesses to contribute to the transition to a sustainable economy. In line with this ambition, we started to invest in SDG-linked activities in 2022. Our CapEx and OpEx will reach USD 5 billion in SDG-related activities by 2027, with climate mitigation and adaptation having a majority share. The key elements of our growth journey are energy and climate technologies, advanced material technologies and digital technologies, which we call the "new economy." All those technologies form the material part of our business in achieving Sabancı Group's ultimate sustainability targets.



53% SDG-linked R&D and Innovation Share

The Group's global business model combines its proven R&D capabilities, operational excellence, and highly skilled human resources.

These competitive strengths position the Group's industrials business unit well for breakthroughs in advanced materials and equipment for climate technologies. The ratio of sustainability-linked R&D and innovation activities over total R&D and innovation spending in Sabancı Group was 53% in 2022.



Water Consumption Reduced by 9%

As Sabancı Group, we believe that water supply disruption will adversely affect all business processes and our societies.

Accordingly, we define our impact on water resources on an industry basis and carry out studies on efficiency, recovery, and savings to manage water sustainably. In 2022, the share of water recycled and reintroduced to the economy was 31%. Moreover, our total water consumption has been reduced by 9% compared to the previous year.

Sustainability Related Highlights from the Group Companies



Reaching 1.6 Billion People Through Community Investment Programs

Sabancı Group develops and implements strategic community investment programs above an SROI (Social Return on Investment) value of 1, which are complementary to its core business strategies. The total number of people reached through inclusion programs by Sabancı Group companies is 1.6 billion¹⁹ in 2022. This marks a 30% increase compared to the previous year.

On top of these, Sabancı Foundation reached 1.2 billion people through its grant programs on a cumulative basis. The Group will continue to maximize its positive impact on communities through efficient and strategic community investment programs.

¹⁹ Excluding Sabancı Foundation

Diversity Remained Among the Top Priorities in 2022

Sabancı Holding is taking concrete actions to improve gender and nationality diversity at the Group company board and executive levels. Among our top management targets, we included the KPI of ensuring equal representation of women and men in executive talent pools. Our Group has a 50% women quota in all development programs. We ensured women's representation in 100% of our Group companies' Boards of Directors. Top Management Recruitment shortlists have a minimum women share quota of 33%. As a result of all gender-related initiatives, Sabancı Holding is listed once more in the 2023 Bloomberg Gender-Equality Index as the only conglomerate from Türkiye. Sabancı Holding has also been acknowledged as one of the leading World's Top Female Friendly Companies by a global employee survey by Forbes.

SDG Related Products and Services Increase in All Categories

We monitor products and services that reduce resource usage and GHG emissions, enable the transition to more sustainable technologies, enable deploying these technologies, and create positive social impact. We plan to continuously increase the number of our products and services related to the Sustainable Development Goals (SDGs). The revenues from SDG-linked products and services have reached TL 18 billion, while the total number of such solutions was 947, with a 12% increase compared to the previous year. The largest revenue stream in total SDG-linked revenues is generated through the mitigation category.

Sabanci Culture & Values

SABANCI CULTURE

Putting the needs and expectations of customers & all stakeholders at focus,

Valuing different perspectives and making decisions by considering comprehensive inclusion,

Being the pioneer of innovation,

Being courageous to make mistakes and seeing it as a learning & development opportunity,

Focusing on long-term and sustainable value creation.

VALUES



Sincerity

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



Courage

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



Inclusion

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



Passion

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



Continuous Development

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

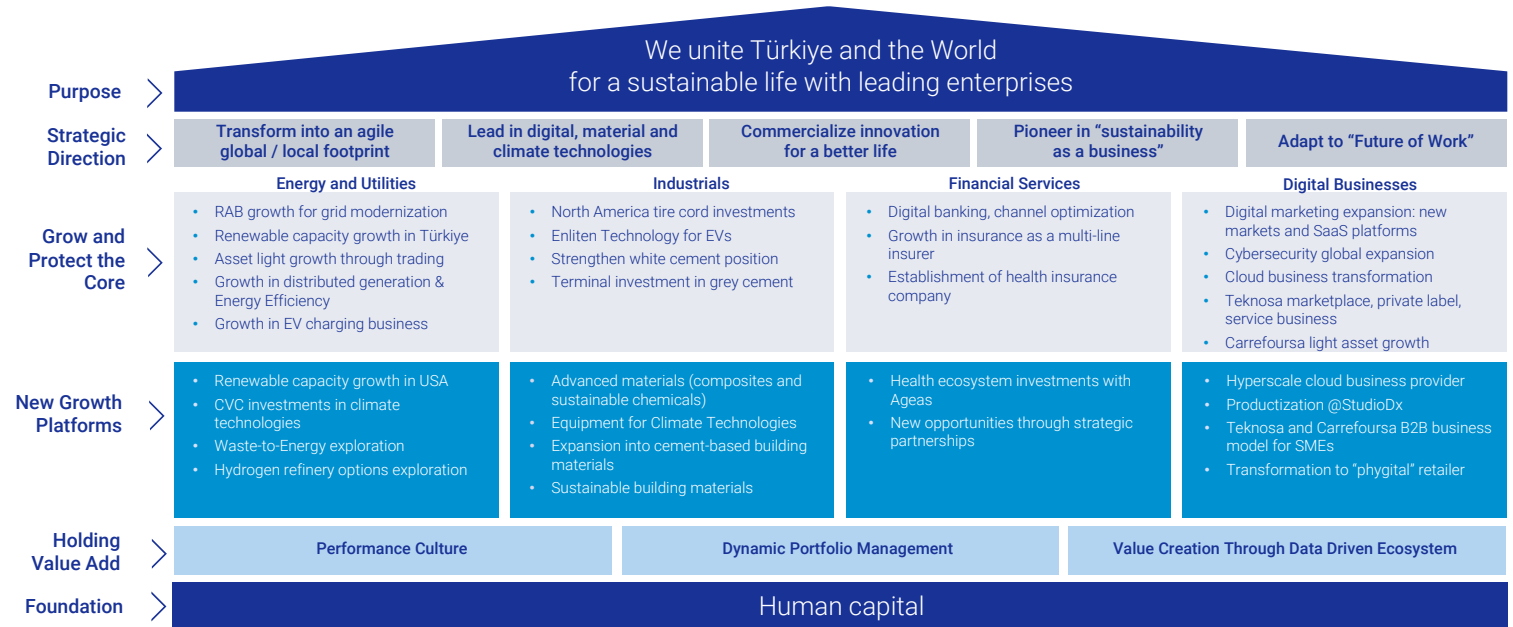
Strategy House

Sabancı Group reinforces its role as a global player with its contribution to a sustainable future and creates long-term value for its stakeholders and Turkish economy.

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

Acknowledging sustainability as a fundamental principle in its investment decisions with strong growth and stakeholder return as key drivers, Sabancı Group unites Türkiye and the World for a sustainable life with leading enterprises.

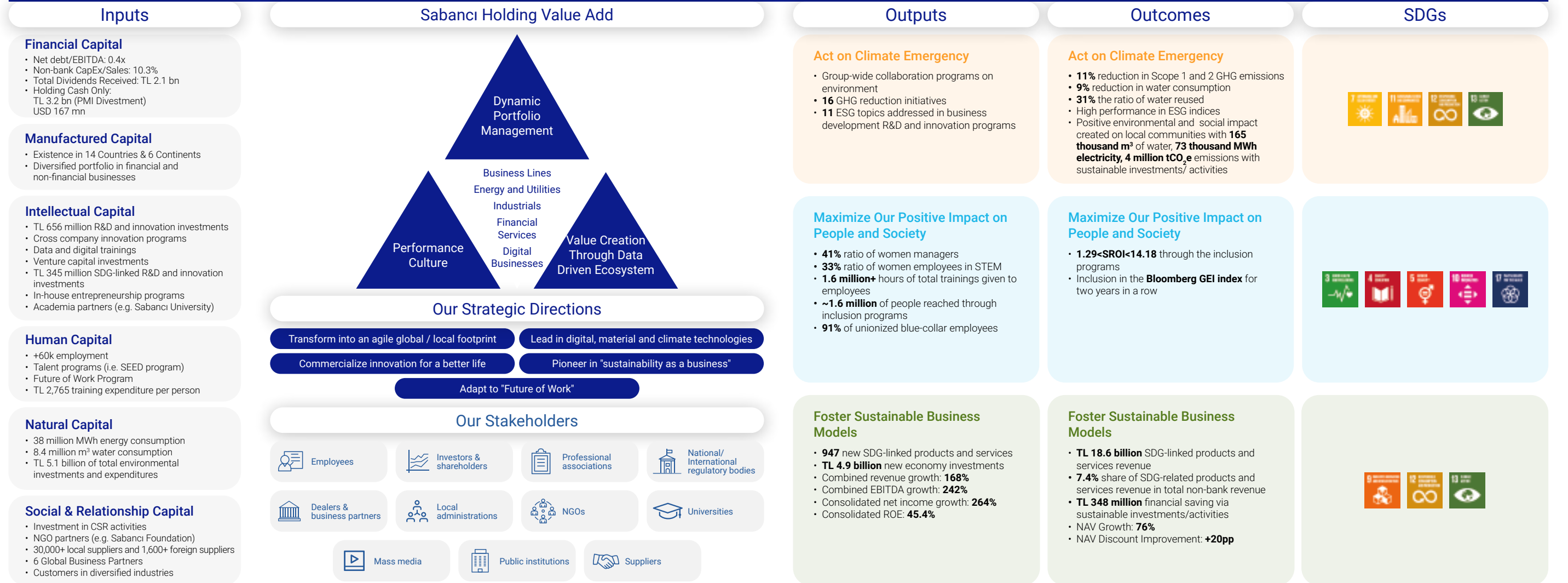
Rising from a foundation of global experience, high performance culture and value focused ecosystem built over the course of 97 years, the Sabancı Group advances towards its second century with a high confidence and enhanced strategic focus to accelerate its growth and transformation.



How We Create Value Through Our Strategy House

GRI 2-22

We unite Türkiye and the World for a sustainable life with leading enterprises



Pioneer in Sustainability as a Business

As Sabancı Group, we actively pursue new ways to make our existing and future investments more sustainable in various sectors, mainly in the banking, financial services, energy, industrials, building materials, digital and retail, across 14 countries in which we operate with the support of over 60 thousand employees, who are at the core of all our processes. Based on our new economy approach, we develop sustainable and innovative business models focusing on future technologies mentioned in our Strategy House. By keeping track of key trends and developments across the world, we proactively manage our businesses through our capital allocation framework and highly skilled workforce with diverse backgrounds.

Pioneer in Sustainability as a Business

With the best practices we have implemented in the ESG areas, we contribute making sustainability an integral part of our business model in all sectors.

As Sabancı Holding, we pioneer and lead the sectors that we operate via our sustainability approach which we spread to the Group companies, focusing on understanding and adapting to change. With the best practices we have implemented in the ESG areas, we contribute making sustainability an integral part of our business model in all sectors. In our main business lines such as energy, industrials, and financial services, we transform our existing investments to become more sustainable, while defining Sabancı Group's new generation growth platforms in sustainable and high-tech business areas.

By focusing areas such as electrification, digitalization, and circular economy, we aim to ensure the highest level of efficiency within our own organization and our customers' activities.

2022 signals a significant transformation in Sabancı Group's growth model in which we committed to reduce our Scope 1 & 2 GHG emissions at least 15% by 2025 and 42% by 2030 vs. 2021 baseline without using carbon offsets, while aiming to invest USD 5 billion in SDG-linked activities until 2027 year-end.

42%

Reduction in Scope 1 & 2 GHG Emissions by 2030 vs. 2021

We will reduce our Scope 1 & 2 GHG emissions at least 15% by 2025 and 42% by 2030 vs. 2021 baseline without using carbon offsets.

USD 5 BILLION

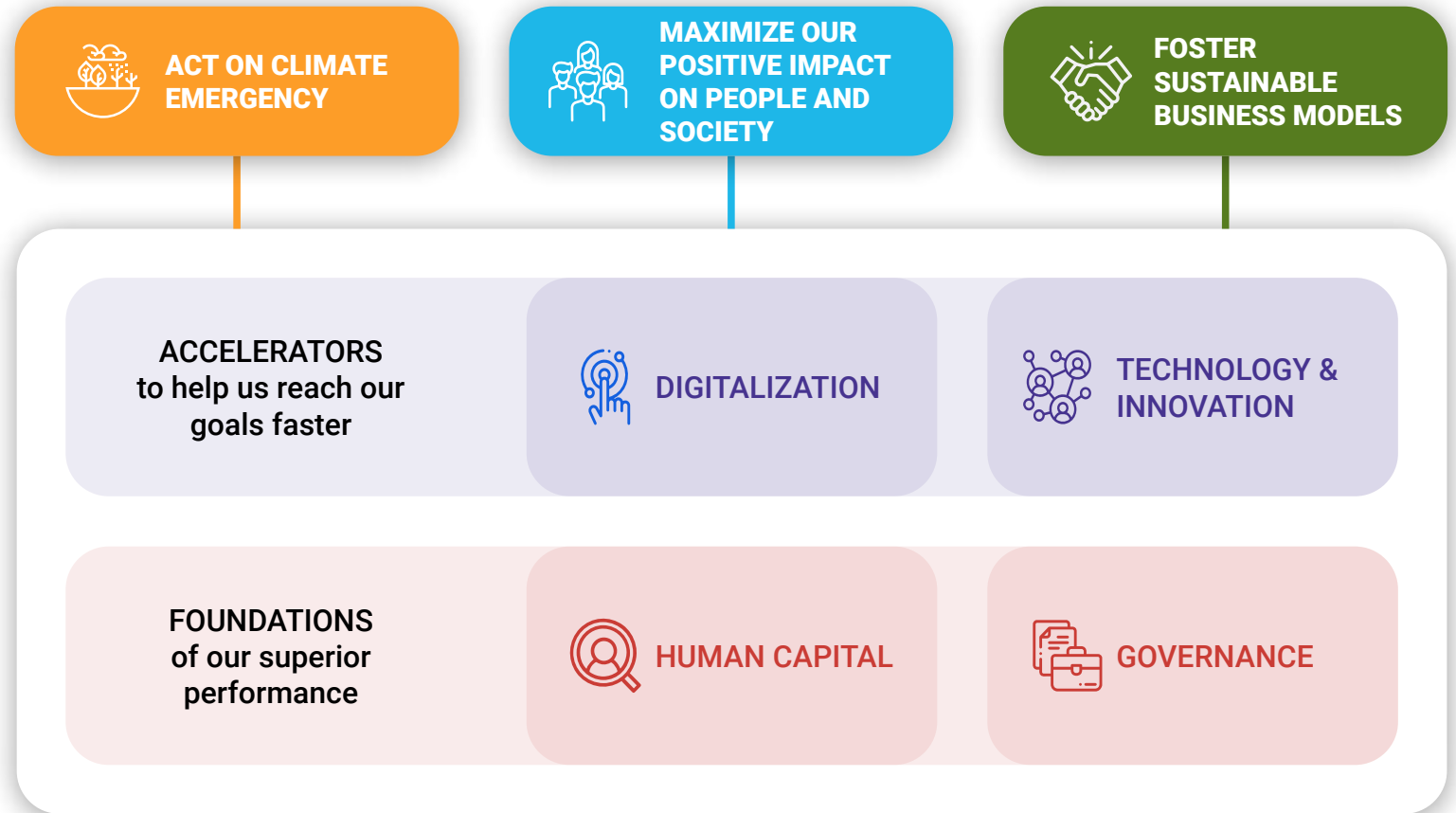
Amount of SDG-linked Investments Between 2022-2027

We will grow in sustainable businesses to contribute to the transition for a sustainable economy.

As Sabancı Group, we started to track SDG-linked activities in 2022. Our CapEx and OpEx will reach USD 5 billion in SDG-linked activities by 2027, with climate mitigation and adaptation having a share of 70%.

Our Sustainability Roadmap

In 2021, Sabanci Holding launched its Sustainability Roadmap, which consisted of 80 high level actions to guide the Group's ESG journey. By the end of 2022, the Holding commenced 58 actions out of 80, exceeding its internal targets on progress.




Our Sustainability Roadmap

Sustainability Roadmap was created in 2020, and the value areas that would have a positive impact were determined. The Sustainability Roadmap, which was approved

by the Executive Board and the Board of Directors in 2021, is linked to the sustainability priorities and the United Nations Sustainable Development Goals (SDGs).




Sabancı Group started to take approximately 80 detailed actions developed to implement the Sustainability Roadmap in 2021. By the end of 2022, the Holding commenced 58 actions out of 80, exceeding its internal targets on

progress. The Holding also began measuring the key performance indicators for each title in the table below in 2021 and received independent assurance services for these data within the Group.

Roadmap Area ²⁰	Material Issue	Link to Our Business	2021 Performance	2022 Performance	Mid and Long-Term Goals
 <p>Focus Area 1. Act on Climate Emergency</p>	CLIMATE EMERGENCY	All risks and opportunities associated with the climate emergency are of particular interest to our businesses. To contribute to the fight against the climate emergency and increase our resilience, we make environmental investments and expenditures, focus on energy efficiency, and strive to reduce GHG emissions. From an opportunity perspective, we integrate climate issues into our product development processes. Furthermore, energy and climate technologies are one of the building blocks of our future investment plans, helping us to gain market share in new economy. We remain committed to our focus on 100% low carbon energy technologies in new investments.	11.2 million tCO ₂ e	9.9 million tCO ₂ e	<ul style="list-style-type: none"> 15% reduction in Scope 1 & 2 GHG emissions by 2025 (with 2021 base year) 42% reduction in Scope 1 & 2 GHG emissions by 2030 (with 2021 base year) Achieving Net-Zero Emissions by 2050
	CIRCULAR ECONOMY	Circular economy practices contribute to the fight against the climate emergency, the reduction of resource consumption and the waste generation. It increases our resilience to supply chain challenges. We invest in innovative technologies that facilitate circular economy models both in our own operations and our customers' operations. We believe our focus on circular economy practices bring competitive advantage not only in terms of resilience to supply chain challenges, but also in terms of our commitment to net zero and meeting customer expectations.	9.3 million m³ water consumption	8.4 million m³ water consumption	<ul style="list-style-type: none"> Reviewing our processes from a circular economy perspective Achieving Zero Waste by 2050




²⁰ 2021 total water consumption has been restated by the most recent and accurate data of the Group.

Our Sustainability Roadmap

Roadmap Area	Material Issue	Link to Our Business	2021 Performance	2022 Performance	Mid and Long-Term Goals
 <p>Focus Area 2. Maximize Our Positive Impact on People And Society</p>	COOPERATION AND PARTNERSHIPS WITH STAKEHOLDERS	We have a large stakeholder ecosystem. By collaborating with different stakeholders, we leverage on their expertise and develop high impact programs that contribute to both our stakeholders and the Group itself. In addition, thanks to the engagement platforms on which we communicate regularly with stakeholders, we can receive timely feedback on many risks and opportunities before they arise and use them to improve our performance.	1.29 ≤ SROI ≤ 7.09	1.29 ≤ SROI ≤ 14.18	<ul style="list-style-type: none"> Implementing measurable, high-impact social programs with continuous improvement efforts (min. SROI²¹ ≥ 1)
 <p>Focus Area 3. Foster Sustainable Business Models</p>	RESPONSIBLE INVESTMENTS	We believe adopting a responsible investment approach helps us to mitigate sustainability-related risks, capture business opportunities and ultimately create value for all stakeholders. Our understanding of responsible investment approach is about transforming our way of doing business in every function from R&D to procurement, from HR to finance and product development. As a result of this approach, we invest in areas of growth, companies, business models, products, services, and projects that are in line with the UN SDGs.	TL 7.7 billion SDG-linked revenues	TL 18.6 billion SDG-linked revenues	<ul style="list-style-type: none"> Developing sustainable products, services and business models, TL 200 billion in sustainable financing by 2030²² and a sustainable mutual fund balance of TL 15 billion by 2030 USD 5 billion to SDG-linked investments until 2027 (Includes our CapEx and OpEx to reach USD 5 billion in SDG-linked activities until 2027, with climate mitigation and adaptation having a share of 70%.)
	ECONOMIC PERFORMANCE	The economic value we create is the most significant tool for us to increase our impact in the determined value areas. We support employment and social development with stable, inclusive and sustainable economic growth. At Sabancı Group, we continuously improve our financial performance and profitability.	Sustainable finance amounting to TL 27 billion	Sustainable finance amounting to TL 60 billion	
 <p>Accelerator 1. Digitalization</p>	DIGITALIZATION	At Sabancı Group, we develop and invest in next-generation digital technologies, such as cyber security, digital marketing, cloud technology, advanced data analytics, internet of things and software development. With all these, our aim is to increase efficiency in our processes, to create added value for our customers by integrating new technologies to our products and to provide access to new markets.	Digital transformation: 155 analytics projects via DnA Platform	2 new digital acquisitions in cyber security and digital marketing	<ul style="list-style-type: none"> Reaching our Sustainability Goals more quickly by utilizing digitalization for greater flexibility, quality and efficiency


²¹ Social Return on Investment. This indicator will start to be calculated from 2022 onwards. ²² Sustainable investment funds and loan financing target provided by Akbank.

Our Sustainability Roadmap


Roadmap Area	Material Issue	Link to Our Business	2021 Performance	2022 Performance	Mid and Long-Term Goals
 Accelerator 2. Technology and Innovation	TECHNOLOGY AND INNOVATION	We closely follow technological developments to adapt our businesses to today's landscape. Making use of technology and innovation, we develop SDG-linked products and services that will solve today's environmental crises and increase social welfare.	51% SDG-linked R&D and innovation ratio	53% SDG-linked R&D and innovation ratio	<ul style="list-style-type: none"> Increasing our SDG-linked product and service potential by combining our strength in R&D and innovation with technology. 70% of our R&D and innovation expenses to serve SDGs by 2025.
	TALENT MANAGEMENT	Talent management plays a major role for companies seeking to adapt to changing global trends and maintain their competitiveness. We manage our human capital through the Sabancı Competency Model, which specifies behaviors that will ensure Group values, leadership and performance improvement. At Sabancı Group, we aim to retain existing talents and attract new ones in order to work with competent human resources in all the relevant industries.	Launch of Türkiye's first in-depth Future of Work project	93% Completion rate in Future of Work actions	<ul style="list-style-type: none"> Providing development opportunities and experiences that will shape the Future of Work
 Fundamentals 1. Human Capital	EQUAL OPPORTUNITY AND DIVERSITY	The fundamental factors to ensure a meaningful and successful working environment are closing the gender gap, ensuring diversity and inclusion in the workplace and providing equal rights and opportunities to all employees. We offer equal opportunities to all of our employees in all Sabancı Group companies from the moment they are recruited and actively benefit from diversity.	44% ratio of women at BoD	44% ratio of women at BoD	<ul style="list-style-type: none"> Being a leader in diversity, equity and inclusion
			40% ratio of women managers	41% ratio of women managers	
 Fundamentals 2. Governance	RISK MANAGEMENT	As we operate in various industries, we have a comprehensive risk management approach. We have an integrated risk management perspective that attends to our financial and non-financial risks. Our integrated risk management ensures that we can identify potential risks in our portfolio and operations in advance, and that we can manage these risks effectively by taking preventive measures.	ESG integration to ERM and investment strategy	ESG integration to Capital Allocation Framework and publication of Responsible Investment Policy	<ul style="list-style-type: none"> BoD Remuneration Policy Continuously developing our corporate governance approach Adopting an effective sustainability governance model
	CORPORATE GOVERNANCE	We consider corporate governance as an approach to protect the interests of our stakeholders, from employees to the communities in which we operate. Corporate governance is essential for ensuring sustainability at Sabancı Group, and we therefore adopt an all-inclusive corporate governance model with transparent, accountable, fair and responsible manner in all our businesses.	4 ESG committee meetings	7 ESG committee meetings	
			11 ESG task force meetings	9 ESG task force meetings	

GRI 3-1


Our Response to Sustainability Trends

Trend	Current Development on This Trend	Sabancı Group's Response
 <p>Increased ambition for clean energy resources</p>	<p>The European Union (EU) responds to upcoming energy-related crises with the REPowerEU Plan to make Europe independent of Russian fossil fuel well before 2030 by accelerating renewable energy resources.</p> <p>REPowerEU would almost double the existing share of renewable energy in the EU, bringing the total renewable energy generation capacity to 1,236 GW by 2030, compared to the 1,067 GW by 2030, envisaged under the Fit for 55 package. With the EU's Solar Energy Strategy, the expectation is to boost the roll-out of photovoltaic energy by bringing online over 320 GW of newly-installed solar photovoltaic capacity by 2025, over twice today's level, and almost 600 GW by 2030.</p> <p>According to International Energy Agency (IEA) data, global investment in grids by 2030 will be close to USD 750 billion per year in the NZE Scenario and remains high through 2050. Close to 70% of this investment is for distribution grids for expanding, strengthening, and digitalizing networks. Renewable energy technologies currently provide nearly 30% of electricity generation and are set for rapid growth in all scenarios (STEPS, APS, NZE) until 2050, led by solar photovoltaics (PV) and wind.</p> <p>In Türkiye, wind-powered electricity generation was 10.8%, hydrological energy 20.6%, solar 4.7%, and geothermal 3.3% in 2022. The national target is an installed capacity of 52.9 GW for solar, 29.6 GW for wind, 35.1 GW for hydrological power, and 5.1 GW for geothermal and biomass in 2035.</p> <p>According to the Inflation Reduction Act (IRA) declaration of 2022, around USD 370 billion will be disbursed for measures dedicated to improving energy security and accelerating the clean energy transition. The USA will aim to create new investments in climate to reduce carbon emissions by 40% as of 2030.</p> <p>With the impact of new updates on clean energy resources, a ramping up of competition between the EU and the USA on new investments in renewable energy solutions is foreseen for the coming years.</p>	<p>Sabancı Group's Response</p> <p>In line with its sustainability-focused growth strategy in the energy business, new renewable energy investments were a key item on the Sabancı Group's agenda in 2022. In Türkiye, Sabancı Group plans to consolidate and bolster its leading renewable energy generation position. The Group aims for a wind fleet of about 1,500 MW in line with an overall target of 5,000 MW+ installed capacity. A total of 1,000 MW wind capacity will be installed consecutively starting from 2024 H2 to 2026 H1 with an investment of USD 1.2 billion.</p> <p>The new world of sustainable energy, with renewable energy as the key energy source, is possible only with huge investments in energy infrastructure. A Sabancı Group company, Enerjisa Enerji, is one of the largest investors in Türkiye in grid expansion, upgrading, and modernization. Enerjisa Enerji serves one out of every four people in Türkiye and heavily invests in grid modernization, including smart metering and smart grid systems, network digitalization, improvements to the reliability of power supply, and renewables integration.</p> <p>To accelerate the sustainable energy transformation of the Sabancı Group and invest in energy and climate technologies, Sabancı Climate Technologies (Sabancı İklim Teknolojileri A.Ş.) was founded to undertake renewable energy power plant and strategic investments in various venture capital funds and start-ups, primarily in the USA and Europe. In 2022, climate tech and renewable energy investments were made in the USA with Safar Partner VC investments.</p> <p>We closely monitor renewable energy investment opportunities of various sizes, locations, and technologies in the USA. Over the next three to four years, Sabancı Renewables, established in the USA to invest in renewable energies, aims to develop a 1,000 MW well-diversified renewable portfolio of onshore wind and utility-scale solar projects. A solar power plant investment in Texas with an installed capacity of 272 MW was also made in 2022.</p> <p>The core objective of Sabancı Group's generation company is energy trading expansion in new geographies. Efforts and feasibility studies towards trading across continental Europe are underway. Relationships with European counterparties to develop ideal planning and production solutions are ongoing. Sabancı Group also plans to explore opportunities for green hydrogen export to Europe.</p> <p>Sabancı Group Companies aim to decrease the electricity-related emissions from their operations through applications such as SPP installation at factories, International Renewable Energy Certification (I-RECs), or Türkiye-specific renewable energy source guarantee certificates (YEK-G) for renewable electricity usage.</p>


Our Response to Sustainability Trends

Trend	Current Development on This Trend	Sabancı Group's Response
 <p>Failure to act on the climate emergency</p>	<p>According to <i>Accenture's Report</i>, 34% of the world's largest companies have committed to Net Zero. Yet 93% of them are expected to miss their goals if they do not at least double the pace of emissions reduction by 2030. Despite remaining visible on the global agenda, the climate emergency has been underestimated in light of globally significant events such as COVID-19, the war in Ukraine, macroeconomic turbulence, and rising energy prices.</p>	<p>Sabancı Group's Response</p> <p>At Sabancı Group, we have set a target to achieve Net-Zero emissions and Zero Waste by 2050 at the latest. Besides our long-term net-zero commitment, Sabancı Group has also announced its interim reduction target to decrease Scope 1 and 2 GHG emissions by 42% in 2030 compared to the 2021 base year. The key elements of our growth journey are energy and climate technologies, material and digital technologies, which we call the 'new economy.' All those technologies form the material part of our business in achieving Sabancı Group's ultimate environmental target.</p> <p>We collaborate with diverse stakeholders to calculate and analyze the sectoral needs of the Group companies and define their emission-related targets in both the shorter and longer-term, thereby supporting the Group's decarbonization trajectory. These stakeholders support Sabancı Group in fully comprehending the needs and significant upcoming regulations that could affect the Group's financial and non-financial performance while decarbonizing the business lines.</p> <p>Sabancı Holding encourages the Group companies from different sectors to define their interim emission reduction and net-zero targets in line with the Science-Based Targets initiative (SBTi). Accordingly, the Group companies have started to set their 1.5°C aligned decarbonization plans and to submit their targets to SBTi. For instance, Brisa has established its net-zero targets in alignment with the Paris Agreement to limit global warming to 1.5°C. The SBTi has approved its target. Other Group companies, including Akçansa, Çimsa, Kordsa, and Temsa have either prepared or committed to the SBTi in line with the 1.5°C pathway. The remaining Group companies have prepared their decarbonization pathways for alignment with SBTi.</p> <p>To decarbonize the business lines, we support SDG-linked products & services and aim to increase the volume of all related investments. In parallel, we target USD 5 billion of investment in SDG-linked CapEx & OpEx between 2022 and 2027. Our Group companies are conducting their R&D studies into SDG-linked products and services to expand our SDG-related portfolio.</p>


Our Response to Sustainability Trends

Trend	Current Development on This Trend	Sabancı Group's Response
 <p>Biodiversity loss and deforestation</p>	<p>UN Biodiversity Conference (COP 15) was held in December 2022. It resulted in adopting a bold Global Biodiversity Framework, including four goals with different milestones and 23 targets to support biodiversity-related activities worldwide. Commitment to effective discussion and management of at least 30% of the world's lands, inland waters, coastal areas, and oceans is creating a new dimension for sectoral players' upcoming biodiversity and deforestation activities.</p> <p>The EU Green Deal, which is expected to be invested with the one-third of EUR 1.8 trillion from the NextGeneration EU Recovery Plan has a roadmap to meet the targets focusing on fresh air, clean water, healthy soil, and biodiversity as its main action area. The EU's Biodiversity Strategy for 2030 was published with a target of enlarging existing Natura 2000 areas with strict protection for areas of extremely high biodiversity and climate value. In 2022, the Commission adopted a proposal for a Nature Restoration Law.</p> <p>The EU has also prepared a regulation on deforestation-free supply chains to ensure key goods placed on the EU market will no longer contribute to deforestation and forest degradation in the EU or elsewhere. The new regulation sets strict mandatory due diligence rules for companies wishing to place relevant products on the EU market or for export. Operators and traders must prove that the products are deforestation-free and legal.</p>	<p>Sabancı Group strives to eliminate negative impacts on biodiversity from its entire value chain. The activities that are excluded as part of our Responsible Investment Policy.</p> <p>The exclusion list includes fishing activities that are considered illegal and overfishing and the use of drag nets longer than 2.5 km, production or trade of wood and other forestry products from forestry activities that are not sustainably managed, all commercial activities that adversely affect tropical rainforests, activities within or threatening RAMSAR areas, activities contrary to the provisions of the CITES agreement and in areas defined by the AZE and in Categories 1-4 within the scope of the International Union for the Conservation of Nature-(IUCN).</p> <p>Our Energy, Building Materials, and Industrials Group companies also invest in various biodiversity programs related to their sectors and activities. For example, our Energy Group Company Enerjisa Üretim has conducted a biodiversity development and management program on the Adana-Kahramanmaraş Hançerderesi Wildlife Conservation Area.</p> <p>In addition, Sabancı Group is developing a new project on managing biodiversity protection and restoration. With this project, we aim to complete our Group-wide heatmap assessment and determine our future actions accordingly.</p> <p>Please visit the Biodiversity chapter for further details.</p>

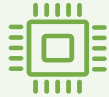

Our Response to Sustainability Trends

Trend	Current Development on This Trend	Sabancı Group's Response
 <p>Social erosion and growing inequalities</p>	<p>Global awareness and struggle over social inequalities have increased significantly worldwide following Iran's protests of young woman who died in police custody. Over 300 people were killed in the protests, including at least 40 children. The United Nations (UN) Human Rights Council created a new fact-finding mission regarding the alleged violation.</p> <p>At least 89.3 million people worldwide have been forced to flee their homes because of continuing military operations, mostly in Ukraine and Syria. There are close to 27.1 million refugees, around half of whom are under 18, based on the UNHCR data. Türkiye is one of the biggest refugee-hosting countries with almost four million, more than 3.5 million Syrian.</p> <p>According to the <i>World Economic Forum's 2022 Global Risk Report</i>, the fourth and fifth risks humanity will face in the next 10 years are social cohesion erosion and livelihood crises.</p>	<p>Sabancı Group's Response</p> <p>Sabancı Group cares about improving people's lives, especially among vulnerable groups, to ensure decent living standards. With this purpose, Sabancı Group companies reached over 1.5 million people in 2022. Moreover, Sabancı Foundation grant programs have sustainably impacted the lives of 1.2 million people, 225 thousand of whom have been reached directly through grants supporting 218 projects over the past 16 years.</p> <p>Sabancı University has established a scholarship program to enable more successful students in need to benefit from its unique and innovative educational experience.</p> <p>On top of these efforts, we support communities affected by disasters exacerbating pre-existing inequalities in education, income, gender, ability/disability, and social status. Sabancı Group's emergency and mid-term support for the victims of the February earthquake, the fifth-deadliest such disaster of the 21st century worldwide, that impacted 11 cities in Türkiye and several governorates in Syria, reached TL 12 billion. Our Group companies and Sabancı Volunteers have been in the field since day one to assist with rescue efforts, provide aid and enhance the critical infrastructure, including the electricity supply. The Group is also working on a long-term development program with 15 NGOs to help build back 'better' throughout the earthquake region.</p> <p>Given the importance we give to our human capital, Sabancı Group has adapted the Future of Work Framework under seven main themes. Notably, through our smart work, flexible & high-performance workforce, and leadership KPIs, we ensure better work conditions for all employees of different needs and with special conditions or limitations.</p> <p>Our <i>Responsible Investment Policy</i> ensures due diligence on human rights-related issues. One of the ground rule articles in collective bargaining agreements is our commitment to ensuring gender equality and creating opportunities for people with disabilities.</p> <p>Sabancı Group encourages its suppliers to adopt its approaches to labor and human rights, occupational health and safety, and business ethics.</p>

Our Response to Sustainability Trends

Trend	Current Development on This Trend	Sabancı Group's Response
 <p>Living wage and rising inflation trend</p>	<p>The global annual inflation rate reached its peak since the early 1980s with 9.1% in June 2022. The main reasons for continued rising inflation were the post-pandemic era, supply chain disruptions due to military tension in Ukraine, and many companies' labor shortages due to rising costs. According to the Global Wage Report, global monthly wages fell in real terms to -0.9% in the first half of 2022. Thus, for the first time this century, real global wage growth has been negative.</p> <p>Rising inflation is about to affect living wages significantly, and this trend has a rising cost-of-living impact, especially on lower-income earners. Due to rapid price growth in 2022, the prices of essential nutrients are rising in parallel with interest rates. Based on the U.S. Bureau of Labor Statistics Consumer Price Index, these rises have included a 59.9% increase in eggs, 35.5% in butter and margarine, and 11.8% in beef and veal.</p>	<p>Sabancı Group's Response</p> <p>Providing an equal, fair, and safe work environment that allows our employees to best realize their potential is fundamental to reaching our strategic goals and higher purpose as a Group. We also ensure that all employees earn a living wage enabling a decent standard of living. For this reason, we adjust our salary and benefit regulations considering the living wage and current inflation trends. We support the strong representation of our workforce through unionization. The unionization rate among manufacturing employees²³ is 91%, which is 77% above the national average.</p> <p>Within the Future of Work Framework, we take the necessary initiatives to satisfy our talent and to prepare them for the future under our 'leave no one behind' principle. The Group companies also take their initiative based on various sectoral needs. For instance, Agesa offers flexibility, including a premium discount, loan options, determining the coverage amount, which is unique in the market, creating economic value with a long-term unemployment rider to prevent the negative economic consequences of unemployment, providing a long-term critical illness guarantee to prevent related negative economic consequences, and Life Cycle Funds to prevent any financial loss in pension plans, and assistance for customers of low financial literacy.</p> <p>We also monitor and audit whether our subcontractor employees are insured while regular social security premiums and salary payments are made. We consider whether their working and accommodation conditions are appropriate.</p> <p>²³ Blue-collar employees</p>

Our Response to Sustainability Trends

Trend	Current Development on This Trend	Sabancı Group's Response
 <p>Digital disruption</p>	<p>Artificial intelligence (AI) and machine learning technologies continue transforming businesses with new opportunities for entrepreneurs, business leaders, and workers in every industry. Human interaction with machines is developed with emerging technologies and tools that make daily life much easier while at the same time bearing certain risks that can give rise to misleading benefits. Generative AI, which can generate content and images and even make music, was one of the most popular technologies of 2022.</p> <p>As AI algorithms become more prevalent in business, they have come under greater scrutiny. Many fear these systems can perpetuate and even worsen historic biases such as racism, sexism, and other forms of bigotry. Therefore, business and data scientists must remove bias during AI development to combat these problems. And once more fully integrated into daily life in the near future, it must also be clear how those AI technologies can be prevented from misuse by invading privacy where necessary precautions are not taken, creating a bias for or against people and creating unemployment.</p>	<p>Digitalization is one of Sabancı Holding's key strategic directions and is determined as an accelerator on Sabancı Holding's Sustainability Roadmap. In line with this strategic approach, Digital Technologies, a driving force of Sabancı Group's recent growth, has been established as a new business unit within the organizational structure. Mr. Max Speur was appointed Sabancı Holding Digital Group President. Also, Dx Technology Services and Investment BV (Dx BV) was established in the Netherlands to create a global player in the digital world.</p> <p>In the digital business' transformation journey, Sabancı Group has refined the strategic business model into a more integrated structure on four pillars: Cyber Security, Digital Marketing Technologies and Services, Cloud and Technology Services, and Digital Transformation Products. Each respective pillar's growth outlook and business potential lead Sabancı Group to accelerate investments and build a foundation to create global value.</p> <p>Although digitalization is an accelerator of our business, rapid changes and transformation in advanced technology may occasionally give rise to diverse risks that must be managed with a multidimensional approach. We, therefore, align our talent and task force with the Group's Future of Work Framework to deal with the potential risk of digital disruption that Sabancı Group could encounter in the near or long-term. We design special programs that enable digital-specialized talents to focus on artificial intelligence, machine learning, data analytics, and digital marketing.</p> <p>The growing use of digital technologies, the rapid rise of remote work, and increased awareness of business continuity have driven cyber security to the top of the agenda for decision-makers at all organizational levels. In 2022, DX BV invested in Radiflow, a developer of the most advanced products, to secure the critical infrastructures of the energy, utilities, manufacturing, transportation, and logistics industries.</p>
 <p>Geo-economic confrontation</p>	<p>Economic competition among states still tops the global agenda, raising the risk of clashes between global powers and state intervention. States are looking for new economic advantages to ensure their well-being and global visibility to reinforce their sovereignty. As geopolitics trumps economics, a longer-term rise in inefficient production and rising prices becomes more likely.</p> <p>As global events negatively shape the global economy, global economic fragmentation, geopolitical tension, and rockier restructuring could contribute to widespread debt distress over the coming decade. The resulting new economic era may be a growing divergence between rich and poor countries and the first rollback in human development in decades.</p> <p>As indicated by the WEF, geopolitical fragmentation could drive geo-economic warfare and heighten the risk of multi-domain conflicts, including the targeted deployment of new-tech weaponry on a potentially more destructive scale than seen in recent decades.</p>	<p>Sabancı Group has the flexibility and resilience against geo-economic confrontation due to our dynamic portfolio management strategy, wherein sustainability is a core business driver, and to our operations across multi-geographies and sectors.</p> <p>Sabancı Group has delivered exceptional financial and operational performance despite a challenging operating environment shaped by uncertainties and economic slowdown. In 2022, our turnover, EBITDA, and net profit tripled compared to the previous year. The consolidated net profit for the reporting period amounted to TL 44 billion. In 2022, Sabancı Group undertook new investments across all our business lines, ramping up investment spending by 2.5 times. Our return on equity rose to 45%, and our earnings quality further improved from the previous year. Consequently, our non-bank net financial debt/EBITDA declined further to 0.4x.</p> <p>This exceptional performance demonstrates Sabancı Holding's and our Group companies' financial excellence approach, especially in balance sheet management. This approach will provide an important cushion against volatility while enabling us to consider future opportunities even during the most tough times.</p>

Material Issues

We determined the sustainability priorities of Sabancı Holding with a participatory, inclusive and comprehensive approach that is based on international standards.

As of 2020 year-end, we determined the sustainability priorities of Sabancı Holding with a participatory, inclusive and comprehensive approach that is based on international standards. Sabancı Holding's materiality analysis was signed off by the related-executive managers and Holding's Chair. While determining the material issues that guide the development of the Holding's sustainability strategy, we identified the common priorities of both internal and external stakeholders and Sabancı Holding.

- With stakeholder analysis, we received opinions on potential sustainability priorities from both Group company employees and external stakeholders. In this context, we reached out to different groups from universities and suppliers to nongovernmental organizations and investors. In the stakeholder analysis, based on the international stakeholder engagement standard (AA1000SES) and reaching 1,167 people, 44% of the stakeholders contacted participated in the study.
- We evaluated the trends that are decisive in the global agenda and analyzed the material issues that affect business and sustainability by reviewing the literature with external trend analysis.

Within the scope of literature review, we analyzed:

- United Nations Sustainable Development Goals, the European Bank for Reconstruction and Development (EBRD) and World Bank Türkiye strategies;
- 11th Development Plan;
- World Economic Forum Global Risk Report;
- World Business Council for Sustainable Development (WBCSD) Macrotrends and Disruptive Events Report; and
- Materiality Map for different industries created by the Sustainability Accounting Standards Board (SASB).

Reviewed resources of critical importance for the Holding included the MSCI (Morgan Stanley Capital International) ESG performance material issues, the Vigeo EIRIS assessment methodology, the Dow Jones Sustainability Index criteria and the Task Force on Climate-Related Financial Disclosures (TCFD) principles, and the United Nations Principles for Responsible Investment & Principles for Responsible Banking.

1,100+
people reached for stakeholder analysis

44%
participation rate of stakeholders in the study

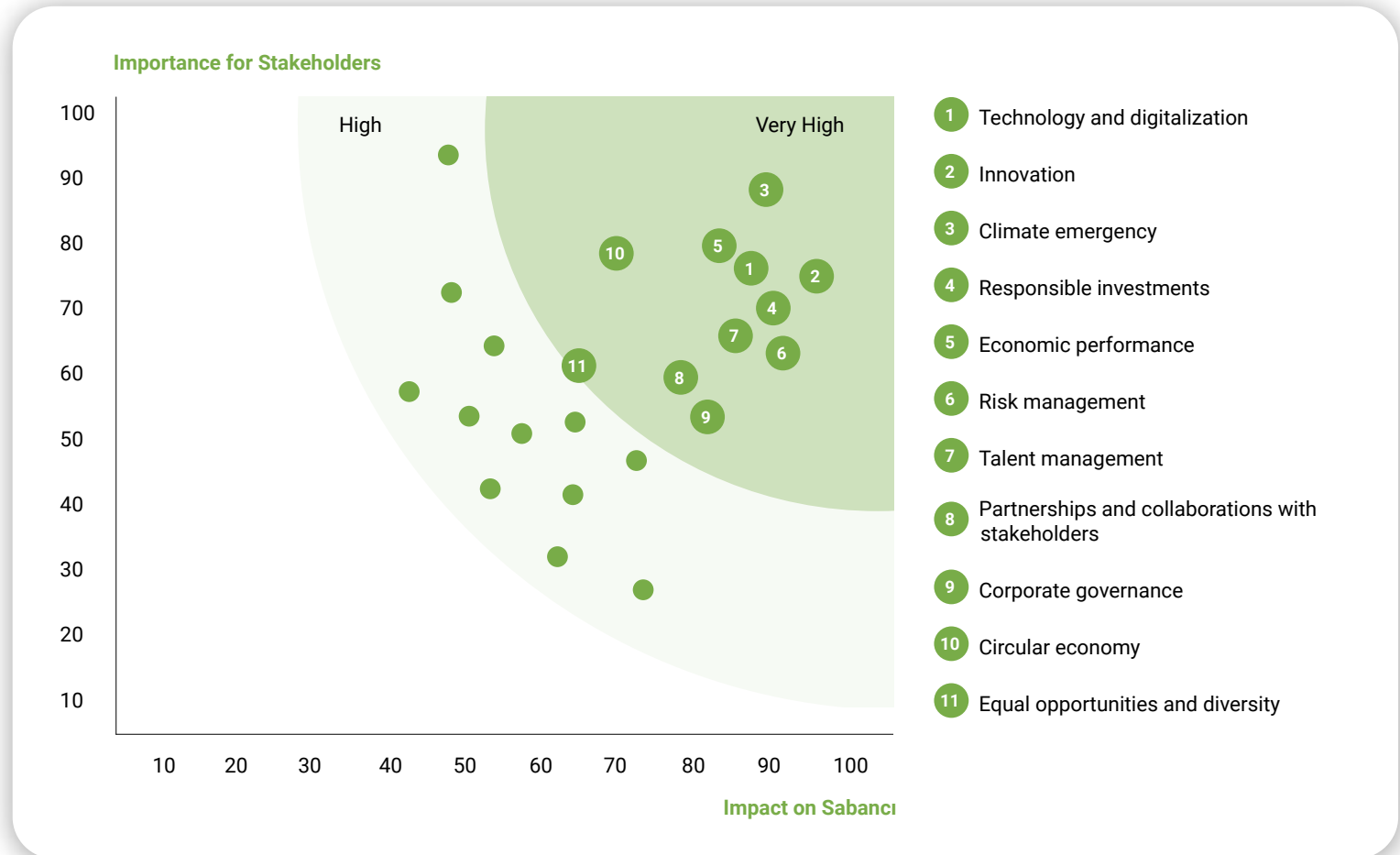
Material Issues

While determining the importance of the subjects for Sabancı:

- We considered the strategic perspective of senior management as obtained through face-to-face meetings.
- We evaluated the five-year business strategy of Sabancı Holding and observed investment areas.
- With the SASB Four-Step Impact analysis, we discussed the issues in terms of financial impact and risks, legal impacts, potential to create competitive advantage and innovation opportunities.

Finally, we reviewed the material issues that emerged following this study in light of the ESG criteria emphasized by investors. We also considered the material issues of companies leading sustainability and companies that were compared within the scope of the Sabancı Holding Sustainability Roadmap. We received the approval of senior management for the relevant material issues.

In this context, among a total of 23 issues, technology and digitalization, innovation, climate emergency, responsible investments, economic performance, risk management, talent management, collaborations and partnerships with stakeholders, corporate governance, the circular economy, equality of opportunity and diversity were identified as most material issues for Sabancı Holding and its stakeholders. Other issues are determined as employee engagement and satisfaction, data privacy and security, human and employee rights, community investment programs, work ethics, occupational health and safety, antibribery and anticorruption, biodiversity, regulation and compliance, sustainability leadership and responsible supply chain.



Risk and Opportunity Management

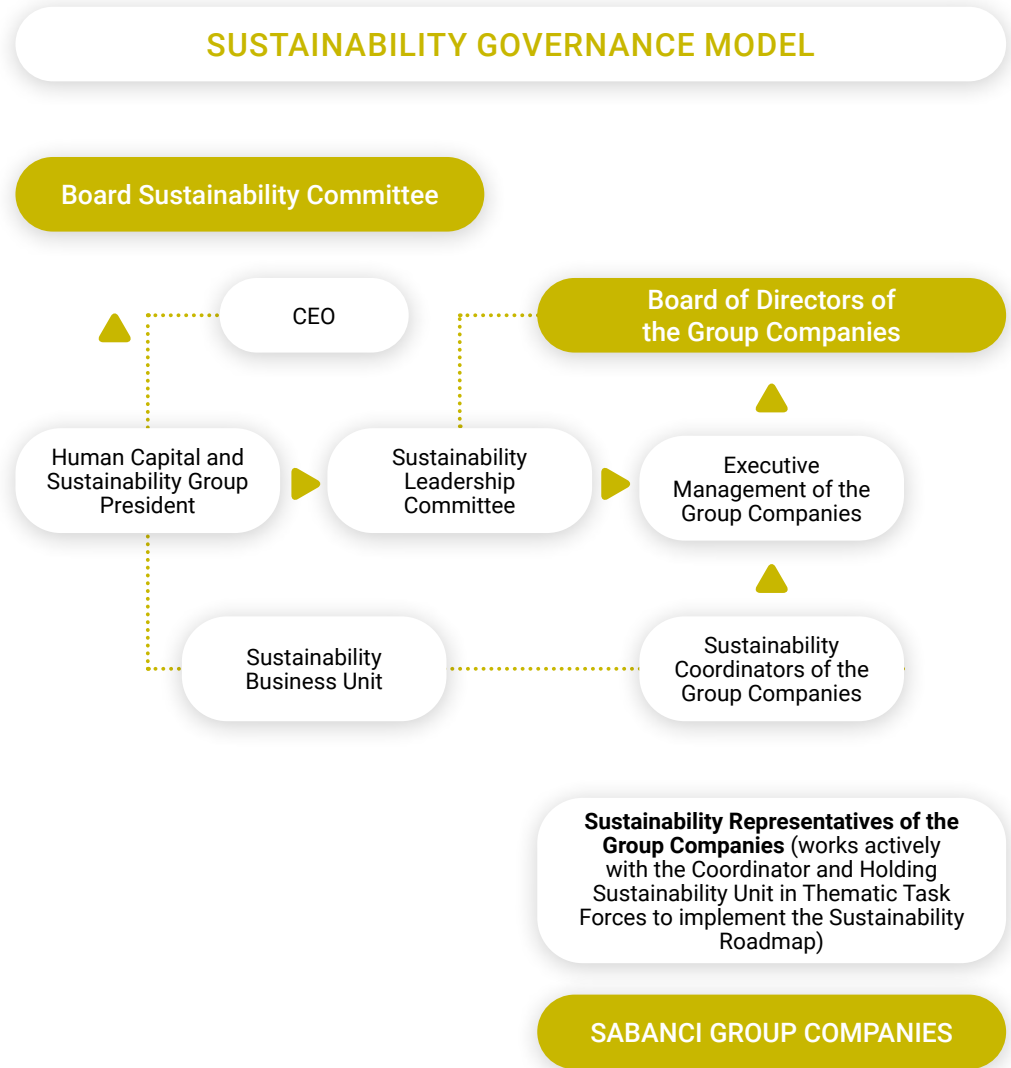
We carefully assess risks and opportunities associated with global developments and formulate strategies to effectively manage them through a holistic approach which involves diverse teams. Sabancı Holding orchestrates the actions to maximize such opportunities while minimizing risks throughout the entire Group. Our risk and opportunity management includes both financial and extra-financial aspects related to the businesses that we are involved in.

Sustainability Governance

The Board Sustainability Committee is the highest governing body to oversee ESG-related issues raised.



The Board Sustainability Committee is the highest governing body to oversee ESG-related issues raised by the Sustainability Leadership Committee or directly by the Sustainability Directorate. The Sustainability Leadership Committee is responsible for monitoring initiatives and managing efforts within the scope of the Sustainability Roadmap. Sabancı Holding has also established Thematic Task Forces to discuss the latest ESG-related trends and highlights on the Sabancı Holding agenda along with the sustainability representatives of Sabancı Group Companies.



Sustainability Governance

The Board Sustainability Committee monitors developments and performance, and guides the Holding Management for improvement when required.

Board Sustainability Committee

In 2021, the Board Sustainability Committee was established, formed, and governed by the Independent Board Members of Sabancı Holding. In 2022, the Board Sustainability Committee held four meetings on ESG-related topics and improvements.

The Board Sustainability Committee, in coordination with the Sabancı Holding Human Capital and Sustainability Group Presidency, monitors the following activities, developments and performance, and guides the Holding Management for improvement when required. The Committee also informs the Board of Directors and makes recommendations when necessary. These sustainability issues are as follows:

1. Sustainability Governance: Structuring and functioning of the sustainability governance, which was established to realize sustainability initiatives per the expectations of internal and external stakeholders, addressing in detail all risks that may arise in environmental and social issues, including reputational risks, and that may occasionally turn into financial risks, under the coordination of EDRC, having the level of knowledge required for the performance of their managerial duties regarding sustainability for the Sabancı Holding management level aware of all local and international developments

2. Sustainability Performance: Keeping the Sabancı Group's performance indicators and targets up to date.

3. Transparency: Publishing the sustainability report environmental and social performances on the Investor Relations website or platforms recommended by the Human Capital and Sustainability group presidency.

4. Policies: Establishing environmental and social policies that should be addressed primarily at the level of the Board of Directors, updating the Principles for responsible investment and current policies.



Sustainability Governance

Member Responsibilities

Committee Chair: The Board Sustainability Committee Chair manages the meetings and sets the meeting agenda. The Chair provides information flow and coordination between Sabancı Holding Board of Directors and the Board Sustainability Committee. When necessary, the Chair may invite the relevant expert(s) to the meeting during the discussion of certain issues. When the Chair is not attending the meeting, he appoints one of the members to preside over it. The Chair also takes the necessary measures for the Committee to fulfill its duties and responsibilities effectively.

Committee Members: It is the primary duty of each member to attend the Board Sustainability Committee meetings. The members inform the Committee Chair about any meetings they cannot attend. While performing committee membership duties, members closely follow national and international developments in sustainability and keep themselves updated in this field, and share their knowledge with other members. Committee members participate in the topics that need to be worked on within the Committee. They convey their views on the agenda to the Committee Chair.

The Sustainability Director: The Sustainability Director is the Rapporteur of the Board Sustainability Committee. The Rapporteur assists the Chair of the Committee in preparing the agenda. The Rapporteur also delivers the meeting agenda and related documents to the Committee Members before the meeting. The Rapporteur presents decisions and meeting minutes to the Chair of the Committee immediately after each meeting and sends the opinions and recommendations of the Committee to the Holding Board of Directors together with the Committee Chair and Members. The Rapporteur provides the administrative organization of the meetings and coordinates the participation of those the Chair of the Committee wants to attend. The Rapporteur fulfills other duties assigned by the Committee Chair regarding sustainability.

The Board Sustainability Committee comprises a Rapporteur and a maximum of three members, including the Chair, appointed by the Sabancı Holding Board of Directors.

The Chair of the Committee is selected among the Independent Board Members and appointed by the Sabancı Holding Board of Directors. The Committee meets in ordinary sessions at least twice a year.

The meeting minutes are noted regularly by the Rapporteur. All Committee members submit their meeting minutes to the Sabancı Holding Board of Directors upon their approval.

Committee Structure

Committee Chair: Ahmet Erdem²⁴

Permanent Members: Ahmet Erdem, Hayri Çulhacı, Mehmet Kahya (Board of Directors Independent Members)

Participants: Sabancı Holding CEO, Human Capital and Sustainability Group President (Sustainability Leadership Committee President)

Members Participating by Invitation: General Managers of Group companies, Sustainability Leadership Committee Permanent Members, Coordinators, etc.

Rapporteur: The Sustainability Director of Sabancı Holding is the Rapporteur of the Sustainability Board Committee. The Rapporteur ensures the administrative organization of the meetings and coordinates the attendance of those the Chair requires.

Committee Responsibilities: The Sustainability Board Committee comprises Independent Board Members who help the Board of Directors to healthily fulfill its duties and responsibilities regarding environmental and social issues.

²⁴ As of March 30, 2023, Hüseyin GELİS has been appointed as Chair of the Board Sustainability Committee.

Sustainability Governance

The Sustainability Leadership Committee encourages the deployment of expertise and best practices among Group companies.

The Sustainability Leadership Committee
The Sustainability Leadership Committee, chaired by the Human Capital and Sustainability Group President on the Executive Board, ensures that the Holding and Group companies are on the same page regarding sustainability goals and actions. The Committee is also responsible for monitoring the progress toward the goals and actions included in the Group's Sustainability Roadmap and monitoring efforts to manage risks that may adversely affect Sabancı's reputation and operations in ESG areas. It monitors international developments, public regulations, and trends in sustainability and advises the Thematic Task Forces accordingly. The Committee encourages the deployment of expertise and best practices among Group companies. The Chair of the Committee informs the Holding Board Sustainability Committee every six months and receives their guidance and approval. With Full Members consisting of all relevant Group Presidents, the Corporate Brand Management and Communications Department President, and the Director of Investor Relations, the Committee is also open to the participation of the relevant stakeholders upon invitation. The Sustainability Director acts as the coordination unit.

In addition, a pool of experts from the focus areas of the Sustainability Roadmap has been created. Its purpose is to provide the technical basis for the Committee's decisions on critical issues and guide the Committee on global trends.

In 2022, the Committee met three times.



Sustainability Governance

Member Responsibilities

Human Capital and Sustainability Group

President: The Human Capital and Sustainability Group President chairs the Sustainability Leadership Committee and informs the Board Sustainability Committee every six months on any required guidance and approval. The President chairs the Committee meetings and ensures the proper functioning of the body while guiding the progress on ESG topics and facilitating decision-making processes.

The Sustainability Directorate: The Sustainability Directorate comprises four full time employees (one director, one manager and two specialists) coordinating the Sustainability Leadership Committees planned for a fiscal year. The Directorate advises on the agenda to be discussed at each Committee Meeting by considering the material ESG-related topics of Sabancı Group. It organizes the participants, inviting any related stakeholders to the related Committee Meeting to accelerate the decision-making process. The Directorate also prepares the main presentation and other Committee materials beforehand.

Strategic Business Unit Presidents & Function-based Group Presidents

Sabancı Holding is managed by an Executive Committee, a team of top-level executives including the Chief Executive Officer, Group Chief Financial Officer, Strategic Business Unit Presidents, and function-based Group Presidents. The Executive Committee is responsible for major capital allocation decisions and reports to the Board of Directors, the Holding's ultimate

decision-making body. The Sustainability Leadership Committee includes all Presidents to ensure the integration of ESG topics across different business units and functions. Each President involved in the Sustainability Leadership Committee is responsible for monitoring the progress of the sustainability agenda in their area of responsibility, contributing to decision-making processes on the Committee's agenda, authorizing the relevant bodies to ensure implementation of the sustainability agenda, and providing insights on sustainability topics both to the Holding and to Group companies in their respective areas. The Committee reports directly to the CEO via the Committee Chair. The CEO participates in Sustainability Leadership Committees upon invitation and gives guidance and approval on important decision topics which relate to company-wide policies and operations.

For more information about the responsibilities of Group Presidents, you can refer to the [Investor Relations website](#) of Sabancı Holding.

Investor Relations Director: Since investors are among the key stakeholders of Sabancı Holding, the Investor Relations Director is a member of the Sustainability Leadership Committee. The Director receives the latest updates on recent ESG developments to convey those to Sabancı Holding shareholders and investors when required. The Director also provides insights on shareholder and investor expectations on ESG to ensure stakeholder feedback is reflected on the sustainability agenda.

The Sustainability Leadership Committee is responsible for monitoring the Sustainability Roadmap.

The Committee reports directly to the CEO. The Committee Chair informs the Sustainability Board Committee every six months and solicits their guidance and approval.

The Committee convenes four times a year.

Per the agenda, relevant stakeholders are invited in addition to Permanent Members.



The Sustainability Leadership Committee

Committee Chair: Human Capital and Sustainability Group President

Permanent Members: Relevant Presidents, Corporate Brand Management and Communications Department President, Investor Relations Director

Members Participating by Invitation: General Managers of Group companies, other Senior Executives, Sustainability Representative or Coordinators

Coordination Unit: Sustainability Directorate

Thematic Task Forces (Agile Structures): Comprised of experts at Group companies, meeting frequency determined according to the annual work plan.



External Advisors

Sustainability Governance

Consisting of experts from Group companies, the Task Forces operate with agile working logic.

Thematic Task Forces

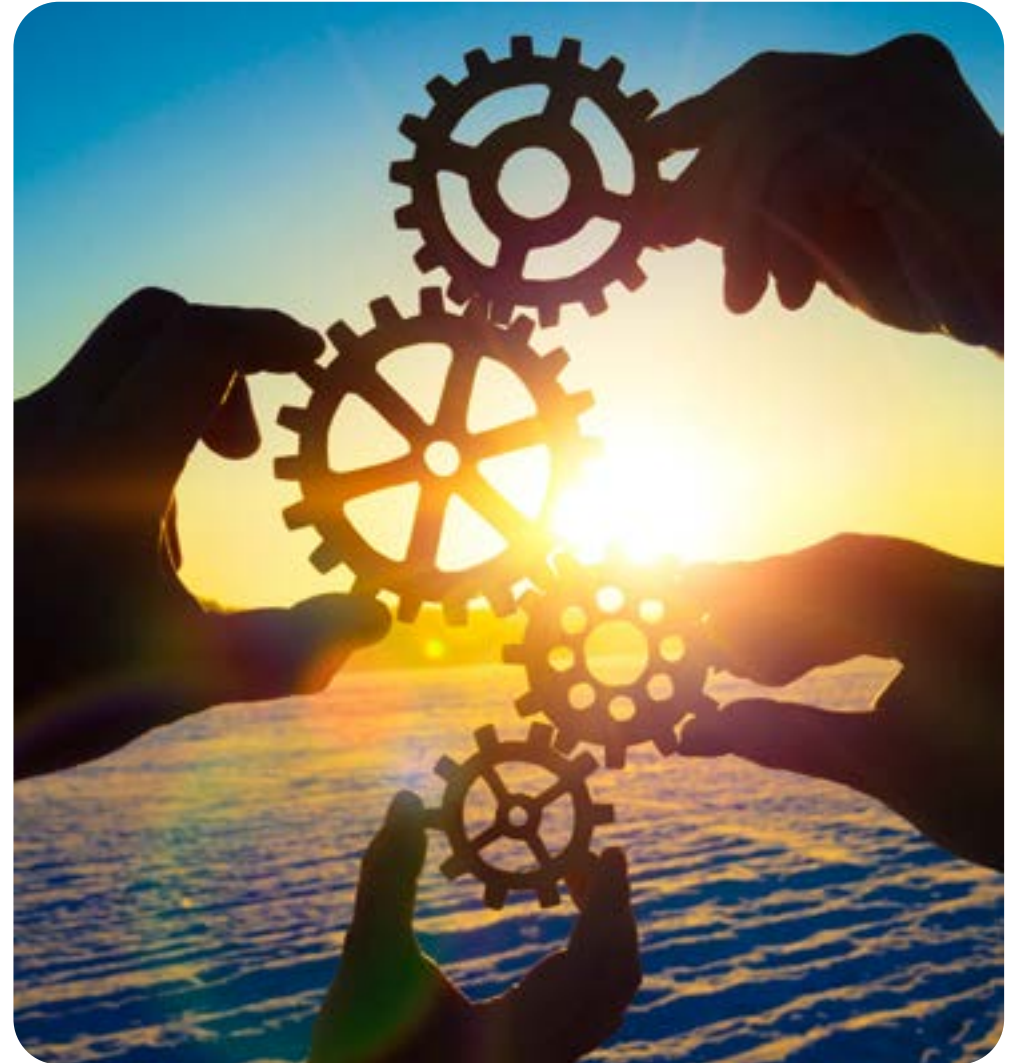
Sabancı Group has established Thematic Task Forces within the Leadership Committee as supporting structures for the focus areas in the Sustainability Roadmap. Consisting of experts from Group companies, the Task Forces operate with agile working logic. They are responsible for program and project design to implement items detailed in the action plan. They report their work to the Sustainability Leadership Committee through the Sustainability Business Unit.

In 2022, the Climate Emergency Thematic Task Force met three times, while the Sustainable Business Models and Human & Society Thematic Task Forces met three times each.

Member Responsibilities

The Sustainability Directorate: The Sustainability Directorate is responsible for coordinating the meetings and material issues to be discussed by each Thematic Task Force. The Directorate decides on the themes for each meeting and informs the Thematic Task Force participants beforehand. It is also responsible for inviting related stakeholders to Thematic Task Force Meetings as required.

Experts from Group Companies: Experts from Group Companies are the main participants of each Thematic Task Force Meeting. They share their expertise, opinions, and past experiences on related topics selected by the Sustainability Directorate. They can also share their presentations based on the theme and content of related meetings. Group Companies' experts can invite their stakeholders to the Thematic Task Force Meetings to stay aligned with the Group-wide sustainability agenda.



Sustainability Governance

Name of Task Force/Committees	Level of Participation	Number of Meetings in 2022	Examples of Issues Discussed
Board Sustainability Committee	Independent Board Members, CEO, Sustainability Leadership Committee President, Sustainability Director	4	<ul style="list-style-type: none"> • Decarbonization Project and Outcomes • ESG Rating Score Trends
Sustainability Leadership Committee	Group Presidents, Corporate Brand Management and Communications Department President, Investor Relations Director	3	<ul style="list-style-type: none"> • Responsible Investment Policy • Group-level ESG Interim Targets • Local and global developments
Other Executive Meetings	Executive members	3	<ul style="list-style-type: none"> • ESG Performance • EU Taxonomy (Green and Social) & Avoided Emissions • ESG Gap Assessment
Climate Emergency Thematic Task Force	Sustainability Director, Sustainability Coordinators, Representatives and manager level representatives from other functions at Group Companies (e.g. human capital, R&D, risk management, etc.)	3	<ul style="list-style-type: none"> • Decarbonization Project and Outcomes • Sustainability Assurance Process • Group-level ESG Interim Goals • Local and global developments
Sustainable Business Models Thematic Task Force	Sustainability Director, Sustainability Coordinators, Representatives and manager level representatives from other functions at Group Companies (e.g. human capital, R&D, risk management, etc.)	3	<ul style="list-style-type: none"> • Sabancı SDG related Products and Services Taxonomy, • EU Taxonomy (Green and Social) • Avoided Emissions • Responsible Investment Policy Details • Best practices on ESG governance, accountability, innovation, disclosures, etc.
Human & Society Thematic Task Force	Sustainability Director, Sustainability Coordinators, Representatives and manager level representatives from other functions at Group Companies (e.g. human capital, R&D, risk management, etc.)	3	<ul style="list-style-type: none"> • Diversity, Inclusion, and Anti-Harassment Policy • Gap Assessment Analysis • Board Skill Matrix, Nomination, and Elections • Social Return on Investments • Business practices considered to contribute to inequality

Sustainability Governance

Line of Defense in Sabancı Holding

Sabancı Holding aims to manage financial and non-financial risks in an integrated manner effectively. The Board of Directors (BoD) is the highest governing body in Sabancı Holding's risk management processes. It is the ultimate decision-maker in managing and mitigating potential risks in collaboration with the other components of the Line of Defense.

First Line

The first line of defense consists of the primary business functions, known as Strategic Business Units (SBUs), and other functions, such as Human Capital, Finance, and Strategy, all operating under Sabancı Holding. The first line members include group presidents, directors, managers, and specialists working in those respective areas. The main responsibility of the first line of defense is to make strategic decisions based on Sabancı Holding's Strategy House as a guiding framework and to assess the potential risks that the Holding could encounter within the framework of the risks defined under the Enterprise Risk Management System. They are the key line point to identify risks during day-to-day operations before making decisions.

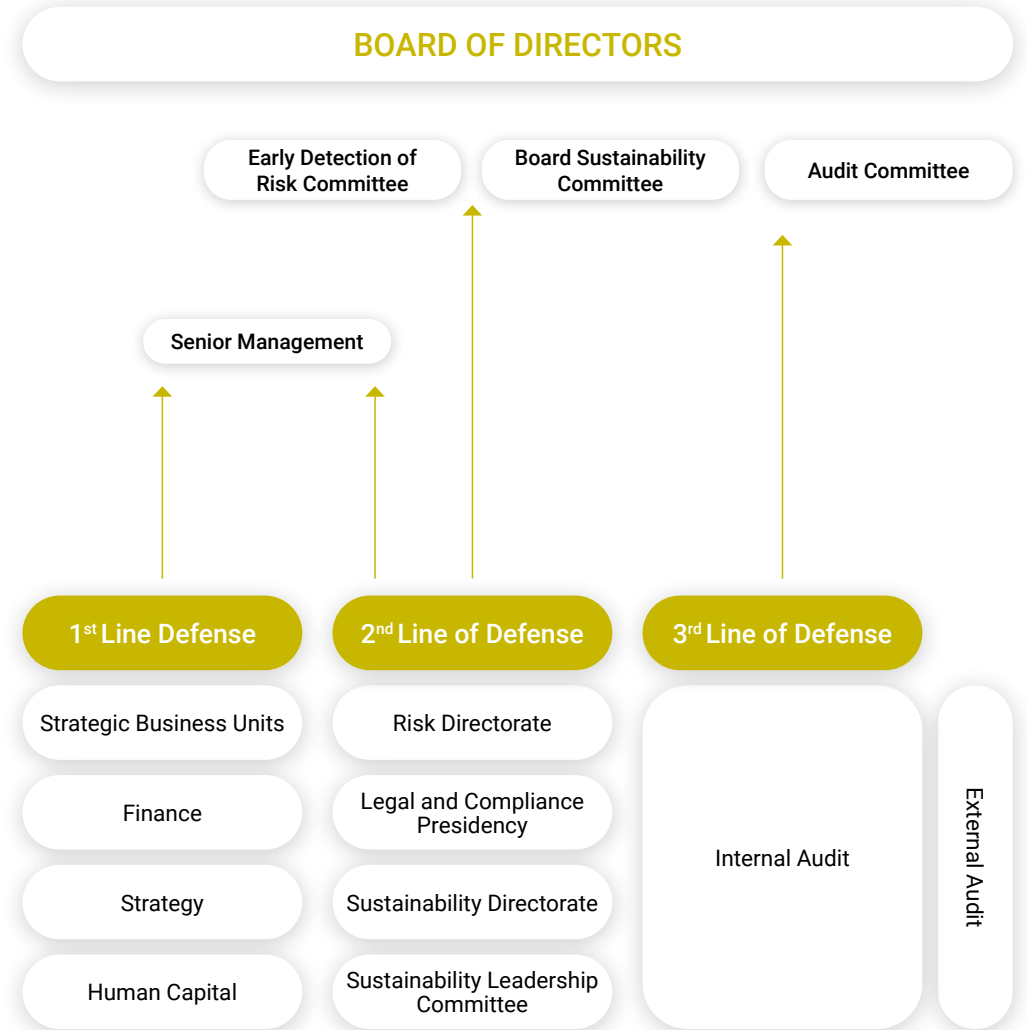
Second Line

The second line of defense is designed to support the decision-making process of the first line and independently evaluate the ultimate decisions made by the first line so as not to miss any significant risks. Under the second line of defense, the Sustainability Leadership Committee and Legal and Compliance Presidency oversee the decisions taken by the first line and evaluate whether any additional risks exist. The second line

can convey key risk findings to the Board Sustainability Committee, which consists of three independent board members appointed by Sabancı Holding's Board of Directors (BoD). Related-risks can also be conveyed to the Early Detection of Risk Committee, which is responsible for initially evaluating, identifying, and determining the necessary risk measures and management processes for strategic, operational, financial and compliance risks that can jeopardize Sabancı Holding's existence, development, and continuity; and informing the Board of Directors of these issues whereby decisions can be made accordingly. Two Directorates, i.e., the Risk Directorate and Sustainability Directorate, placed under the second line, monitor possible financial and non-financial risks that could significantly impact Sabancı Holding and notify the first line and Board Sustainability Committee or Early Detection of Risk Committee when required. The Committees can convey their key findings to the Senior Management or Sustainability Directorate, directly notify the Board Sustainability Committee or Risk Directorate, and directly notify the Early Detection of Risk Committee if significant risks are detected.

Third Line

Sabancı Holding Internal Audit Department provides an independent and objective assurance on the adequacy and effectiveness of governance and risk management practices regarding sustainability. A risk-based approach which is aligned with Sabancı Holding strategies is used to plan and perform audits. Audit results are reported to Senior Management as well as the Audit Committee and the timely completion of action plans is followed up.



Emerging Sustainability Risks in 2022

Risk Category	Emerging Development	Description	Affected Industries	Group Response
Environmental	Increased severity of extreme weather events	Extreme weather events have proven devastating worldwide, with new records for extreme heat, droughts, heavy rains, storms, and floods. In 2022, monsoonal rainfalls in Pakistan, severe drought in Africa, wildfires and drought in Europe, storms in South Africa, cyclones in Madagascar and Mauritius, heatwaves and hurricanes in the USA, and a typhoon in Japan were the most devastating extreme weather events recorded with more than 39 million people displaced. According to the Turkish State Meteorological Services Report, 2022 was the year with the highest number of extreme events, with 1,030 extreme events in Türkiye.	All industries	<p>Group companies take diversified precautions to prevent the devastating impact of chronic and acute physical risks. We have integrated climate-related risks into our existing Enterprise Risk Management (ERM) system and it has been analyzed risks arising from extreme weather events in their direct operations/or indirect operations, mostly from the supply chain.</p> <p>Business continuity plans are prepared/updated, and potential risks are handled within the business and risk assessment plans. In addition, Group companies invest in technologies and preventive systems for the impact of current and possible chronic and/or acute risks, such as on-site fire detection and suppression systems.</p> <p>Financial services Group companies evaluate risks within the scope of reinsurance agreements in force for their motor and non-motor portfolios. Especially they review the most significant risks by modeling those twice a year and evaluate the adequacy of reinsurance coverage.</p> <p>An exemplar in tackling the potential risk of extreme weather events, Sabancı Renewables Inc. has reviewed its energy supply agreements with the local authorities in the U.S., as well as the insurance coverage considering the impact of extreme weather events on solar power plants.</p>

Emerging Sustainability Risks in 2022

Risk Category	Emerging Development	Description	Affected Industries	Group Response
Social	The rising cost of living	<p>With the impact of rising inflation worldwide, lower-income societies are the most affected by the rising prices of daily expenses. An inflationary climate of high-interest rates is widening the inequality gap for basic needs and increasing talent risk across the private sector.</p> <p>Türkiye has struggled with high inflation during 2022 due to factors such as currency depreciation, supply chain disruptions, and geopolitical developments. According to the Turkish Institute of Statistics (TUIK), Türkiye's annual inflation was 64.27% in December 2022.</p>	All industries	<p>While 2022 marked a year of new inflation records broken for many countries, it was one of the most challenging economic periods for Türkiye in recent years.</p> <p>In these challenging times, we focused on our employees and society to mitigate the impact of rising inflation.</p> <p>Our Human Capital In 2022, Sabancı Group executed an interim salary increase in line with macroeconomic data and market conditions to maintain employees' standard of living.</p> <p>The main aim was to attract, retain and motivate our employees in this high inflationary environment. For example, we prevented financial loss due to rising inflation by providing employee bonuses, normally planned for the middle of the year, at the start.</p> <p>Our Remuneration Team regularly monitored the salary increases, fringe benefits, and the response to inflation in private sector companies that shaped Türkiye's economy, ensuring that Sabancı Group employees were competitive with the market average.</p> <p>Our Society In inflationary environments, citizens must read the financial parameters well to regulate their domestic economy accordingly.</p> <p>In this context, Sabancı Group has supported both individual and SME customers in facilitating their daily financial management activities by offering meaningful and customized insights to them based on their big data via Akbank Mobile. With these financial clues, Akbank supported them in becoming healthier financial individuals and raised their awareness of issues of importance in a simple, understandable, and proactive manner. At this point, Akbank offered the Bank's customers over 35 million fully customized smart clues and over 45 videos on average per month.</p> <p>With the FonPro fund consultancy service of Agesa, they provided people with the three service packages "Get Suggestion," "Manage Yourself," and "Leave it to an Expert," supporting them in best managing their funds even in an inflationary environment. FonPro, launched in the first months of 2022 and covering all investor profiles, had reached 120 thousand as of the end of 2022.</p>

Emerging Sustainability Risks in 2022

Risk Category	Emerging Development	Description	Affected Industries	Group Response
Social	Talent risk	<p>Although the devastating physical impact of the COVID-19 pandemic is all but alleviated worldwide, it is challenging to adapt to the new normal after being required to adopt different and new working conditions almost for two years. The pandemic has changed the mentality of business life, not only over the past two years but for the future. The definition of the "workplace" is no longer limited to physical offices and long-working hours. Instead, it encompasses employee well-being and flexibility.</p> <p>For this reason, companies are losing their ability to attract and retain top talent when unable to roll out effective strategies that reflect global trends. Today, the long-term expectations of employees have changed with innovative ideas such as a four-day week, ensuring working place flexibility, or unlimited time off. Moreover, as global inflation rises, labor cost is also set to increase, decreasing the opportunity to meet profitability targets.</p>	All industries	<p>In line with the Sabancı Group's human capital strategy, several initiatives were taken in the fiscal year 2022:</p> <p>As digital technologies are among our strategic growth areas, in 2022, Sabancı Group developed the Flexible Management of Digital Roles initiative to fulfill our growth aspirations in IT, R&D, and other areas of high talent competition.</p> <p>Many Group companies have renovated their office space to facilitate agile work, innovation, and collaboration in the workplace. Online tools frequently maintain remote and onsite collaboration and promote employee motivation and productivity.</p> <p>The Group's employee assistance programs – including stress-management tools, mindfulness and resilience training programs, well-being applications, online dietician and psychological support, and coaching sessions – expanded in usage during the year. The number of employees accessing the various assistance programs was regularly tracked.</p> <p>To attract the new generation talent in line with the "Sabancı of the New Generation" approach, Sabancı Group has embraced new talent programs like the SEED Young Talent Program, which targeted new graduates with 0-2 years of professional experience. 10,000 applications were received, accordingly. Such talent attraction programs are the backbone of Sabancı Group's efforts to mitigate possible talent risks. In conclusion, Sabancı Holding ranked on the Forbes World's Best Employers list in 2022. In the "World's Most Attractive Employers 2022" survey by Universum, the Group was named a "Preferred Employer" among students in all categories.</p> <p>For details about Sabancı Group's actions and plans for possible talent risks, please visit the Human Capital chapter of the Report.</p>

Emerging Sustainability Risks in 2022

Risk Category	Emerging Development	Description	Affected Industries	Group Response
Business & Economic	Supply chain disruptions	Global turbulence starting from the COVID-19 pandemic in 2019 and followed by global issues such as military tension between Russia and Ukraine, have caused serious supply chain problems for companies in Türkiye and worldwide. With mass supply chain disruptions for various reasons, commodity prices have immediately risen, financially burdening companies and impacting their performance. As many companies have started to downsize their businesses, supply chain disruption is expected to remain determined by global developments.	Building Materials, Energy, Industrials, Retail	<p>With Sabancı Group's appetite for expansion into new businesses in light of the "new economy," certain supply chain disruption risks emerge. Yet Sabancı Holding delivered solid profitable growth in 2022, despite the negative effects of the Russian-Ukraine war, coupled with the ongoing energy crisis and supply chain disruptions.</p> <p>For Sabancı Group, developing local suppliers to shorten lead times is among our priorities. Our use of advanced analytics and integrated planning models has helped us to surmount the supply chain challenges in recent years. In response to supply chain challenges, we commenced supplier continuity analysis per purchase category and new investments in certain companies.</p> <p>An example of a supply chain management system is Enerjisa Enerji, which contacted the sub-suppliers of its suppliers that were experiencing supply shortages to monitor the supply chain operations in their entirety. Contract periods were shortened, and price adjustments were implemented to reflect the commodity price changes.</p>
	Increased non-financial regulations impact	<p>In 2022, global institutions have advanced their sustainability-related regulatory requirements. The EU has put the four remaining principles of the EU Taxonomy into action. In addition, the International Sustainability Standards Board (ISSB) is about to finalize general requirements for companies to guide them in disclosing their sustainability-related metrics in line with their financial reports. Meanwhile, the EU Carbon Border Adjustment Mechanism (CBAM) will impose a carbon tariff on carbon-intensive products for certain goods whose production is carbon intensive and at the most significant risk of carbon leakage: cement, iron and steel, aluminum, fertilizers, electricity, and hydrogen.</p> <p>In Türkiye, the T.C. Ministry of Environment, Urbanisation, and Climate Change has carried out capacity-building activities with the Partnership for Market Readiness (PMR) and realized this in collaboration with the World Bank. Accordingly, recent studies have emerged on determining cap emissions for the Turkish ETS system and developing the national allocation plan.</p>	All industries	<p>Sabancı Group companies are required to comply with a significant number of regulations due to their diverse activities that span numerous sectors. For example, Çimsa analyzed the impact of upcoming carbon trading and taxation mechanisms. The company benchmarked future requirements, especially throughout the EU CBAM mechanism, by comparing the regulation with its existing and future technology products. Per the Emission Trading System to be implemented in Türkiye, benchmark values will be determined based on the average of the top 10% of the facilities of related industries, enabling a country comparison.</p> <p>As Sabancı Group, we have also worked with stakeholders and experts to understand the potential impacts of existing and upcoming regulations such as EU ETS, EU CBAM, ISSB, and TCFD. In 2022 we conducted analyses leaning on their expertise and presented the results to Group companies, empowering them to take necessary actions. The study will continue in the upcoming period.</p>

Emerging Sustainability Risks in 2022

Risk Category	Emerging Development	Description	Affected Industries	Group Response
<p>Business & Economic</p>	<p>Increasing energy crisis</p>	<p>There are many potential causes of an energy crisis, such as supply chain disruptions, geopolitical events, natural disasters, and increased demand for energy. For instance, following Russia's invasion of Ukraine in February 2022, the increasing energy crisis escalated dramatically into a full-blown global energy crisis. Similarly, natural disasters such as hurricanes or earthquakes could damage energy infrastructure and lead to energy shortages.</p> <p>In the context of climate change, there is growing concern about the potential impact on energy infrastructure of extreme weather events, droughts, and rising sea levels. These events can damage power plants, transmission lines, and pipelines, reducing energy availability and higher prices.</p>	<p>All industries</p>	<p>We believe that to mitigate risks, investing in energy efficiency measures, diversifying energy sources, and developing contingency plans to respond to such crises is necessary. Sabancı Group focuses on renewable energy investments to mitigate risks per its underlying strategy. In 2022, our Group companies, including Akbank, Aksigorta, Akçansa, Çimsa, Brisa, Kordsa, Temsa, Enerjisa Üretim, and Teknosa continued to obtain their electricity from renewable sources. Where technically feasible, our Group's renewable energy transition plans include purchasing renewable energy certificates and on-site installations. In addition, we invested TL 5 billion for environmentally-related investments and focused on energy efficiency, striving to reduce GHG emissions.</p> <p>Our energy group companies develop strategies to manage the risks posed by uncertainty and volatility in the energy markets. Supplier selection criteria and the conditions of supply contracts are revised based on the requirements to eliminate any possible risks.</p> <p>Sabancı Group continues prioritizing renewable energy investments in its portfolio for the shorter and longer term. The Group targets installing a wind fleet of about 1,500 MW in line with an overall target of 5,000 MW+ total installed capacity. A total wind capacity of 1,000 MW will be installed consecutively between 2024 H2 and 2026 H1 with an investment of USD 1.2 billion.</p> <p>We also aim to expand our business abroad and make new renewable energy or climate technology investments in the U.S. and Europe with our newly-established and wholly owned subsidiaries.</p> <p>For more details about Sabancı Group energy-related businesses, please visit the Act on Climate Emergency chapter of this Report.</p>

Emerging Sustainability Risks in 2022

Risk Category	Emerging Development	Description	Affected Industries	Group Response
Business & Economic	Cybersecurity Risks	Cybersecurity threats are constantly evolving and increasingly sophisticated. In 2022, businesses, governments, and individuals may face various cybersecurity risks. Compared with 2021, we note a 38% increase in cybersecurity attacks worldwide. In Türkiye, several serious cyberattacks mainly affected banking and financial services and actively used mobile applications. Malware attacks in Türkiye in 2022 increased by 61% compared to the previous year to 1,015,810.	All industries	<p>To mitigate the risks associated with such cybersecurity threats, Dx BV invested in Radiflow, among the best companies in the cybersecurity arena. We also regularly back up data and have a response plan in place in the event of an attack.</p> <p>Cyber security-related topics are also integrated into the governance strategies of Sabancı Group. The Data Protection Committee is committed to adopting and implementing industry best practices to keep pace with emerging developments, providing company-wide guidance, and implementing security measures in collaboration with the cyber security team. Sabancı Group also has cyber risk insurance to ensure effective cyber security and mitigate technological risks.</p> <p>In addition, we provided an intensive learning program on cybersecurity and emerging digital trends throughout the year. For example, Aksigorta, in cooperation with Istanbul Bilgi University, conducted a 6-month learning program on insurance-related issues. The program covered a wide range of topics, including cyber insurance. At the Academy, 20 trainings were delivered to nearly 9,000 participants during the year.</p> <p>For details on Sabancı Group's digital strategy, please visit the Technology, Innovation, and Digitalization chapter of this Report.</p>

Risk Management in Sabancı Group

We ensure the early detection, measurement, and continuous and effective monitoring of risks with a corporate risk management approach.

To maximize the value, we create for our stakeholders and ensure Group sustainability, we ensure the early detection, measurement, and continuous and effective monitoring of risks with a corporate risk management approach.

The Group manages its risks both on a company basis and on a group level, in line with its risk appetite through quantitative and qualitative measurements for financial and non-financial risks. Risks are prioritized in terms of impact, likelihood, vulnerability, and speed of onset and accordance with the strategic and financial targets determined by the Group. Prioritized risks are maintained within the tolerance limits and confidence intervals determined numerically by modeling studies. Each prioritized risk's tolerance and critical levels are reviewed and updated yearly. The review process includes quantitative and qualitative approaches such as statistical analysis by historical data, Monte Carlo simulations, and incorporating the company's strategic direction and financial performance targets.

Risk management is a proactive process within the company. Different stress scenarios are pursued regularly by considering an integral and forward-looking view of all risks. Sensitivity analyses are also used to see the impact of different components.

Prioritized risks are handled within the framework of the risk management strategies, determined as risk avoidance, transfer, risk reduction, and acceptance. The Risk Management Directorate follows up on the mitigation actions and makes cost-benefit analyses for action plans. Risk study results for Sabancı Holding and Group companies are evaluated periodically by the Early Detection of Risk Committee (EDRC) at the Board of Directors level. The EDRC convened six times in 2022 and presented its evaluations to the Board of Directors.

Akbank maintains the Bank's multidimensional approach covering risk management, regulatory compliance, and environmental-social impact analysis in such key issues as balance sheet management, capital allocation, portfolio/investment preference, new product and activity decisions, etc. The bank also directs and accelerates our operations per our long-term strategies and goals. Akbank analyzes the risks and opportunities in advance and determines the steps to be taken through the Bank's Risk Management System implemented by Akbank's Board of Directors in collaboration with our Audit Committee and Executive Risk Committee. Its Board of Risk Management reports directly to Akbank's Board of Directors. The latter examines the

Bank's risks within the baseline risk categories (credit, market, interest, liquidity, operational) and demonstrates a holistic approach by sharing the actions for each risk with all its units and employees. As in every reporting year, the Board of Risk Management, Board of Internal Control, Board of Compliance, Board of Internal Audit, and Board of Information Risk Management assumed their coordination and assessment responsibilities prudently, actively taking the expected actions in 2022. Thanks to their multidimensional risk management approach, they managed to maintain risks at the optimum level.

Risk Management in Sabancı Group

Efforts are made to ensure that Group companies are well-prepared against sustainability risks.

Efforts are made to ensure that Group companies are well-prepared against sustainability risks. Group companies receive guidance on taking measures in their business models against the possible impact of such risks.

The risks not explained in this section, although they are directly related to sustainability risks are provided in the *Emerging Sustainability Risks in 2022* section. Please refer to the related Chapter for more details.

Physical Risks

Acute & Chronic Physical Risks

Physical risks are diverse and are predominantly global risks. These include acute risks such as wildfires, hails, hurricanes, and floods, as well as chronic risks such as extreme heat, epidemics, pandemics, drought, and access to water.

Such risks are also clustered under 'operational risks' and may lead to financial losses in infrastructure damage, service interruption, increased operational expenses, etc. Management of acute and chronic physical risks varies among our Group companies, given the nature of this risk and the sectors that we operate in. The management methods include supply chain measures should the physical risks cause a disruption to our supply chain.

Water Risks

The Group evaluates threats arising from the water crisis considering the adverse effects on the respective strategic business line and their impact at the operational level. The most critical risks are water shortages, failure to meet water supply in industrial production, and operational failures due to lack of water. Sector-specific practices vary among Group companies. As a result, various practices are implemented to reduce water consumption, such as monitoring efforts, repairing leakages in water lines, and collecting and recycling surface water.

Biodiversity Risks

Biodiversity risk refers to loss of nature and ecosystem degradation, which have major impacts on resource management alongside other negative impacts on the business community and society as a whole. The changes in land and sea use due to human activities are seen as the leading cause of the decline in biodiversity and wildlife. At Sabancı Group, we strongly value the continuity of ecosystems and biodiversity conservation. We implement projects to protect biodiversity and cooperate with public bodies and non-governmental organizations. Our efforts on this front go beyond solely decreasing the negative impact of our operations, creating a positive impact in the regions we operate in.

Compliance Risk

Current Regulation Risk

To mitigate the risk of non-compliance, Sabancı Group takes a proactive approach in aligning with the developments on GHG-related regulations through (1) undertaking emission reduction initiatives with the ultimate goal of achieving net zero emissions status by 2050, (2) increasing its internal capacity to monitor and manage GHG emissions with the use of digitalization and technology where appropriate & feasible and (3) conducting R&D programs on efficient technologies.

Emerging Regulatory Risk

To mitigate the risk of non-compliance with future ESG regulations, Sabancı Group takes a proactive approach in aligning with the developments on these regulations. This approach includes undertaking ambitious ESG initiatives ahead of the current regulatory environment, increasing its internal capacity to monitor and manage ESG risks including GHG emissions with digitalization and technology where appropriate and feasible, and conducting R&D programs on efficient technologies.

Risk Management in Sabancı Group

The Group's overall risk management program focuses on minimizing the effects of the unpredictability of financial markets and their possible adverse effects on the Group's financial performance.

Legal Risk

This risk type includes legal penalties, reputational loss, or material damage that may arise in case of not complying with or violating applicable laws, rules or regulations, and code of ethics or a company's internal policies and directives. At Sabancı Holding, companies must go beyond legislative compliance and address health and safety, the environment, and human rights issues on a broader scale to comply with diverse ethical expectations. The inability to meet such expectations would, beyond legal penalties, lead to a loss of social license to operate, reputation, investors, market share, and customers. In line with this vision, Sabancı Group sets environmental standards beyond legal obligations, monitors its performance per its targets, and takes measures for improvement. To support Group companies in efficiently managing compliance risks within the determined framework, instructional activities are carried out by the Holding's Legal, Risk, and Compliance Group.

Reputational Risk

Sabancı Group sets environmental standards beyond legal obligations, monitors its performance in line with its targets, and takes measures for improvement. For instance, in response to the climate emergency, Sabancı Group has taken a proactive approach and set itself a Group-wide net zero emissions target by 2050 at the latest. With this goal, together with the implementation of its Sustainability Roadmap, which includes a wide range of measures on the management of climate-related risks and opportunities, Sabancı Group plans to stay ahead of such developments and mitigate potential risks associated with those of a reputational nature.

Transition Risks

Technology Risk

Technology is developing rapidly, changing production methods and operating models. The transition to green technologies poses various risks (ranging from loss of market share to reduced competitiveness) to companies that do not invest in R&D / innovation and define their growth areas in sustainable high-tech businesses. At Sabancı Group, technology, and innovation investments are focus areas of our sustainable business model that help us seize opportunities in this field and implement leading practices.

To gain early access to technological innovations and developments and to create agile and technology-based growth platforms, we have established a corporate venture capital fund, namely 'Sabancı Ventures,' through which we focus on investments in areas such as IoT (Internet of Things), artificial intelligence, new material technologies, sustainability, energy, mobility, and cyber security.

Market Risk

The Group's overall risk management program focuses on minimizing the effects of the unpredictability of financial markets and their possible adverse effects on the Group's financial performance. The Group uses financial derivative instruments to hedge against various risks. Financial risk management is carried out per the policies approved by their Board of Directors for each Group company. Of particular relevance to market-related risks of climate change, the Group is proactively aligning with the green transition by using technology, digitalization, and innovation in its operations and financial decisions. The Group is also closely monitoring developments in sustainable finance and enhancing its capacity to mitigate the risk of failure to access sustainable finance and to comply with the new standards that align the financial system with the green transition. In confirmation of this approach, Sabancı Holding is included in the BIST 25 Sustainability Index, whose constituents are BIST-listed companies delivering the top corporate sustainability performance in Türkiye.

Creating Opportunities from the Ecosystem

Sabancı Holding focuses on specific initiatives under the theme of the new economy, including energy and climate technologies, advanced material technologies, and digital technologies.

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

We continuously monitor global trends and align our strategy accordingly for sustainable growth. Accordingly, Sabancı Holding focuses on specific initiatives under the theme of the new economy, including energy and climate technologies, advanced material technologies, and digital technologies.



Creating Opportunities from the Ecosystem

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

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

We build ecosystems that create synergies among each other, enabling us to enhance our intellectual capital in the new economy. For example, when the relevant parties approve an idea put forward through X-Teams, it can be converted into products and services at Group companies' R&D and innovation centers. Alternatively, the project may be evaluated within the Sabancı ARF program, which encompasses distinguished start-ups.

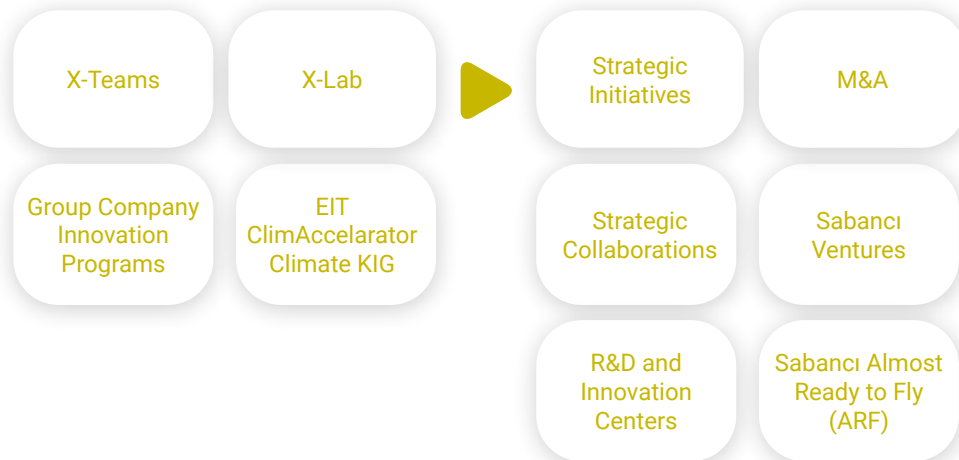
Sabancı Holding considers sustainability when formulating strategic initiatives and partnerships with different / third parties. Additionally, during mergers and acquisitions (M&A) decision-making processes, the question of how the potential M&A decision can support the strategic directions and capital allocation criteria of the Holding, including sustainability, is considered.

While making decisions on innovation and business development, Group companies also act within this framework to ensure sustainable development. They create various in-house entrepreneurship and business development programs such as Enerjisa NAR, Enerjisa İVME, Brisa Raket, SabancıDX Corporate Entrepreneurship Program, Akbank+, Akbank Lab, and Aksigorta PURA to capture opportunities and trace future technologies and innovations in the realm of sustainability.

SDG-linked R&D and Innovation Investments

100%
Building Materials

56%
Industrials



Act on Climate Emergency

Sabancı Group sees addressing the climate emergency and its impacts as a top priority issue. Therefore, we have set a Net Zero Emissions goal to reduce our GHG emissions to a residual level by no later than 2050. On our decarbonization journey, we also aim for a 42% reduction in our Scope 1 and 2 GHG emissions by 2030 against 2021 base year. Our Net Zero Emissions goal involves reducing our Group's GHG emissions to the extent technologically possible and neutralizing our residual emissions using reliable carbon offset methods such as natural climate solutions. Moving forward, we will evolve our decarbonization journey into a holistic nature commitment, in which we ramp up our efforts to manage water, waste and biodiversity impact to reduce Sabancı Group's overall footprint on nature.

Climate Emergency

To respond to climate emergency, we set a course for our decarbonization strategy, which means growing our business in sustainable areas while reducing our negative impact on the planet.

Decarbonization Strategy

By the latest *WEF Global Risk Report*, our world is facing major global challenges that matter to our future both in the short and long-term. In a 10-year period, four of the five major global risks are related to climate and environmental issues: failure to mitigate climate change and deploy adaptation measures, extreme weather events, biodiversity loss, and ecosystem collapse.

In addition, scientific research indicates that the pace of change on our planet is much higher than the change toward a sustainable economy and that certain geographical regions have been warming faster than the global average. Per IPCC statements, over a fifth of the global population lives in regions that have already experienced warming in at least one season greater than 1.5°C above pre-industrial levels.

In parallel with these reports, the climate emergency has also been determined as one of the most material issues for our business. To respond to this emergency, we set a course for our decarbonization strategy, which means growing our business in sustainable areas while reducing our negative impact on the planet. In this context, we announced our Decarbonization Roadmap in 2021 and completed a Group-wide decarbonization project to identify key improvement areas on our Net Zero Emissions target in 2022. With this project, we set the measures and actions that the Holding and the Group companies should take to reduce our impact on the planet. We announced our mid-term targets in parallel with the ultimate goal of achieving net-zero carbon emissions.

As Sabancı Holding, we know that a response to the decline in nature requires an integrated approach, in which a range of businesses impacting the ecosystems should be managed simultaneously. As such, Sabancı Holding has decided to address nature collapse as a whole through a holistic approach in the coming years. We will define our Group-wide water, biodiversity, and circular economy targets in line with our vision to act on behalf of nature.

Assessing Climate Change Risks: Çimsa and Akbank Partnership

Çimsa has partnered with Akbank to conduct a study to understand vulnerability situation of Çimsa against climate crisis related risks and to perform qualitative analysis, accordingly.

Objectives

The project aimed to identify risks and opportunities associated with climate crisis specifically within the cement sector, aligning with the TCFD framework.

Study

A comprehensive study was conducted to evaluate the impact of physical and transition risks of climate crisis on Çimsa's financial operations.

Critical Risks

The study identified two major risks for Çimsa's activities, namely chronic water drought risk (physical risk) and carbon tax risk (transition risk).

Climate Scenarios

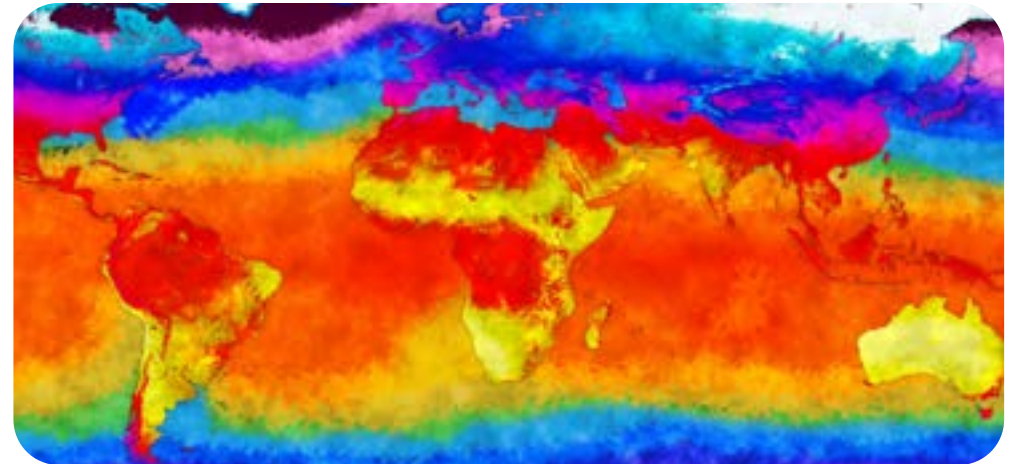
The identified risks were analyzed for climate scenarios of 1.5°C and 3.5°C in the 2030 projection.

Climate Emergency

For our operations as a strategic investment holding, a 42% Scope 1 & 2 GHG emissions reduction target is proposed by a respected global standard - the Science-Based Targets initiative (SBTi) by 2030.

Sabancı Holding Mid-term Targets on Climate

In today's world, the most ambitious and realistic scenario announced by scientists is limiting the global temperature rise to 1.5°C above pre-industrial revolution levels. We have determined our emission reduction target in line with this scenario. For our operations as a strategic investment holding, a 42% Scope 1 & 2 GHG emissions reduction target is proposed by a respected global standard - the Science-Based Targets initiative (SBTi) by 2030. Our Group companies have already started to set their Scope 3 GHG emissions targets and undergo the SBTi approval process. As per the publishing date of this Report, 60% of the Holding's Scope 1 and 2 GHG emissions are already under SBTi determination or the approval process.



42%

**Reduction in
Scope 1 & 2
GHG Emissions
by 2030 vs. 2021**

We will reduce our Scope 1 & 2 GHG emissions at least 15% by 2025 and 42% by 2030 vs. 2021 baseline without using carbon offsets.

Climate Emergency

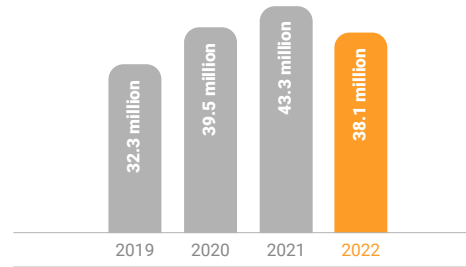
We achieved almost 74 thousand MWh of energy savings with efficiency projects implemented.

Energy and GHG Emissions Management

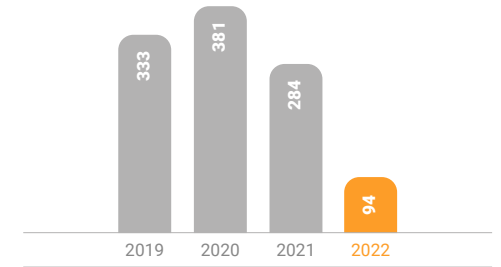
At Sabancı Group, energy and emission management means reducing the impact of Group companies from different industries by taking various initiatives and innovative actions to support the Group's interim GHG reduction and ultimate net-zero targets. In parallel with this understanding, our energy intensity decreased by 67% in 2022. Our Scope 1 and 2 GHG emissions decreased by 11% during the reporting year compared to 2021. The reduction was mainly driven by energy efficiency and increased use of renewable electricity across all our businesses, increased use of alternative raw materials and fuel in building materials, and the decrease in natural gas use in energy business. Moreover, the ratio of our Scope 1 and 2 GHG emissions to our combined net sales revenue decreased by 67%. We achieved 74 thousand MWh of energy savings²⁷ with efficiency projects implemented. As a result of carbon emission reduction projects, we prevented approximately 4 million tons of CO₂ equivalent GHG emissions. In addition, we procured nearly 1.2 million MWh of our electricity from renewable sources.²⁸

²⁷ Includes Akçansa, Brisa, Carrefoursa, Kordsa, Teknosa, Temsa, Enerjisa Enerji, and SabancıDx. ²⁸ Includes Holding, Akbank, Aksigorta, Akçansa, Brisa, Çimsa, Kordsa, Teknosa, Temsa, Enerjisa Enerji, Enerjisa Üretim, and SabancıDx.

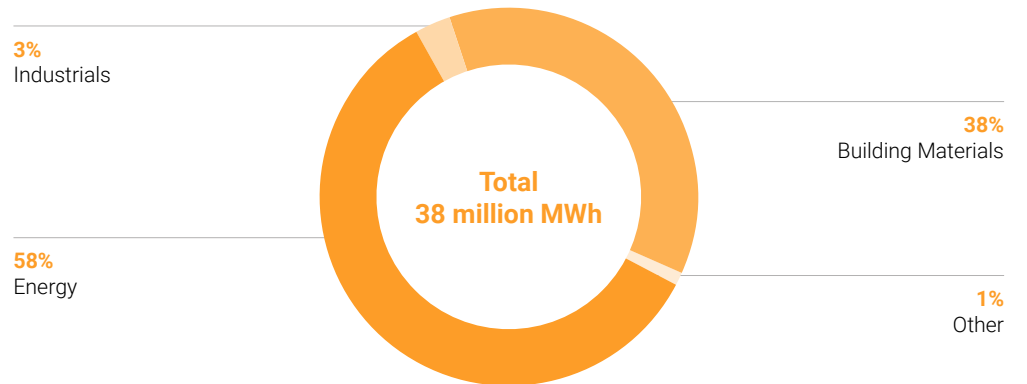
Energy Consumption by Year (MWh)



Energy Intensity by Year (MWh/million TL)



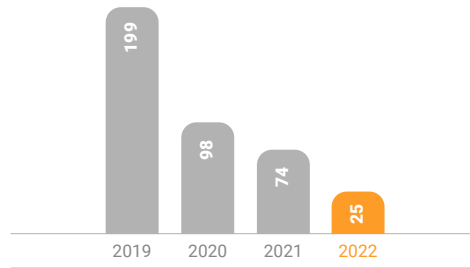
Energy Consumption by Sector (2022)



Climate Emergency

Our Scope 1 and 2 GHG emissions decreased by 11% during the reporting year compared to 2021.

Emission Intensity by Year (tCO₂e/million TL)



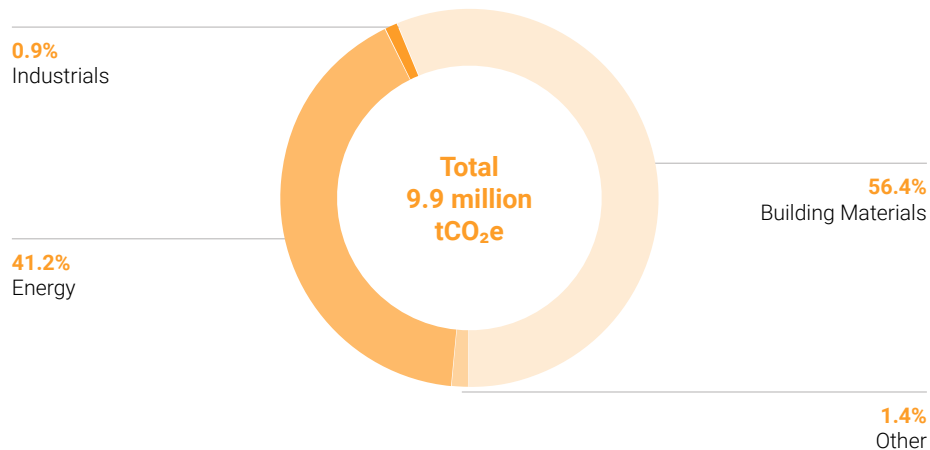
GHG Emissions by Scope²⁹

	2022	2021 ³⁰	2020 ³⁰
Scope 1	45%	44%	43%
Scope 2	4%	5%	4%
Scope 3	51%	51%	53%
Total	21.3 million tCO₂e	22.7 million tCO₂e	20.2 million tCO₂e

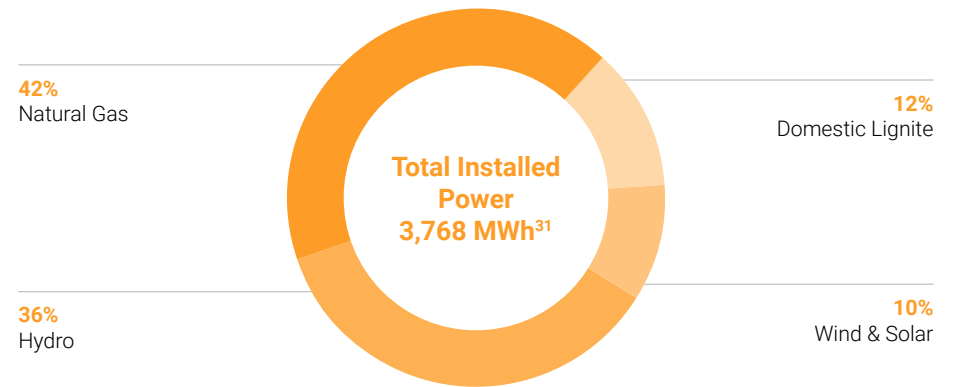
²⁹ In accordance with the Equity Share Approach defined in the Greenhouse Gas Protocol, Sabancı Holding accounts for GHG emissions from operations according to its share of equity in the operation.

³⁰ The GHG emissions of the Group for the year 2020 and 2021 have been restated due to the change in consolidation approach.

Total Scope 1 and Scope 2 GHG Emissions by Sector (2022)



Enerjisa Üretim Portfolio (2022)



³¹ Total installed power included hybrid & solar

Climate Emergency

Sabancı Group aims to reach its decarbonization targets through a variety of technological upgrades and strategic initiatives.

Sabancı Group aims to reach its decarbonization targets through a variety of technological upgrades and strategic initiatives including renewable electricity use, grid modernization, alternative raw materials and fuel use, process changes, product and network optimization in carbon-intensive businesses.

According to the International Energy Agency (IEA) data, if the net-zero scenario is applied successfully, renewables' share of power generation is expected to **increase by almost 70% by 2030**. It is indicated that related activities need to increase rapidly to meet the requirements for the net-zero scenario to achieve the required percentage. Both **wind and Solar PV are expected to play significant roles** in renewable power generation by 2030, followed by hydropower, bioenergy, and other sources.

In Türkiye, Sabancı Group operates in every aspect of the electricity value chain open to the private sector – from electricity generation to trade, distribution, and retail.

Our Group's Transition to Clean Energy

In 2022, our Group companies, including Akbank, Aksigorta, Akçansa, Çimsa, Brisa, Kordsa, Temsa, Enerjisa Enerji, Enerjisa Üretim and Teknosa continued to obtain their electricity from renewable sources. Our Group's renewable energy transition plans include both the purchase of renewable energy certificates and on-site renewable energy installations where technically feasible.

As an example, Çimsa successfully obtained nearly 59% of its total electricity consumption across all plants from renewable sources in 2022, supported by International Renewable Energy Certificates (I-RECs) and Waste Heat Recovery Systems. This achievement led to a reduction of 152 thousand tons of CO₂ equivalent. Moving forward, Çimsa plans to increase the renewable ratio of electricity use to 70% and >80% in 2025 and 2030 respectively. Our Group companies set their renewable energy targets in line with their company-specific decarbonization pathways.

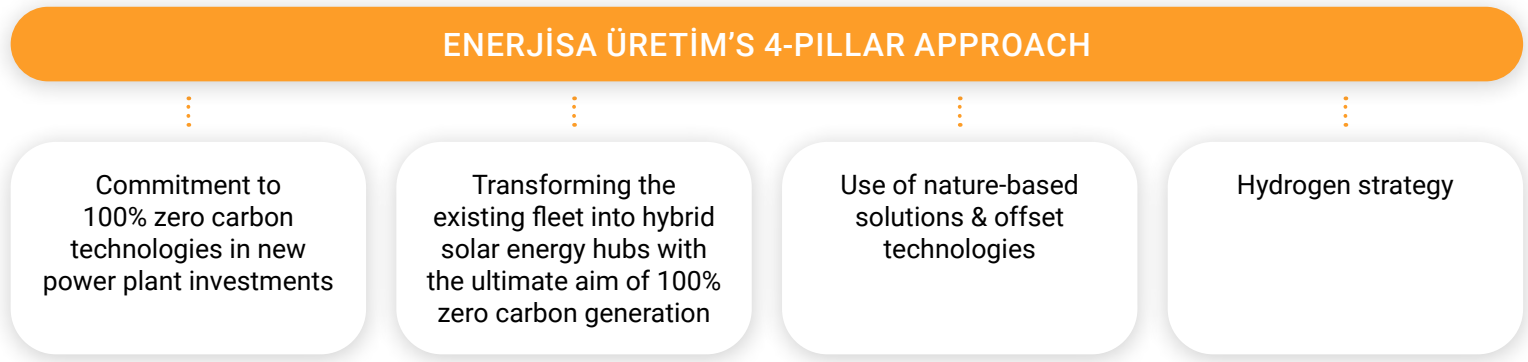
Growing the Coverage of GHG Emissions by Science Based Targets

Sabancı Group companies have been setting their GHG emissions reduction targets in line with the Science Based Targets initiative (SBTi) following the announcement of Sabancı Group's ambition to become Net Zero Emissions by 2050. For instance, Temsa has set its science-based GHG reduction targets in line with the 1.5°C pathway and is prepared to submit its commitment to SBTi. Both Çimsa and Akçansa signed the SBTi commitment letters in line with 1.5°C pathway. Kordsa's GHG emissions targets were committed to the SBTi, while Brisa's 1.5°C target was approved by the initiative. As of the publishing date of this Report, 100% of Sabancı Group's Scope 1 & 2 GHG emissions are covered by interim GHG reduction targets, 60% of which are aligned with the reduction rates suggested by SBTi for Scope 1 and 2 in line with 1.5°C pathway.

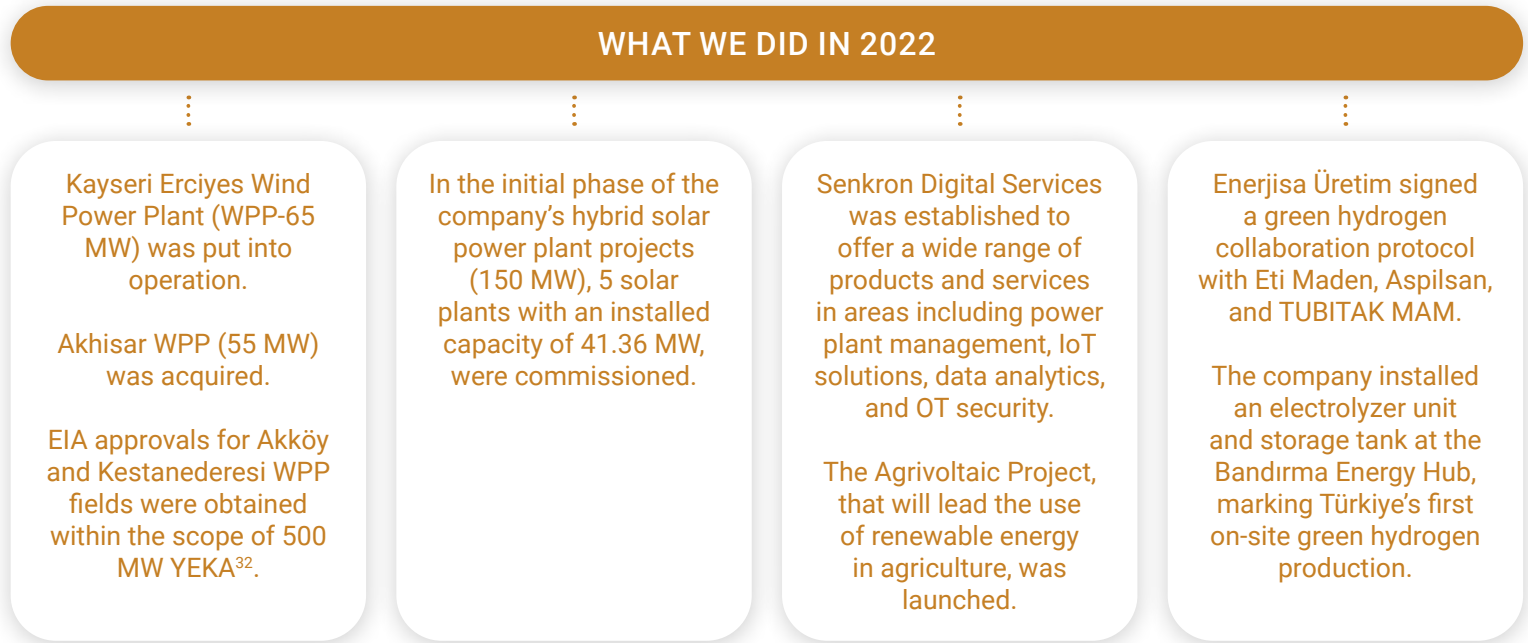
Climate Emergency

Our generation company, **Enerjisa Üretim** is the largest player in the sector with a portfolio of 3,768 MW structured by five technology types, and also the largest renewable energy generation company in Türkiye. Enerjisa Üretim aims to transform its generation portfolio in line with the net zero emissions goal of Sabancı Group. The company will achieve this transformation through the following 4-pillar approach.

ENERJİSA ÜRETİM'S 4-PILLAR APPROACH



WHAT WE DID IN 2022



³² These are areas where electricity generation plants based on wind and / or solar energy resources can be established in large installed powers with economic potential, which do not prevent establishment in terms of administrative permits, are technically suitable to be established and operated.

Climate Emergency

Having acquired a 94% stake in Eşarj, Enerjisa Enerji continues to develop our e-Mobility business as a trailblazer in this fast-growing ecosystem.

On the other hand, **Enerjisa Enerji**, which is the largest player in the electricity distribution and retail in Türkiye, provides electricity distribution and sales services to a population of approximately 22.1 million – one out of every four people in Türkiye - in three regions and 14 cities, six of which are metropolitan. In essence, we serve a population larger than many European countries.

Having acquired a 94% stake in Eşarj, Enerjisa Enerji continues to develop our e-Mobility business as a trailblazer in this fast-growing ecosystem. Having won the national charging tender, the "Fast Charging Stations Support Program for Electric Vehicles," initiated by the Ministry of Industry and Technology, Eşarj was authorized to install 495 fast charging stations (with a minimum capacity of 90 kW and a minimum of two charging sockets each) across 53 provinces in 11 investment regions. Eşarj achieved a 60% increase in the number of charging plugs compared to the previous year, reaching a total of 788 plugs in 2022.



Enerjisa Üretim and Sabancı University are partnering to establish Türkiye's First Green Hydrogen Valley

The "HYSouthMarmara Project," which includes Enerjisa Üretim and Sabancı University among its 16-member consortium, coordinated by the South Marmara Development Agency, has been awarded support under the Horizon Europe Clean Hydrogen Partnership (Ufuk Avrupa Temiz Hidrojen Ortaklığı) 2022 Call.

With a total budget of EUR 36.8 million and a 5-year duration, the project will bring Türkiye's first Green Hydrogen Valley to life. Successful project realization has secured the highest grant amount to date of EUR 8 million, in an EU grant, contributing to our country, and marking a first in the history of Turkish Framework Programs.

Climate Emergency

THE ROLE OF OUR ENERGY GROUP IN ENERGY TRANSITION



Key Player in Energy Security

- > Providing uninterrupted, continuous, accessible energy to one out of every 4 people in Türkiye
- > A leading player in the industry with 3,768 MW with the most diverse generation composition



Largest Contributor to Electrification

- > One of the largest investors in grid expansion, upgrading, and modernization
- > Pioneer in the Digitalization of all processes in the electricity value chain
- > Operating Türkiye's first and fastest electric vehicle station network



Commitment to 100% Low Carbon Generation

- > 1 out of every 3 solar and wind power plants will be realized by Enerjisa Üretim in the next 4 years
- > 15% decrease in GHG intensity in 3 years with the ultimate aim to reach net zero before 2050



Shaping the New Energy World

- > Türkiye's first green hydrogen manufacturing plant in a bid to address energy security and green energy transition simultaneously
- > With a potential of green hydrogen export capacity to Europe



Helping Customers to Decarbonize

- > Improving the efficiency of customers and helping them to decarbonize through our innovative and sustainable products under the umbrella of The Energy of My Business
- > Trading 3rd parties' carbon and green power certificates

Climate Emergency

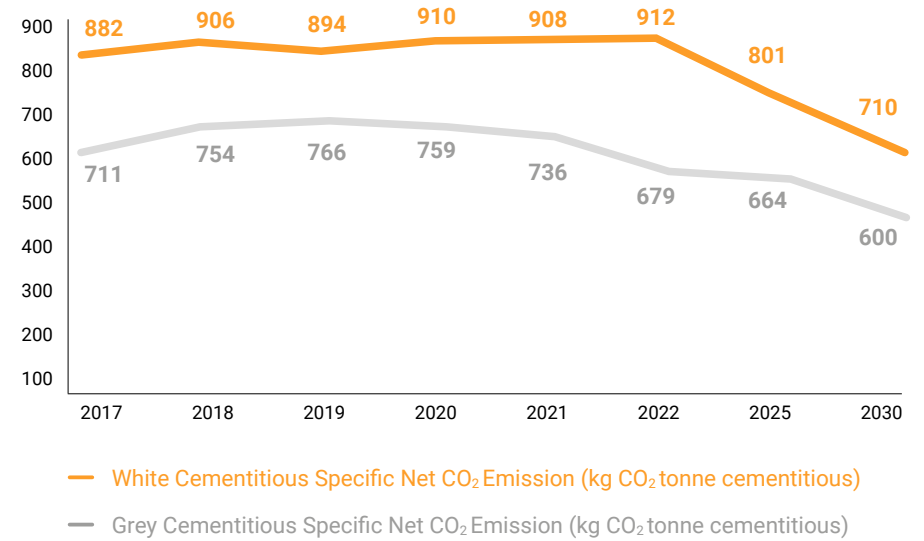


ÇimSA decreased CO₂ intensity of grey cementitious products by 8% in 2022 compared to 2021.

ÇimSA, the Group's international cement manufacturer, decreased CO₂ intensity of grey cementitious products by 8% in 2022 compared to 2021. ÇimSA aims to reduce its grey cement carbon intensity in kg CO₂e per ton of cementitious material from 679 in 2022 to 600 in 2030. The company aims to reduce its carbon intensity in kg CO₂e per ton of cementitious material in white cement from 912 in 2022 to 710 in 2030.

ÇİMSA'S ROADMAP ON GHG INTENSITY

Specific Emissions Density



Climate Emergency

By transforming our business and increasing efficiency throughout the life cycle of our products, we will continue to enhance environmentally friendly products. Some examples of low environmental impact products that also contribute to reducing our clients' GHG emissions are as follows:

- **Çimsa's** new Super Gray Cement Family, comprising products like Çimsa Izo Power 42.5 and Çimsa Master Power, utilizes low-emission raw materials like blast furnace slag, natural pozzolan, ground limestone, and fly ash. These products are vital in sustainable urban projects, reducing GHG emissions by up to 15% and 50%, respectively. Additionally, Çimsa Resistant SR and Çimsa Resistant LA, part of the Super Gray Cement Family, contribute to improved building quality, durable urban development, and infrastructure across various applications in the industry.

- **Temsa**, Sabancı Group's bus manufacturer, launched the first electric version of its TS45 model vehicle in 2022. With its high driving comfort, maximum passenger safety, advanced technology, and zero-emission features, The TS45E, which has successfully passed all tests and provides a cost advantage over its conventionally-fueled competitors, especially on long distances, will be one of the pioneers of transformation in the motor coach segment. Temsa, having set "Smart mobility" solutions at the foundation of its growth strategy, became one of the world's leading manufacturers by providing five electric vehicle models to the USA and European markets. The company also transformed the electric vehicle in Türkiye with Avenue EV, the country's first domestically produced electric bus.

Temsa's Initiatives on Innovative Battery Solutions

In addition to expanding its electric vehicle portfolio, Temsa contributes to a sustainable future by expanding its portfolio of battery packs and battery management systems, driven by a strong focus on R&D investments in this field.



In 2022, Temsa converted 5 diesel-powered water taxis to electric, leading to a reduction of 50 tons of GHG emissions per year and avoiding the consumption of 8,000 tons of diesel.



In 2022, as part of the cooler body truck project, one refrigerated body truck was converted to electric.



Temsa installed batteries and microgrid systems at the Brisa and Kordsa campuses.

Climate Emergency

As Sabancı Group, we will continue to invest in newly-emerging technologies and innovative solutions to build a better world.

- **Akçansa** introduced its latest product, ActionCem, to reduce the environmental impact of the construction industry. ActionCem contributes to reducing GHG emissions with its low clinker ratio and low carbon footprint. It is highly resistant to harmful environmental conditions, including sulfated environments. It provides convenience to applicators with outstanding properties, such as easy workability and long-lasting durability.

Invest in New Growth Platforms

As Sabancı Group, we will continue to invest in newly-emerging technologies and innovative solutions to build a better world. To this end, investing in new growth platforms is one of the key pillars of pioneering “sustainability as a business,” which is one of our strategic directions. Please visit the *Foster Sustainable Business Models* section for more about the growth platforms we plan to invest in.

Akbank Leads the Way for SMEs in Green Transformation

In response to the Carbon Border Adjustment Mechanism, Akbank has taken action to help SMEs evaluate risks, seize opportunities, and enhance their competitiveness. In 2022, the bank introduced the SME Eco Transformation Package, a comprehensive and pioneering offering tailored specifically for SMEs in the sustainability sector. This package aims to encourage and finance activities that reduce SMEs’ carbon footprints and energy costs. Akbank’s objective is to provide various loan products that facilitate green transformation for SMEs.

Promoting Sustainable Practices in Marine Tourism and Port Activities: Akbank’s Blue Finance Package

Akbank offers three products called Blue Tourism Loans, Blue Port Loans and Blue Transportation Loans under the Blue Finance Package to enhance sustainable tourism, reduce the environmental footprint in marine tourism activities, protect the seas in port activities, and accelerate the transition to a low-carbon economy. All three products are designed as part of an effort to reduce the environmental footprint of tourism, protect the seas, protect and develop biodiversity, and support the fight against pollution.

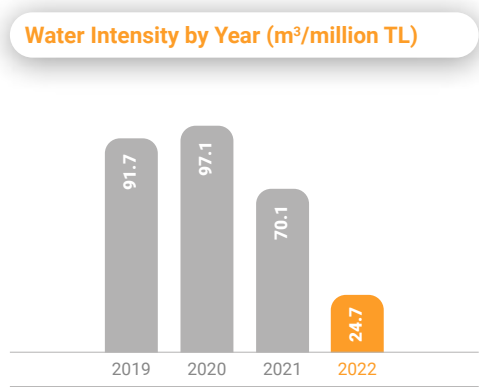
3.8 million tons³³
of GHG emissions

Akbank prevented by financed renewable energy projects

³³ As of 31.12.2022

Climate Emergency

We define our impact on water resources on an industry basis and carry out studies for efficiency, recovery, and savings to manage water sustainably.



GRI 3-3, 303-1, 303-2, 303-3, 303-4, 303-5

Water Management

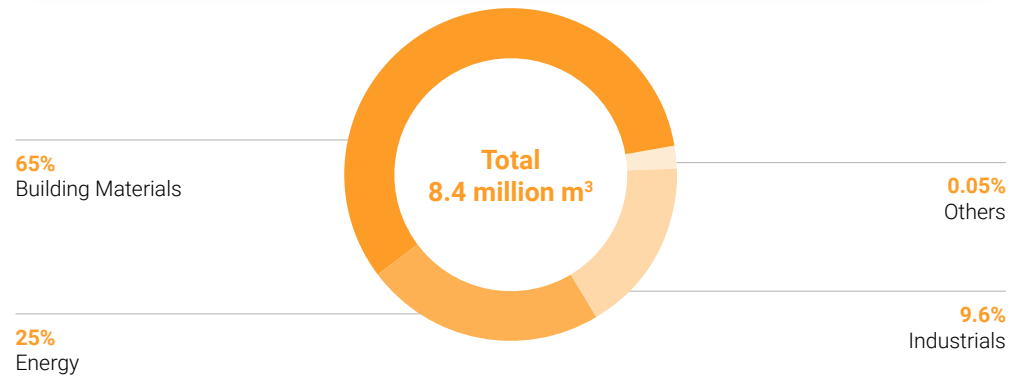
The combination of shifting precipitation patterns, increasing droughts, and environmental degradation due to climate change threatens freshwater resources.

In addition, global water demand has increased by *approximately 1% annually over the past 40 years*. Global water demand is expected to continue *rising to 30% by 2050*, driven by population growth, socioeconomic developments, and changing consumption patterns, further accelerating global water stress. Today, roughly *4 billion people are exposed to water stress conditions for at least one month a year — 2 billion people experience extremely high-water stress*.

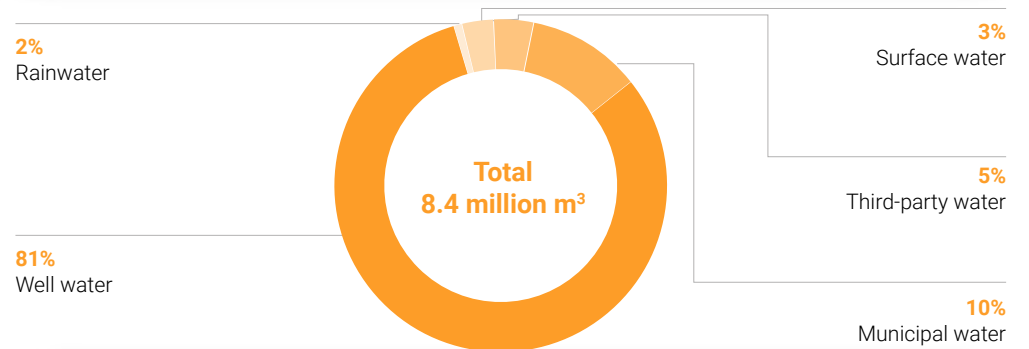
At Sabancı Group, we see water as a fundamental natural capital for all sectors in which we operate alongside other stakeholders, including society at large. We are aware that water supply disruption will adversely affect all business processes and our societies. Accordingly, we define our impact on water resources on an industry basis and carry out studies for efficiency, recovery, and savings to manage water sustainably.

Our total water consumption in 2022 slightly decreased to 8.4 million m³, while total water discharged decreased to 10 million m³. Across the Group, the percentage of water recycled and reused in 2022 was 31%. In the future, we will continue to prioritize increasing water efficiency through related projects, especially in water and emission-intensive sectors.

Water Consumption by Sector³⁴ (2022)



Water Consumption by Source³⁴ (2022)



31% Water recycled and reintroduced to the economy

³⁴ CSC BV is not included

Climate Emergency

In 2023, we will ramp up our efforts to spread best practices on water across all our businesses.

Our Group companies have been developing and implementing water management programs in the past years. For instance, Brisa has been among the leading companies with a robust strategy to reduce their water consumption. Accordingly, they became the Water Leader for the 4th time in the CDP program. Benefiting from the Group synergy, we are aiming to spread best practices across all our Group companies through a Group-wide project focusing on water, as well as other topics such as biodiversity and circular economy. This will build on our previous efforts to reduce GHG emissions, and will provide us a holistic strategy to manage our overall impact on nature.



Targets

- > Reducing water consumption at the Izmit Facility by 75% in 2025 compared to 2008.
- > Reducing water consumption at the Aksaray Facility by 70% in 2030 compared to 2019.

Best Practices

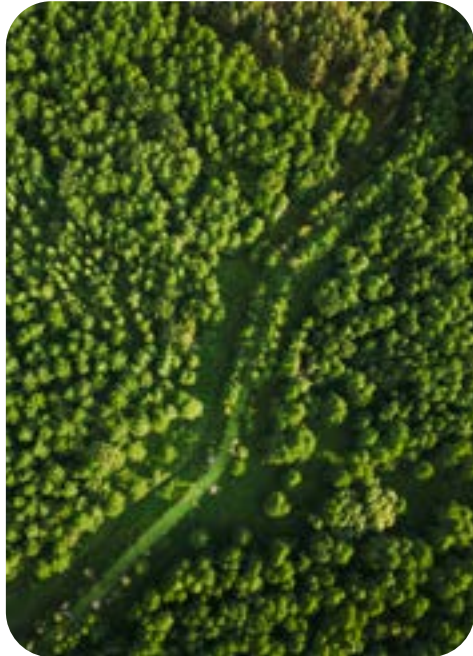
- > **Rainwater Collection Pond** at the Izmit Facility, which is planned to generate 47,500 m³ of water annually, will save 10% of the well water annually used by Brisa.
- > With the **MBR Membrane Filter Technology project**, the waste of the filtration system is recycled with 95% efficiency and returned to the water cycle.

Achievements and Recognition

- > Became the Water Leader for the 4th time in the CDP program.
- > Achieved a 67% reduction in well water consumption at our Izmit production facility in 2022 compared to 2008.
- > Became the first company to be reporting and verifying our pioneering projects in terms of water saving and reporting both to Bridgestone Global and Europe per the ISO 14046 Water Footprint Standard.
- > Joined the supporters of the United Nations Global Compact's (UNGC) CEO Water Mandate and became one of the eight signatories of the initiative in Türkiye.

Biodiversity

For Sabancı Holding, biodiversity protection is a key component of the Group's sustainability strategy and environmental management approach.



According to the *World Wildlife Foundation's (WWF) Living Planet Report*, The Living Planet Index reveals an average 69% decline in monitored populations between 1970 and 2018³⁵. This means species diversity, the source of healthy and robust ecosystems, is under significant threat. Sabancı Group is aware of the importance of safeguarding the biodiversity essential for the functioning and stability of ecosystems and follows up on international developments. To this end, the United Nations (UN) Biodiversity Conference COP 15 was held in Montreal, Canada, to define new goals to guide global action through 2030 to halt and reverse nature loss. *The Global Biodiversity Framework (GBF)*, a historical moment in terms of biodiversity protection, adopted aims to place 30% of the planet and 30% of degraded ecosystems under protection and a further 23 targets by 2030.

For Sabancı Holding, biodiversity protection is a key component of the Group's sustainability strategy and environmental management approach. Our *Responsible Investment Policy* sets the exclusion list with various biodiversity standards. These standards are applied to all investments without a threshold. We also consider the IFC Performance Criteria or EBRD Performance Requirements when assessing large-scale investments valued at over USD 10 million, including production activities that may pose a significant environmental/social risk if not managed properly. The Policy also defines how ESG due diligence, including biodiversity criteria, will be conducted along the Sabancı Group value chain.

We also undertake biodiversity conservation programs and cooperate with local public and non-governmental organizations. In addition to monitoring and conservation activities, we initiate communication campaigns to increase social awareness of biodiversity.


In collaboration with the European Bank for Reconstruction and Development (EBRD), **Enerjisa Enerji** developed a comprehensive "Biodiversity Conservation Action Plan" for three distribution regions in 2020. This plan encompasses various initiatives, including implementing an "Ecosystem Risk Assessment" based on the Biodiversity Conservation and Sustainable Management of Living Natural Resources Guidelines provided by the EBRD, as well as formulating a "Bird Protection Plan" informed by ornithological studies. Türkiye's strategic location along major bird migration routes makes it a crucial area for bird feeding and breeding. Within Enerjisa Enerji's distribution regions, which are operated by AYEDAŞ, Toroslar EDAŞ, and Başkent EDAŞ, there are designated protected areas where the electricity grid intersects with the flight paths of these birds.

³⁵ "The Living Planet Index is an early warning indicator that tracks trends in the abundance of mammals, fish, reptiles, birds and amphibians around the world."

Biodiversity


In collaboration with the European Bank for Reconstruction and Development (EBRD), Enerjisa Enerji developed a comprehensive “Biodiversity Conservation Action Plan” for three distribution regions.

BIODIVERSITY PROJECTS UNDERTAKEN BY ENERJİSA ENERJİ




Daphne Project

Strategies for Afforestation Under Power Lines to Reduce Losses and Prevent Fires over the Energy Transmission Lines




Bird Deterrent Project

The project’s goal is to conserve the variety of avifauna and the quantity of birds via insulators installed on bird migration routes



High Voltage Aerial Line Insulation Project

The project, which started in 2017, reduces the risk of electrocution for migrating birds



Bird Deflector Project

A pilot project to install Bird Deflectors on designated aerial lines to minimize bird fatalities

Biodiversity

Çimsa will employ a “No Net Loss and Net Positive Impact” with the new projects for biodiversity that they will begin implementing in 2023.

The impact initiatives of **Akçansa** primarily focus on the Protection of Biodiversity. The company tracks the number of rehabilitated mine areas, mines with biodiversity action plans, and the number of trees planted due to rehabilitation efforts. In 2022, a total of 2,200 trees were planted. Akçansa identifies and safeguards species within its mining sites, working towards creating safer environments for all living beings. In 2012 the company initiated bird habitat protection and development projects in the areas of operation through the “For Your Environment: Watch, Learn and Take Action” initiative. Following the successful results of birds’ nesting initiatives, plans include projects for rehabilitating mining areas and transforming rehabilitated wetlands into habitats for migratory birds and other species. In 2018, Akçansa received international recognition in the “Quarry Life Award” competition organized by Heidelberg Materials for its innovative work in rehabilitating mining sites at the Bozalan Clay Mine. With the Biodiversity Action Plan, initiated in 2021 and further developed in 2022, the company aims to implement comprehensive projects within a specific timeline, diversify its project portfolio, and closely monitor and adapt to current developments.

Brisa has been actively participating in the Biodiversity Recognition Program initiated by Bridgestone since 2019. The company has achieved gold-level recognition for its ongoing efforts for the fourth consecutive time. This program focuses on important aspects such as student educational activities, employee awareness initiatives, nature conservation projects, afforestation, and collaborations with non-governmental organizations (NGOs).

An environmental competition was conducted among high schools in Aksaray as part of the company’s engagement. The Papuduk Environmental Book was also presented to 220 students, and Brisa donated 18,000 seedlings to TEMA (Turkish Foundation for Combating Soil Erosion, Reforestation and the Protection of Natural Habitats). In the Sabancı Republic Day Campaign, 500 saplings were planted at the Aksaray factory, involving the active participation of employees. Brisa has been collaborating with the Eco-School initiative since 2019, and since 2013, a partnership has been in place with WWF-Türkiye for the Let the Cranes Fly Forever Project. In July 2022, the company organized the “Plastic-Free July” event to raise awareness of reducing plastic consumption.

Enerjisa Üretim also implements biodiversity programs with official bodies to reduce the potential negative impacts of its activities on the ecosystem. Endangered species are monitored with GPS-GSM satellite transmitters to determine the current situation and future conditions, ecosystem and biodiversity observations are made, and awareness-raising activities (in-company online magazine, promotional films, photo contests) are carried out. With these studies, the aim is to create a basis for policy development on the conservation status of species, to reveal and evaluate the potential impacts of commercial activities, and to raise awareness of biodiversity.

With the training program entitled “Beekeeping and Diseases” Enerjisa Üretim held in Kahramanmaraş, the company raised beekeepers’ awareness of pollination, colony productivity, and combating varroa disease.

Enerjisa Üretim supported the realization of 50 tons of honey by creating a living space for 200 million bees per year with the beehives placed within the scope of the “Support for Beekeeping” project.

Çimsa will employ a “No Net Loss and Net Positive Impact” with the new projects for biodiversity that they will begin implementing in 2023. This involves planning processes to avoid and minimize predicted impacts until they can make remaining effect on biodiversity and the ecosystem manageable with healing and compensating activities. These plans will take into account the Biodiversity Indicator and Reporting System (BIRS) steps published by the International Union for the Conservation of Nature (IUCN).

Akbank encourages its customers to take special measures against financial activities that negatively impact aquatic biodiversity. The bank also carries out certain activities to protect the seas in our country and region within the scope of Blue Financing.

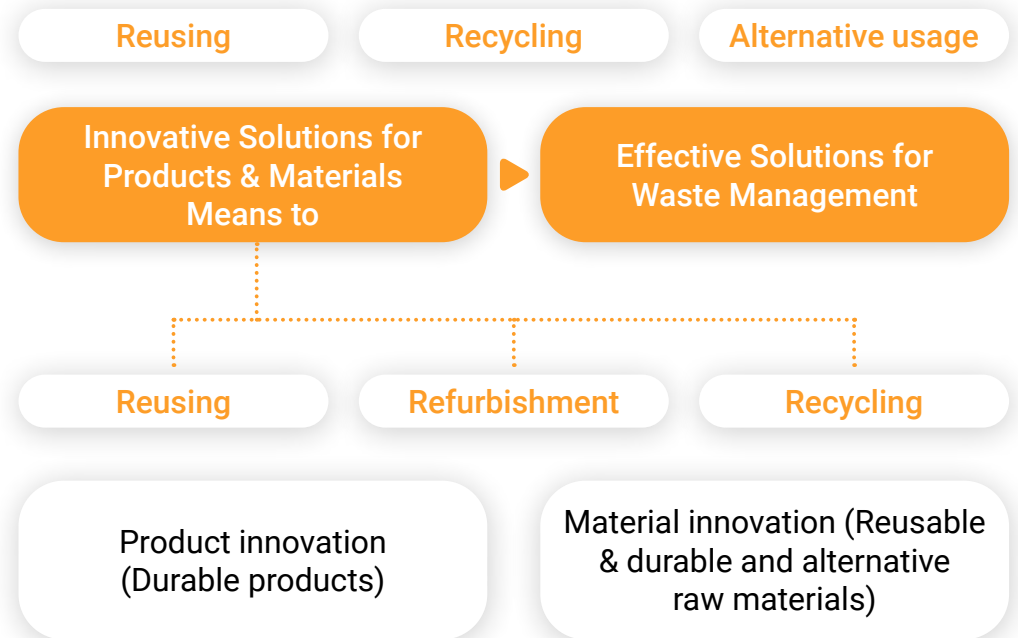
The Circular Economy

The global economy is only 7.2% circular, 16% less than one year ago.

The circular economy involves economic models working to minimize waste, promote resource efficiency, and maximize the value of products and materials in contrast to “make-use-dispose” models and the inefficient use of resources, which turn into waste and lose all value added. According to the latest *Circularity Gap Report (CGR)*, the global economy is only 7.2% circular, 16% less than one year ago. This data means the global economy has consumed half a trillion tons of virgin materials. This endless consumption and the damage already done could be reduced and significantly controlled via the adoption of circular economy practices.

What Does It Mean to “Adopt” Circular Economy Practices?

The CGR Report claims that over 90% of all materials extracted and used are wasted at the end of their processes. At this point, each sectoral player is responsible for enhancing the value of its products by benefiting from the innovative technologies available for reusing, refurbishing, or recycling their products, raw materials, or services provided. These companies must effectively manage their overall waste to support circular economy solutions.



The Circular Economy

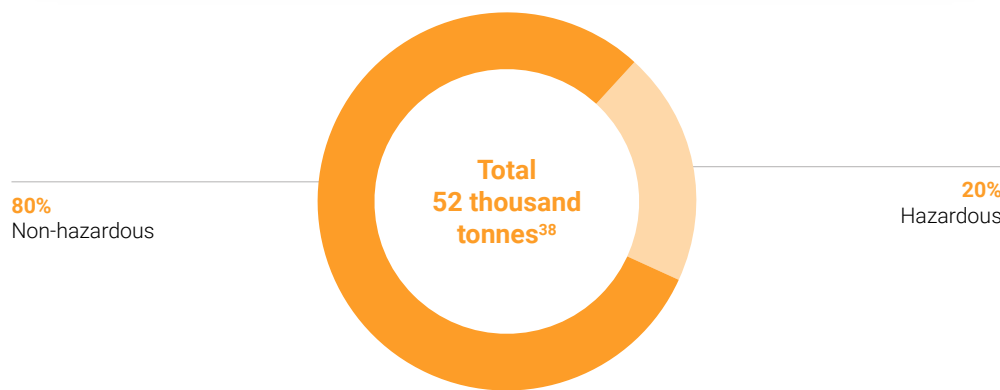
The CGR Report claims that over 90% of all materials extracted and used are wasted at the end of their processes.



78%
Waste recycled and reintroduced to the economy³⁶

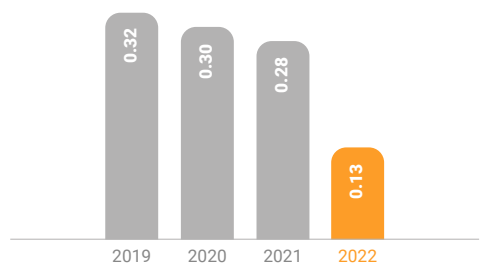
³⁶ Waste recycled and reintroduced to the economy without ash waste. Although it is difficult to recycle given the composition of the waste, Enerjisa Üretim is still working on how to repurpose/reuse the ash waste in other sectors.

Waste by Type³⁷ (2022)



³⁷ CSC BV is not included ³⁸ Total waste without Enerjisa Üretim ash waste.

Waste Intensity by Year³⁹ (ton)



³⁹ Total waste intensity without Enerjisa Üretim ash waste.

The Circular Economy

In 2022, several products and raw material solutions of the Sabancı Group have been designed to contribute to circular economy practices.

Innovative Solutions for Products and Materials

In 2022, several products and raw material solutions of the Sabancı Group have been designed to contribute to circular economy practices. With these new innovative solutions, the Group was able to save diverse resources and reduce waste caused by using related materials.

Kordsa transforms its production scraps using a recycling machine, turning them into chips that are then reused as recycled input in the production process. The company manufactures tire-grade yarn with a minimum of 20% recycled nylon 6.6 polymer, which exhibits similar physical and chemical properties to yarn made from virgin nylon 6.6 polymer. Life Cycle Analysis (LCA) indicates that compared to using 100% virgin raw materials, the inclusion of 20% recycled content results in a 17% reduction in carbon footprint.

Kordsa also successfully developed a bio-based flame-retardant e-glass prepreg. With this product, Kordsa aims to provide its customers with environmental and social benefits. The bio-based flame-retardant e-glass prepreg production utilizes recycled sugarcane waste as a bio-based raw material, resulting in a significant positive environmental impact.



Kordsa transforms its production scraps using a recycling machine, turning them into chips that are then reused as recycled input in the production process.

Kordsa offers innovative solutions by focusing on market needs in concrete reinforcement. For instance, KraTos™ Synthetic Fiber Reinforcement is widely used in infrastructure and superstructure projects as a shrinkage reinforcement material to prevent early-age cracking. According to the product life cycle evaluation made per ISO 14040/44 standards, KraTos Synthetic Fiber Concrete Reinforcement reduces the carbon footprint of concrete by approximately 40-70% compared to its equivalent steel reinforcement products.

The Circular Economy

Akçansa used 631,817 tons of waste as a fuel and raw material alternative in 2022, corresponding to the amount of waste produced by approximately 1.5 million people.

Akçansa's alternative raw material usage rate, which is calculated with the method described in GCCA Sustainability Guidelines for Co-Processing Fuels and Raw Materials in Cement Manufacturing, has reached 6.2% at the Büyükçekmece Plant. Akçansa used 631,817 tons of waste as a fuel and raw material alternative in 2022, corresponding to the amount of waste produced by approximately 1.5 million people.

Teknosa Marketplace provides a selection of fully-functional refurbished products that perform on par with new items. This initiative aims to prevent electronic waste from ending up in landfills by promoting a circular economy. Furthermore, the company offers rental electronics, enabling customers to enjoy the latest technology without purchasing new devices with every upgrade.

Carrefoursa actively engages in the voluntary collection of waste vegetable oils from customers at its stores, aligning with the principles of responsible consumption and environmental protection. In 2022, approximately 13 tons of waste oil were collected, preventing the pollution of 13 thousand tons of drinking water. These waste oils are then converted into biodiesel, lowering GHG emissions. The income generated from the recycling of waste oils was donated to the Tohum Autism Foundation in support of autism awareness initiatives.



Committed to protecting nature and operating with a circular approach as part of its social responsibility to build a sustainable future, Akçansa also launched the “Artık Değilsin” project in 2022. The project raises awareness and informs stakeholders about various types of waste that can be utilized as an alternative fuel and raw material resources, promoting a circular economy. The primary objective is to transform the perception of waste in our daily lives and increase awareness among the target audience. In the initial phase, the project involved creating and selling NFTs (Non-Fungible Tokens) representing waste characters. The proceeds from these sales were donated to the Aegean Forest Foundation to support tree-planting initiatives. In the upcoming phase, the project aims to donate the profits generated from NFT sales to environmental causes, further emphasizing the value creation derived from waste.

The Circular Economy

We aim to implement innovative solutions and new technologies to ensure more efficient use of scarce resources.

Effective Solutions for Waste Management

As Sabancı Group, we work towards achieving Zero Waste by 2050 at the latest. To this end, we aim to implement innovative solutions and new technologies to ensure more efficient use of scarce resources. For Sabancı Group, waste management means decreasing the number of single-use materials and providing innovative and unique solutions to waste as a new alternative resource like energy.

In addition to the measures we take to reduce our operational waste, we aim to reduce our customers' waste generation through effective maintenance and repair services and by using sustainable, resource-efficient, and durable products.

In 2022, **Çimsa's** new investment, the "Tire Derived Fuel (TDF) and Solid Recovered Fuel (SRF) Feeding System," commenced operations at the company's Afyon Plant. This facility was established to reduce the reliance on fossil fuels in cement production and promote sustainability by utilizing alternative fuels. By incorporating waste materials from various sectors, it aims to adhere to the principles of the circular economy.

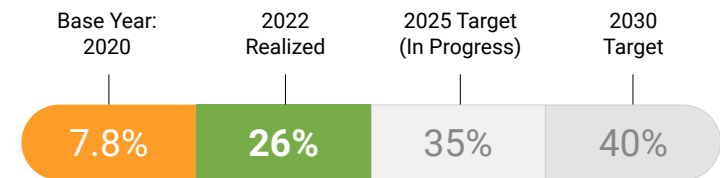
The plant surpassed its target of 22% alternative fuel usage for 2022, reaching 26% and achieving a double increase compared to the previous year. The company aims to further increase the utilization rate to 28% in 2023 and 35% in 2025 through planned investments in waste-derived fuel (ATY) stocking and feeding systems at the Mersin Plant and optimization studies at existing facilities. In 2022 Çimsa's recycled waste rate was 86%.

By implementing a recycling unit at the Misis Ready-Mixed Concrete Facility, 12,000 tons of concrete waste per year are now recycled and reused in production.

Çimsa: Advancing the circular economy through alternative fuel usage

Çimsa has significantly increased the utilization of alternative fuels per its targets, thanks to the Afyon Waste Derived Fuel Feeding Facility, which commenced operations in February 2022. The substitution rate for alternative fuels has reached 26%, doubling from the previous year. Additionally, ongoing energy efficiency and improvement studies, including the HEX (Heat Exchange) system revision at the Bunol plant, have prevented the release of 7,854 tons of CO₂ into the environment.

Alternative Fuel Use Ratio



The Circular Economy

In 2022, as a significant outcome of **Akçansa's** commitment to sustainability, resulted in successful recovery of energy through utilization of alternative fuels, amounting to an equivalent of 213,000 tons of fossil fuel usage.

Over the past five years, 1 million tons of waste, serving as an alternative fuel source, have been diverted from landfills and reintegrated into the economy. The energy harnessed from these waste materials is equivalent to meeting the daily needs of 1.5 million individuals.

At **Enerjisa Enerji's** facilities, 5,122 tons of hazardous waste and 6,279 tons of non-hazardous waste were generated, with 100% of these waste materials being sent to recycling facilities. Furthermore, the company's location building, entitled to hold Basic Level Zero Waste Certification, has successfully achieved a score of 4.

In 2022, **Teknosa** purchased recycling units to install a zero-waste system at its logistics center and stores.

Brisa initiated the "Zero Landfill" program at its İzmit facility in late 2015 and the Aksaray facility in 2017. As part of this program, the company has successfully eliminated waste disposal in landfill facilities. Instead, they prioritize reusing, recycling, and recovering solid waste generated within their facilities.

In 2022, the newly-established process waste recycling unit enabled the recycling of 252 tons of industrial waste (which previously underwent energy recovery) for the year.

Kordsa will recycle products containing waste such as end-of-life tires, and produce new yarn and reinforcement materials within the scope of the WhiteCycle project, supported by the European Union and initiated with 16 partners. Co-founded by Michelin (Clermont-Ferrand, France), Kordsa, Carbios (France) and coordinated by Michelin, the project is expected to recycle more than two million tons of PET annually and avoid the landfilling or incineration of more than 1.8 million tons of plastic each year as of 2030.

Carrefoursa has partnered with its suppliers and the Food Saving Association to accurately analyze food losses and categorize and assess foods before they become waste. As part of this effort, Carrefoursa has been extensively working to redirect consumable losses to those in need through food banking. Products that have reached their expiration date but are still suitable for human consumption are reintroduced into the economy under modified conditions. These initiatives rescued approximately 200 tons of food from waste for donation to Food Banks in 2022.

KORDSA'S EFFORTS TOWARDS CIRCULARITY: INNOVATION FOR IMPACT

Open innovation & international cooperations



H2020 Project:
 > Innovative Technologies for Recycling Plastics– Circular Economy



Europe Project
 > A European consortium to recycle plastic waste

The Circular Economy

We are a member of the Business Plastics Initiative, launched by the Business Council for Sustainable Development Türkiye (BCSD Türkiye), to reduce plastic waste in the private sector. We aim to reduce the consumption of disposable plastics by 100% by the end of 2023. In this context, we first aim to prevent the unnecessary use of plastic and switch to the reuse model where possible. Our estimation shows that we have reduced nearly 50% of single-use plastics by the end of 2022. Moving forward, we will strive to increase the quality of our tracking systems and reduce the remaining amount of single-use plastics.

We plan to focus on using recycled plastics and reducing plastic consumption across the entire value chain. By the end of 2023:

- We will implement a store model in line with the Zero Waste Platinum concept in at least 10% of Carrefoursa and Teknosa stores.
- We will offer our customers reusable packaging in the fresh produce section (bakery, butcher, fish, charcuterie) in all Carrefoursa stores and the option to sell products through containers provided by our customers in at least 10 Carrefoursa stores.
- To reduce the use of packaging, particularly plastic packaging, we will commission refill stations for select products in at least ten stores and commence planning to make this practice more common.
- At Carrefoursa stores, we will have sustainable products serving as alternatives to disposable straws, plastic cutlery, plastic plates, plastic cotton swabs, plastic tea and coffee stirrers, and plastic cups.

100%

Our target to reduce in-office single-use plastic consumption by the end of 2023



Maximize Our Positive Impact on People and Society

As a Group, we strive to contribute positively to the society by supporting vulnerable groups and communities while transforming our businesses. Adhering to the principle of leaving no one behind, we inclusively support all segments of society by programs with the social return on investments (SROI) above a specific threshold.

SABANCI
Cumhuriyet Seferberliği

Financial Inclusion

Sabancı Holding’s banking institution, Akbank, offers products and services that promote financial inclusion and health, while providing easy access.

According to *the Global Findex 2021* survey of World Bank, there are still 1.4 billion unbanked adults worldwide and receiving their payments in cash such as salaries, government transfers etc. Additionally, although some of the unbanked adults, which are equal to two-thirds of survey participants, have at least one banking account, they are not able to proceed with any transaction without help from those financial institutions. In Türkiye, it has been indicated that about a quarter of adults are still unbanked. In this direction, at Sabancı Group, we aim to design our financial products and services in a simple, accessible and inclusive manner, especially for underserved groups. We incentivize unbanked people to utilize our products and services to ensure that they have access to useful and affordable financial services while they can realize their transactions in a secure and practical way.

Our insurance and pension products aim to protect our customers from potential financial risks and to encourage them to make long-term savings. We tailor our financial products and services to the special needs of different groups such as small and medium-sized enterprises (SMEs), women, disabled adults, and young/elder people.

Financial Literacy

Sabancı Holding’s banking institution, Akbank, offers products and services that promote financial inclusion and health, while providing easy access. Through the chatbot of Akbank called “Akbank Assistant”, customers can access more than 300 functions which support them to make their banking solutions more easily and accessible through the Discover Menu. Smart Assistant has a usage rate of 700 thousand per month whereas this number is about 2 million per month via smart search function available in the mobile application.



In addition, Akbank offers to various customers over 35 million fully customized smart clues and more than 45 videos on average per month on various channels such as their website, YouTube, etc. Akbank’s podcast series with 10 episodes which was moderated by Atilla Köksal, acting as the Chairman of the Financial Literacy Foundation, and went live in which they put financial literacy, behavioral finance, inflation, investment, financial technologies, and many other subjects on the agenda in collaboration with Aposto.

In 2021, Akbank became a founding member of the Commitment to Financial Health & Inclusion of the United Nations Environment Program Finance Initiative.

Sabancı Group’s non-life insurance provider, Aksigorta helps customers to make their transaction in a fast way through Aksigorta’s ClaimsChat application. A WhatsApp group – consisting of an expert, case manager, the service, and customer representative – is created by the AI. Transparent and rapid communication is ensured with the WhatsApp group created shortly after the claims notice. When the process is completed, the AI executes a sentiment analysis of the conversation and sends the data to the CRM system. By digitizing the claims quotation stage with its chatbot app, Aksigorta makes all its defined operational services faster and more reliable for customers.

Financial Inclusion

Akbank is dedicated to promoting gender equality, women's empowerment, and equal opportunities and enabling environment for women entrepreneurs to thrive, ultimately contributing to overall economic growth.

Sabancı Group's pension and life business, Ageda has offered a new application for PPS customers the opportunity to manage their funds according to their financial literacy levels and preferences. As part of their FonPro fund consultancy service, Ageda provided three different service packages called "Take Advise", "Manage Yourself" and "Leave to an Expert" and gave them support to gain maximum profit from the system. Under the roof of FonPro, customers can have consultancy services if they wish and the system aims to help all customers to improve their financial literacy and to turn their funds into account more effectively. Since there are different alternatives for each customer, FonPro is a significant step to help all customers also with special needs.

Inclusive Financial Solutions

According to [the Global Findex Database 2021 survey](#), most unbanked people in worldwide are women while in Türkiye as the quarter of adults are still unbanked, 71% of them are also women. There are certain needs for women adults to make them easily adapted into the banking and financial services to manage their own balance accounts more effectively. Besides women adults' participation in financial solutions, it is estimated that there are 3.2 million active SMEs in Türkiye representing 99.8% of all registered entities in the country. In Sabancı Group, we develop different SDG-linked products and services to support women empowerment and the special requirements of SMEs to protect them against the market competition and disadvantaged situations.

Akbank is dedicated to promoting gender



equality, women's empowerment, and equal opportunities and enabling environment for women entrepreneurs to thrive, ultimately contributing to overall economic growth. The bank supports women's enterprises by utilizing its own funding resources and collaborating with international finance institutions. In this regard, Akbank secured USD 100 million in funds through the Financing and Consultancy Support for Businesses Managed by Women in Türkiye program from the European Bank for Reconstruction and Development (EBRD). In 2022, businesses led by female executives benefited from an 80% credit guarantee for funds and received financing of TL 1 billion at favorable interest rates.

In addition, Akbank supports its female SME

customers with non-financial services. In 2022, the bank came together with female SMEs in 17 online and physical events. Akbank aims to support female SMEs in all aspects they might need in the upcoming period through free one-on-one mentorships, seminars, and training programs.

Also in 2022, Akbank expanded its projects to empower women's representation and visibility. Alongside the "Second Spring" project, supporting women re-entering business life after a break, and the "Strong Women in Technology" project aimed at increasing women in technology roles, Akbank introduced the Role Model Women of Akbank Program.

Besides women empowerment and women

Financial Inclusion

We develop new applications and services to ease the banking transaction processes of young and elderly people and to make them more financially aware customers.

SMEs support, Akbank serves to other SMEs in about 650 branches across Türkiye. Through Akbank Transformation Academy, Akbank aims to digitalize SME customers and make them financially stronger. Through this program, SMEs act for financial and digital transformation through seminars, customized training programs, networking and collaboration that provide opportunity to catch up on the agenda.

On the other hand, Aksigorta has Digital Security Platform to serve learning modules and video contents prepared with the support of Boğaziçi University Lifelong Learning Center (BÜYEM) for families and SMEs to make them ready for the risks that may arise in the process of adaptation to digitalization world and precautions against cyber-attacks, online shopping, e-mail security etc. Having reached over 1.5 million visitors since its establishment, the Platform supports SMEs to exist more securely in the digital world.

Sabancı Group also takes various initiatives to support young and elderly people to protect them in case of any disadvantageous situation. Our Group companies develop new applications and services to ease the banking transaction processes of these groups and to make them more financially aware customers. Akbank focuses on meeting the social and financial needs of young people through its TOSLA application. The app offers various benefits, including financial literacy initiatives, free banking transactions, and overdraft accounts for university students. Akbank

aims to alleviate young people's worries about financial matters by providing privileges and acting as an intermediary for their social needs. Additionally, the TOSLA app offers discounts and collaborations with different brands and institutions, enhancing the digital experience for students, young professionals, and working individuals.

With "Akbank FAV," which is a completely digital experience Akbank established for university students in 2020, the Bank offered free banking transactions and free overdraft accounts to university students between the ages of 18 and 26 and facilitate their access to financial transactions, while helping them meet their social needs with campaigns comprising their favorite brands. The number of Akbank's young customers has increased 1.5 times compared to 2021. The number of our university students increased by 2.5 times and the number of customers participating in the Bank's program, which Akbank offered exclusively for university students, increased by 4.5 times.

In addition, through Akbank Youth Academy, Akbank designed structured competency development programs through strategic collaborations and provide long-term and project-oriented training in which they brought the sector specialists together with young people. 73,957 people participated in 85 events and training programs, with the rate of 59% women and 42% men so far from 208 universities and from all corners of Türkiye.

With the At All Ages Fund, which Agesa



Financial Inclusion

The number of Akbank's young customers has increased 1.5 times compared to 2021.

established in order to support civil society activities such as health, training, employment, living areas related to aging and old age in Türkiye, they aim to contribute to developing and implementing work methods regarding aging and old age. Agesa opened the All Ages Fund, which is implemented with the financial support and cooperation of Agesa in coordination with the Support to Civil Society Foundation, to the 2nd period grant applications. 32 organizations applied to the All Ages Fund for a total of TL 4,123,000 grant support. As a result of the evaluation, it was decided to provide a total of TL 348,200 grant support to the Biz İZ Association's "Harita 65+", Dem Association's "Duyduğün Gibi Değil" projects, and the Hayat Boyu Hayat Dolu Association's "Psycho-social Support Program for Family Members Caring for Elderly Relatives" Program.



Akbank Transformation Academy

In May 2022, the launch of the Akbank Transformation Academy took place with a summit, addressing the topics of green transformation, digital transformation, and women entrepreneurs for SMEs. Throughout the year, training programs were carried out in Ankara, Bursa, Balıkesir, Çanakkale, and İzmir.

In 2023, Akbank will continue to support all SMEs, with a particular emphasis on green transformation, women-owned SMEs, e-commerce, exports, and entrepreneurs. This support will be provided through training, mentoring, and offering discounted or free-of-charge transportation for specific products and services.

~14 thousand

SME customers reached by Akbank Transformation Academy.

Financial Inclusion

Access to Essential Services

According to the *Inclusive Banking Report of IFC*, it has been estimated that between 110 million and 190 million people are experiencing significant disabilities. Those disabilities could be both “visible” and “invisible” and both types are causing various challenges for them. There are certain barriers for disabled adults in their daily lives and it has been suggested that they tend to be unemployed and self-employed with less earning than healthy adults. For today, many banks and financial institutions are practicing new products and services to support economic participation of disabled adults in a healthy manner. Sabancı Group aims to provide various products and newly emerging services with the help of digital tools to support disabled adults and their participation into all financial systems.

There are 98 different branches of Akbank where all disabled accessibility applications are made available for disability-free banking approaches. Akbank aims to communicate properly with their disabled customers by providing the so-called “Human Rights-based Approach to Disability” e-training with all Akbank field personnel under the guidance of the Life Foundation.

In addition, through the Agesa Mobile App, which has reached nearly 2 million downloads by the end of 2022, customers are able to easily manage their savings via insights, can access their salary information and change their paydays, visually impaired users can perform the operations presented in the application without any support through audio simulations and can view the policy details of Savings Life Insurance products and calculate tax advantages. Thanks to the customer satisfaction created, it is the most favored insurance application in application stores. The application’s success continues to be confirmed by awards received from international platforms.

Akbank’s practices for the disabled customers

680 branches

- Perceivable surface practice
- Anti-slip tape practice

100 branches

- Call button for the disabled

98 branches

- Induction cycle system
- Audio-lighted directions to the emergency exit
- Handrail writing in Braille alphabet

BlindLook Collaboration

Akbank, Agesa and Aksigorta have been collaborated with BlindLook to design emancipatory technology experiences for the visually impaired people, a voice guidance in mobile applications to support barrier-free digital financial service experience. Through the inclusive banking and financial services principles of Sabancı Group, BlindLook is a significant collaboration upon our principle of leaving no one behind and ensuring financial inclusion.

Community Investments

We create long-term and sustainable value for all our stakeholders with high-impact social projects and partnerships.

We aim to maximize our positive impact on people and society. In line with our vision of being a pioneer and setting an example, we create long-term and sustainable value for all our stakeholders with high-impact social projects and partnerships. We believe that finding permanent solutions to social problems is only possible by reducing inequalities.

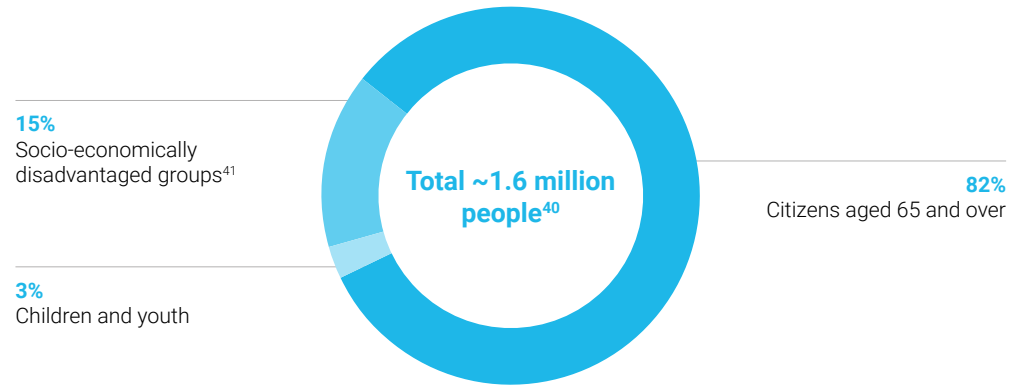
As we strive for a more inclusive society, the significance of community investments in achieving an inclusive recovery has steadily grown. In line with this understanding, we actively engage in activities that foster societal improvement, leveraging our influence in the business world and our dedicated organizations in education, social change, culture, and the arts. Through the efforts of Sabancı Foundation, Sabancı University, Sabancı University Sakıp Sabancı Museum, Sabancı Volunteers as well as our Group companies' community investments, we support and empower vulnerable groups, contributing to their resilience and well-being.

Community Investment Programs

One of our primary goals is to effectively implement high-impact social projects in line with our sustainability strategy and continuously expand their scope. Our social programs are designed in line with our materiality analysis and focus on technology and digitalization, innovation, climate emergency, talent management, partnerships and collaboration with stakeholders, circular economy and equal opportunities and diversity.

Our objective is to maximize the effectiveness of our community investment programs. To accomplish this, we strive to calculate the social return on investment (SROI) of these programs and achieve a rate of one or higher. In pursuit of this objective, we have initiated efforts to conduct social impact analyses for our programs.

People Reached Through Inclusion Programs Carried out by Sabancı Group Companies (2022, excluding Sabancı Foundation)



⁴⁰ Akbank, Agesa, Brisa, Carrefoursa, Çimsa, Kordsa, Teknosa, Enerjisa Enerji, and Enerjisa Üretim are included. ⁴¹ This group represents people with various social and/or economic disadvantages, and its detailed definition may vary according to each program.

Community Investments

Çimsa collaborated with the Education Volunteers Foundation of Türkiye (TEGV) to launch the Su Nefestir (Water is Breath) project, raising water awareness among 3,230 children in 2022 through active learning and conservation activities.

Highlights from Group Companies

- Within the scope of the Good State of the City project, which was implemented for the eighth time this year, **Akbank** facilitated the participation of 2,000 young individuals in volunteer projects for social benefits. These projects were carried out nationwide in collaboration with 13 non-governmental organizations operating in various fields.
- Through the "Starfish" project, **Agesa** aims to provide recruitment opportunities for women residing in women's shelters who have experienced economic, psychological, or physical violence.
- **Aksigorta** carries out activities aimed at raising societal awareness against digital risks with the Digital Security Platform established in cooperation with Boğaziçi University.
- In collaboration with TOÇEV (Tuvana Foundation for the Education of Motivated Children) and Çanakkale Provincial Directorate of National Education, **Akçansa** successfully completed the initial phase of the My Neighborhood project in Çanakkale, focusing on enhancing children's interpersonal skills, communication, and connection with their surroundings.
- **Çimsa** collaborated with the Education Volunteers Foundation of Türkiye (TEGV) to launch the Su Nefestir (Water is Breath) project, raising water awareness among 3,230 children in 2022 through active learning and conservation activities.



- **Çimsa's** İşimiz Eşitlik (Our Work is Equality) project aimed to boost women's employment in industrial firms by providing vocational high school students with training on job descriptions, interviews, CV preparation, and gender equality. This initiative reached 4,200 students in 8 locations, contributing to the Sustainable Development Goals of Quality Education and Gender Equality.
- In 2022, during the 12th anniversary of the "I am Protecting the Energy of the World" project, **Enerjisa Enerji** organized children's theater screenings in Istanbul, Kocaeli, Kastamonu, Ankara, Mersin, and Adana. These events reached around 6 thousand children, educating them about energy conservation.
- In 2022, **Enerjisa Enerji** successfully completed the 18-month transformation of the Sustainable Energy-Based Tourism Practice Centre (Sentrum) project in Ayvalık Küçükköy, in cooperation with the United Nations Development Program (UNDP) and Sabancı University.
- **Enerjisa Üretim** implemented a Womentum, a training program for women students, to promote their participation in the energy sector and prepare them for the business world. The program included 3rd and 4th grade female students from universities and vocational schools across Türkiye, and successfully trained 525 female students, surpassing the initial target of 500.

Community Investments

In 2022, Teknosa celebrated the 15th year of its “Technology for Women” Project, aimed at promoting digital literacy among women.

- **Enerjisa Üretim’s** “Forest Safety Project” aims to prevent forest fires and promote conscious approaches in combating them. As part of the project, Forest Fire Fighting Trainings were organized for employees, volunteers, and stakeholders, with the participation of 156 individuals across three regions: Adana, Istanbul, and Balıkesir.
- **Brisa**, in collaboration with İyilik Kazansın Social Initiative, implemented the Goodness Codes platform. Brisa employees earn Brisa goodness codes upon completing and sharing each Tracers project. Additionally, 2% of the total value of every shopping activity completed using Brisa goodness codes is donated to the Koruncuk Foundation, benefiting children in need.
- **Brisa** collaborates with Köstebek company for collecting and recycling defected or unused electronic gadgets. A designated e-waste box is placed in a common area to collect various electronic devices for recycling. Brisa aims to generate revenue from e-waste collection to provide scholarships to students through Brisa Members’ Education Support Association (BMÖÖD).
- With the Future Reinforcers project, **Kordsa** aims to prepare the youth for the future by contributing to their personal, social, and academic development, in line with its corporate purpose. The project has reached 1,130 students in vocational high schools.
- Collaborating with UNICEF since 2015, **Carrefoursa** continued to support the so-called “From the Field to the School” project intended for raising awareness about child labor in agriculture. The company also helped 20 disabled children in Türkiye access education during the pandemic through UNICEF. Carrefoursa allowed UNICEF teams to promote their projects at their hypermarkets and provided financial support through money boxes on Children’s Day.
- **Carrefoursa** sells bags with patterns developed by students from Darüşşafaka Education Institutions as part of a social responsibility project with Darüşşafaka Society, donating all proceeds from sales to Darüşşafaka.
- In 2022, **Teknosa** celebrated the 15th year of its “Technology for Women” Project, aimed at promoting digital literacy among women. Through this long-standing and sustainable social responsibility initiative, the company has trained nearly 25,000 women in technology. Teknosa also continued its social solidarity movement for women affected by violence and limited technology access in collaboration with Sabancı Foundation and Federation of Women Associations of Türkiye (TKDF).

Calculating the Impact of Our Community Investment Programs

Social return on investment (SROI) is a method for measuring values that are not traditionally reflected in financial statements, including social, economic, and environmental factors. They can identify how effectively a company uses its capital and other resources to create value for the community. If the SROI is over 1, that means the community program is effective.

Our Group companies started to measure the SROI of their community investment programs. At Brisa, the SROI values of Vocational School Project, SenKare Project, Heroes of the Service, Heroes of the Customer and Hackathon are 7.09, 6.55, 6.39, 6.36 and 3.16 respectively. Our Retail Group company Teknosa measured the SROI of its Technology for Women program as 3.96 and also our Building Materials company Çimsa measured the SROI of its Yaz Çocukları project as 1.29.

The SROI values of these projects are well beyond the threshold of 1, proving the effectiveness of their successful work.

Community Investments

This year, the Sabancı Volunteers Program carried out meaningful projects and initiatives that have touched the lives of thousands of people nationwide.

Sabancı Volunteers

Sabancı Volunteers Program

Sabancı Holding always emphasizes the significance of solidarity and unity in determining common priorities. And while generating sustainable solutions to address various major social and environmental problems innovation and participation are actively encouraged. In addition, Sabancı Holding believes that unleashing the tremendous potential of employee volunteering is a vital part of sustainable development.

The Sabancı Volunteers Program was initiated in 2015 to strengthen the bond between employees and Group companies, enhance employee social awareness and create activities that benefit society. This year, the Sabancı Volunteers Program carried out meaningful projects and initiatives that have touched the lives of thousands of people nationwide.

“Tomorrow Is Ours”

Sabancı Volunteers launched a major social responsibility initiative, “Tomorrow Is Ours,” to ensure a better future for the children or siblings of healthcare workers, the primary heroes of the pandemic. This program aims to prepare young people for every aspect of their adult lives, providing them with the tools needed to achieve their career goals.



During the pandemic, the stressful nature of their parents’ work and the difficulties of online education exacerbated the pressure on these young people while they prepared for their university entrance exams. To address this issue, Sabancı Holding decided to support these deserving youth, who represent the future of healthcare, by bringing this ambitious initiative to life.

The Tomorrow Is Ours effort was founded on two parallel pillars of critical support: a Mentoring Program and a Career Development Program.

Between 2021 and 2022, a total of 1,000 Sabancı Volunteers mentored 1,300 young people from 65 cities as part of the Tomorrow Is Ours initiative.

Sabancı Republic Day Campaign

Sabancı Group’s highest priority since establishment has been to preserve the values of the Republic of Türkiye. Following the devastating forest fires and floods in Türkiye in 2021, the Group initiated the Sabancı Republic Day Campaign. The mission of this effort is to support restoration and healing in the aftermath of environmental disasters while also serving as a pioneer and exemplar for sustainable living. The Campaign aims to ensure a better future for the new generations as well as the environment and all living things, while honoring the legacy of Mustafa Kemal Atatürk.

Community Investments

The Sabancı Republic Day Campaign celebrated the 99th anniversary of the Republic of Türkiye with great enthusiasm among all volunteers participating in this effort.

2022

This year in its second installment, the Sabancı Republic Day Campaign celebrated the 99th anniversary of the Republic of Türkiye with great enthusiasm among all volunteers participating in this effort.

In 2022, the campaign was Türkiye's highest attended social responsibility initiative. The Sabancı Republic Day Campaign was carried out around four themes this year: "Preparing Youth for the Future," "Women's Participation in the Workforce," "Preventive Response against Climate Emergencies," and "Supporting Biodiversity."

A total of 32 social responsibility projects and 242 events were implemented by all 16 companies and institutions of Sabancı Group under the campaign that spanned 48 cities across Türkiye.

All the initiatives carried out as part of the Sabancı Republic Day Campaign were dedicated to the Great Leader Mustafa Kemal Atatürk on November 10, as in the previous year. Atatürk and his memory were kept alive by these exceptional volunteers working hard for Türkiye and its people.

Türkiye's Highest Attended Social Responsibility Initiative Sabancı Republic Day Campaign

2021

- > **7,000** volunteers
- > **11** cities
- > **28** events
- > **15** days
- > **15** companies and institutions
- > **35,000** hours of volunteering (equivalent to 4 years of person-days)
- > **35,000** hours of volunteering (equivalent to 9 years of person-days)

2022

- > **15,000** volunteers
- > **48** cities
- > **242** events
- > **Throughout the year**
- > **16** companies and institutions
- > **81,500** hours of volunteering
- > **41 NGOs** (TOG, Darüşşafaka, TEGV, Teknolojide Kadın (Women in Technology), Bilim Virüsü, TOBB, Habitat, ÇEVKO, etc.)

Community Investments

In 2022, Sabancı Volunteers received numerous major awards from the most reputable Turkish and international organizations in recognition of their work and its impact.



2022 Sabancı Republic Day Campaign Results by Theme Breakdown

Preparing Youth for the Future:

- Digital and sustainability training provided to 12 thousand young people.
- Schools renovated and classrooms established so Türkiye's children can receive an education in better conditions.

Women's Participation in the Workforce:

- Technology training provided to 1,400 women.
- Gender equality awareness raised among 4,200 young persons.

Nature Conservation and Climate Adaptation:

- Measures taken to restore 75 thousand hectares of forest area.
- Artificial intelligence-based early fire detection systems established 40 Kozalak forest fire early detection systems covering a 5,000-hectare area.
- Eight fire pools constructed, each with a 600-ton capacity, to facilitate rapid response to fires: one in Adana, three in Antalya, three in Muğla, and one in Çanakkale, covering a 70-thousand-hectare area.
- A total of 208 thousand saplings planted.
- Eight tons of waste collected.
- Honey forests enriched, with 2,500 hive stands set up.
- Natural habitats established for wildlife numbering around 300 million.
- 10 tons of fruit and vegetable products left in the fields delivered to those in need during food rescue harvests.
- Permaculture gardens established.
- Raised awareness of biodiversity among 1,350 persons.

Community Investments

Sabancı Volunteers won the Most Successful Volunteer Project award at the 14th Awards from the Heart in recognition of the Group's Tomorrow Is Ours initiative.

“Running for Good”

This year, 2,000 Sabancı Volunteers participated in the Istanbul Marathon, the largest single group to run in the intercontinental race. Sabancı Volunteers ranked among the top three in the amount of donations collected for charity.

Sabancı Volunteers' collected funds were donated to 23 NGOs and touched the lives of about 2,200 people in Türkiye.

Domestic and International Awards

In 2022, Sabancı Volunteers received numerous major awards from the most reputable Turkish and international organizations in recognition of their work and its impact.

Sabancı Holding won the Bronze award in the “Social Solidarity Projects” category for its Tomorrow Is Ours initiative at the Brandverse Awards.

The Brandverse Awards recognize excellence in marketing and communications and is organized by Marketing Türkiye and BoomSonar.

Sabancı Volunteers won the Most Successful Volunteer Project award at the 14th Awards from the Heart in recognition of the Group's Tomorrow Is Ours initiative. The Awards from the Heart competition is organized by the Private Sector Volunteers Association (ÖSGD). These coveted awards are among the most sought-after in the volunteer field. The competition has been held since 2007 to support and extend volunteering activities in the private sector and recognize volunteer groups that provide noteworthy contributions to society.

This year, Sabancı Holding received the Special Jury Award for its Sabancı Republic Day Campaign at the Golden Compass Türkiye Public Relations Awards – the first public relations sector award program in Türkiye.

Sabancı Holding was presented with a prestigious global award in the “Excellence in Corporate Social Responsibility” category at the 2022 Communitas Awards for its Sabancı Republic Day Campaign. In addition, Sabancı Holding won the Bronze award in the “Purpose Driven Marketing” category at MMA Smarties 2022.



Community Investments

As the only foundation providing uninterrupted grant support to civil society in Türkiye for 16 years, the Sabancı Foundation has extended support to 218 projects.

Sabancı Foundation

As one of Türkiye's leading family foundations, Sabancı Foundation has been working since 1974 to share Sabancı Group's industrial and economic strength in social and cultural spheres. With its vision of building a society where all individuals enjoy their rights equally, the Foundation's main fields of activity are education, social change, and culture & the arts, focusing on women, young people, and those with disabilities in its various activities.

Sabancı Foundation implements a new sense of understanding and management in philanthropy by supporting non-governmental organizations with grant programs and long-term collaborations with various stakeholders to solve today's complex social issues and create a lasting impact. To develop the regions in which it operates, Sabancı Foundation has established over 120 institutions in 78 districts across Türkiye, such as schools, dormitories, teachers' centers, health institutions, sports facilities, cultural centers as well as social facilities, and most importantly Sabancı University. In addition to long-term support for facilitating access to culture and the arts, the Foundation provides scholarships to students to support equal education opportunities. Sabancı Foundation also organizes award programs to encourage individuals and organizations that have achieved national and international success.



Since 2007, the Foundation has supported 218 projects carried out by non-governmental organizations directly impacting over 300,000 individuals and over 1.2 million indirectly nationwide. Having provided 52,500 scholarships over the past 48 years, the Sabancı Foundation encourages success with awards in the fields of education, the arts, and sport.

Following the successful publication of a series of children's books on animal rights in 2020, the Foundation published a new series of books for children on environmental issues in 2021. It continued distributing the children's book series and held related workshops throughout Türkiye in 2022. Through stories centered around a rabbit named Papuduk, the environmental

children's books were distributed free of charge to civil society organizations working with children and to state schools located in disadvantaged areas. In addition, throughout the year, the Foundation held face-to-face and online workshops with children to support the environmental themes of the book series. An activity book on animal rights was also prepared for children aged 4-5 to build their awareness and knowledge of this emerging issue.

Over the past three years, the Sabancı Foundation has addressed the climate emergency by reviewing all its programs through a climate lens and creating a road map proclaiming, "All foundations are climate foundations no matter what their area of work."

Community Investments

This year, Sabancı Foundation hosted the 2022 PEXforum in Istanbul, co-organized by Philea and the Third Sector Foundation of Türkiye (TÜSEV).

In 2022, “fighting climate change” was added as a sub-theme to the Grant Program for supporting projects of civil society organizations on climate. Subsequently, the first grant with a climate focus was given to Roots & Shoots Türkiye.

Sabancı Foundation also became Türkiye’s first civil society organization to sign the International Philanthropy Commitment on Climate Change initiated by WINGS.

On December 1, 2022, the 15th Sabancı Foundation International Philanthropy Seminar was held under the theme of “Climate, Naturally.” By bringing together civil society, academia, the private sector, and public agency representatives with national and international experts, the International Philanthropy Seminar facilitates experience sharing on new approaches in philanthropy and civil society. To strengthen its activities related to the climate emergency, the Foundation signed the “International Philanthropy Commitment on Climate Change” – being the first signatory organization from Türkiye.

This year, Sabancı Foundation hosted the 2022 PEXforum in Istanbul, co-organized by Philea and the Third Sector Foundation of Türkiye (TÜSEV). This major event brought together 106 participants representing 69 organizations from 20 countries to advance the European philanthropy ecosystem jointly. The Foundation continues participating and contributing to work on disability rights and gender networks at Philea.

On October 18, 2022, the Foundation organized a meeting under the theme “Sowing Season” to share information and experiences among the seven civil society organizations that had completed projects during the year with the support of the Sabancı Foundation Grants Program. Short informational videos on each project were also shared online.

This year, the Sabancı Foundation launched its latest large-impact project – “Young Women Building Their Future,” – focused on women in the NEET (Not in Employment, Education, or Training) category. Sabancı Foundation and UNDP implement the project in cooperation with the Ministry of Family and Social Services and the Ministry of Labor and Social Security. The project launch event and stakeholder meetings were held in 2022. Field research – surveys, in-depth interviews, and focus groups – was conducted to understand the needs of young NEET women in Türkiye. A comprehensive training program for NEET women was designed, and training has already commenced in the pilot cities of Adana, Diyarbakır, and İzmir. A digital portal for the effort was launched at [A digital portal](#) for the effort was launched this year. The portal includes an Opportunities Map that enables young women to readily access jobs, training, internship, and entrepreneurship opportunities. Many major organizations, especially Sabancı Group companies, joined the Opportunities Map platform, highlighting their employment, internship, and training opportunities for young NEET women across Türkiye.



Community Investments

In 2022, Sabancı Foundation celebrated April 23, National Sovereignty and Children's Day for the first time with a kite festival bearing the theme "There's a Festival in the Sky!" A kite featuring the image of Atatürk was flown by children with disabilities and youth from disadvantaged regions.

In 2022, the Türkiye's Changemakers Program, which highlights the stories and efforts of individuals who significantly contribute to social development and inspire local society, completed its 13th year. From over 10 thousand applications received, Türkiye's Changemakers Program has selected and video recorded 204 Changemakers since its launch in 2009. The videos were shared on the program's website, Facebook, Twitter, Instagram, and YouTube channels.

The Sabancı Foundation Short Film Competition was launched in 2016 with the motto "A Short Film, a Long Impact." This popular competition raises awareness of social issues through art while highlighting the creative perspective of cinema and offering empowerment and encouragement to young talent. The sixth Short Film Competition awards ceremony was held in January 2021 under the theme "New Jobs in the New World." Applications for the seventh edition of the Sabancı Foundation Short Film Competition were accepted in 2022 under the theme "First Time in the Lead Role" in conjunction with the Foundation's big impact project "Young Women Building Their Future."

In 2022, Sabancı Foundation celebrated April 23, National Sovereignty and Children's Day for the first time with a kite festival bearing the theme "There's a Festival in the Sky!" A kite featuring the image of Atatürk was flown by children with disabilities and youth from disadvantaged regions.

Having provided 52,500 scholarships over the past 48 years, the Sabancı Foundation encourages success with awards in the fields of education, the arts, and sport.

78
residential areas

grant programs in
76 provinces

52,500
Scholarships

~1.2 million
People reached with
grant programs

**Member of the Council on
Foundations (COF)**

**Zero Project impact transfer
partner**

120+
institutions

support for
218 projects

1,240
awards

13 seasons
with the Changemakers
Program

**Member of the Philanthropy Europe
Association (Philea)**

Community Investments

Sabancı University ranks first among Turkish universities in Times Higher Education (THE) Emerging Economies University Rankings 2022, 78th in THE Asia University Rankings 2022, and 108th in THE Young University Rankings 2022.

Sabancı University

With its vision of ranking among the leading research universities of the world and its innovation-based studies, Sabancı University has been contributing for 24 years to the development of self-confident individuals who are sensitive to the needs of society, focused on creating solutions and open to continuous improvement. Its research activities underpin the strategy of “training people to solve specific global and regional problems.” The University contributes to many areas of sustainability, such as sourcing, operational efficiency, gender equality and climate awareness, through the collaborations it has established. Sabancı University maintains its leadership among Turkish universities in the Times Higher Education (THE) and Quacquarelli Symonds (QS) rankings that list the best universities in the world and ranks among the universities to receive students with the highest scores.

One of only three foundation universities in Türkiye officially recognized as a “Research University” by the Presidency of Strategy and Budget and the Council of Higher Education (YÖK), Sabancı University conducts research in faculties, centers, and forums, with an interdisciplinary approach in the fields of science, technology, and arts.



The University has 10 separate centers and forums that contribute to scientific research, economic development, and society. Embracing research as its focal point since its founding, Sabancı University has issued over 7,800 publications and obtained over 291 patents to date⁴². The University has 302 active research projects with external funding with a total budget of TL 667 million. Meanwhile, the faculty members of Sabancı University published over 664 scientific publications and obtained 32 patents in 2022.

Since its founding, Sabancı University has given priority to energy and climate-related issues. And now, the University aims to meet its net zero energy target at the Tuzla campus by 2030. Sabancı University is a green campus and features a significant solar energy infrastructure. With the Green Energy Agreement signed with Enerjisa Enerji, the University aims to meet all its energy needs from renewable energy sources. Sabancı University campus is included in the Smart Campus Project, an initiative implemented under the European Commission EuroGia Energy Cluster and coordinated by Enerjisa.

⁴² Data updated: 31.12.2022

Community Investments

Sabancı University has a strategic plan model with the mission of “Creating and Developing Together.” Sustainability activities are integrated with the strategic plan.

In 2022, 14,029 MWh of electrical energy consumed by the University was obtained from renewable energy sources. The Tuzla campus has a solar power plant and cogeneration system, which was installed in conjunction with Enerjisa. This system meets 60% of the University’s total electricity need. In addition, Sabancı University plans to install solar panels on all roofs of the Tuzla campus to boost its total solar energy capacity to 1 MW. The University has a green campus with over 170,000 plants and a natural pond. Currently, 100% of the electrical energy consumed on the Tuzla campus is green energy obtained from sustainable sources.

A panel entitled “Türkiye-EU/Germany Relations: Then, Now and Future” was held as part of the 10th anniversary of the Istanbul Policy Center - Sabancı University-Stiftung Mercator Initiative. Through the Mercator-IPC Research Fellowship Program realized as part of this initiative, researchers conduct academic studies on a wide range of subjects – from climate change to social cohesion of refugees, and cultural policies to gender.

Sabancı University established a scholarship program to enable a greater number of successful students in need to benefit from its unique and innovative educational experience. The Make a Promise for the Future Scholarship Program was inspired by young people’s promises to solve problems for a stronger future and a better world. The new scholarship program was introduced at a major event held at the Sabancı University campus with the participation of alumni and representatives from the business world.

Sabancı University has a strategic plan model with the mission of “Creating and Developing Together.” Sustainability activities are integrated with the strategic plan. The environmental impact of the university is analyzed and remedial activities are implemented.

Sabancı University Istanbul International Center for Energy and Climate (IICEC)

Focusing on the current issues of the global energy and climate agenda, Sabancı University Istanbul International Center for Energy and Climate (IICEC) addressed the world’s pressing issues of the energy crisis and renewable energy at a conference entitled “Global Energy Crisis: Solutions & The Role of Renewable Energy” held in Istanbul. Ways out of the energy crisis and the importance of renewable energy for a sustainable future were discussed at the conference. In addition, a launch presentation was made for the “Türkiye Renewable Energy Outlook 2022 Report” prepared by IICEC – a pioneering study and the first report of its kind in the sector.

GHG Emissions Management

Energy efficiency, the integration of renewable energy sources, and a reduction of GHG emissions are among our core objectives, in line with the goals of sustainable development and the European Green Deal.

Within the scope of combating climate change, 100% renewable energy is provided for a carbon-free energy supply. With an I-REC certified energy supply, its scope-2 GHG emissions are thus zeroed. The SPP project investment with total power of 1,220 kWe, capable of meeting approximately 8% of the campus’ energy requirement, will be commissioned in the upcoming period (October 2023). As part of its energy efficiency and energy-saving projects, its GHG emissions are reduced through campus-wide LED lighting conversions, motion sensor applications, and lighting automation system changes. Natural ventilation and natural lighting are available in all campus buildings.

Initiatives are planned for energy audit studies and energy identity documents for campus buildings in 2023. With the water dispenser automation project, energy is cut off for inactive hours, thus achieving savings. In order to save energy in campus heating and cooling systems, system working hours and temperatures have been optimized.

Waste Management

A waste management hierarchy is implemented at the University and, accordingly, the principles of waste prevention, waste reduction, and reuse in cases where waste generation cannot be prevented are applied. All administrative buildings, faculties, dormitories, and Sport Centers on the campus have been evaluated within the scope of zero waste regulation and waste is sorted at source. For all the work done, University was awarded a Zero Waste Certificate by the Ministry of Environment, Urbanisation and Climate Change on 29.12.2022.

Community Investments

There is notable biodiversity on Sabancı University Campus and landscaping and maintenance works are carried out to protect it.

Water Resource Management

Sustainability studies are carried out within the scope of the reuse and recycling of water. Rainwater is collected in the campus lake by natural means. The collected water is used for garden irrigation in summer. In this way, all of the water used in irrigation is provided by reuse. Importance is attached to the sustainability of natural resources. In order to protect water resources, practices are carried out to reduce water consumption. Water-saving armatures are used, and revision work on the existing armatures continues.

Biodiversity

The green areas in the campus cover a very large area. Sustainability criteria are used in the design, maintenance and implementation of green areas. There is notable biodiversity on the campus and landscaping and maintenance works are carried out to protect it.

As part of its corporate and social responsibilities, Sabancı University has set up centers, programs and projects to interact with the civil society and offer scientific insight into key issues.

+7,800
publications

291
patents

32
patents obtained by Sabancı University faculty members in 2022

664
scientific publications of Sabancı University faculty members in 2022

302
active research projects⁴³

TL 667 million
total budget of active research projects⁴³

⁴³ Data updated 31.12.2022

Community Investments

Shaping all its procedures and operations around an environmental awareness and a commitment to sustainability, the Sabancı University Sakıp Sabancı Museum (SSM) is Türkiye's only green museum, receiving LEED Gold V4 certification in 2022.

Sakıp Sabancı Museum

Sabancı University Sakıp Sabancı Museum (SSM) has focused squarely on sustainability, the preservation of cultural heritage and its transmission to future generations since 2002. Emphasizing the protection, research, development, and interpretation of Türkiye's vast artistic heritage with its collections, the SSM undertakes digital archiving, digital preservation and the transfer of technological artworks to the future. With the digital SSM project implemented in 2013, the Museum has been transferring its cultural accumulation to the digital platform, having created a significant digital art archive that will contribute to the preservation of Türkiye's cultural heritage. Along with the past masters, the SSM introduces contemporary artists from Türkiye while hosting significant international artists. By doing so, the museum effectively conveys its comprehensive cultural knowledge, highlighting pivotal moments in both local and global art history.

With the temporary exhibitions it has held since opening its doors, the SSM hosts the solo exhibitions of some of the world's most renowned figures such as Picasso, Dalí, Miró, Monet, Anish Kapoor, Ai Weiwei and Marina Abramović. Simultaneously, the museum presents art enthusiasts with cultural works from the pioneering names of Turkish art history such as Abidin Dino, Kuzgun Acar, Feyhaman Duran, and Selim Turan. Alongside



such celebrated names may be added the SSM painting collection – featuring artists such as Hoca Ali Rıza, Abdülmecid Efendi, Hüzeyin Zekâi Paşa, Ivan Konstantinoviç Ayvazoski, Şevket Dağ, Hikmet Onat, İbrahim Çallı, Nazmi Ziya Güran and the pioneering woman artist Mihri Müşfik.

Offering transformative cultural experiences in physical and digital spaces, the SSM implements programs for children and adults with its Learning Programs, while providing interactive areas with a wide variety of activities such as open-air cinema, concerts, festivals, conferences, and seminars. Meanwhile, adhering to the principles of sustainability and social responsibility, the SSM Shop ensures accessibility to its products and services related to collections and temporary exhibitions.

SSM Online Learning Programs activities for children of different age groups continued in the museum and online during the mid-winter and mid-summer terms. In addition to the workshops run in parallel with the exhibitions, various independent workshops and guided tours were organized for students and the disadvantaged, covering topics including various art movements, abstract art, paintings, science, and nature.

The SSM licensed its archive and research resources in 2020 in accordance with modern museology standards.

Community Investments

Starting from September 13, 2022; the Sabancı University Sakıp Sabancı Museum is hosting The Living Pyramid exhibition by Agnes Denes, a pioneer of ecological art.

2022 Highlights from Sustainability Perspective at SSM

Agnes Denes. The Living Pyramid

Since September 13, 2022, Sabancı University Sakıp Sabancı Museum has been hosting *The Living Pyramid* exhibition by Agnes Denes, a pioneer of ecological art. The exhibition is proudly sponsored by Sabancı Holding, with communications sponsorship by Çimsa. *The Living Pyramid* symbolically represents our connection with nature and our place in the world. As a part of its permanent collection, Agnes Denes' Manifesto, written in 1969, is also displayed in the SSM garden.

Hussein Chalayan. Prompters

In his new solo exhibition *Prompters*, on display between September 16, 2022 – January 29, 2023; Hussein Chalayan used new media to focus on the human body and modern anthropology. The three series presented in the exhibition included *Pre-tension*, inspired by the concept of pretension, often criticized in popular culture; *Fake Celebrations*, a protest our escalating state of "digital isolation," and *Post-Colonial Body*, dealing with the dance movements of certain ethnic groups colonized by the West. For Hussein Chalayan, each object in these installations acts as a "prompter," filling in the gaps within these subjects. Designed and directed by Hussein Chalayan, the film of the performance titled *Gravity Fatigue* deals with identity, disembodiment, migration, and metamorphosis – all areas of ongoing interest for the artist.

The Stage at the Museum (Open Air Event)

Organized with the support of the Sabancı Foundation since 2017, The Stage at the Museum hosts a series of performing arts events of public importance throughout the year. This year, "The World Is a 419 PPM Stage" focused on the climate crisis and ecological destruction between August 10-14, 2022. Although widely described as a red alert for humanity, the theme of climate emergency remains absent in Türkiye's performing arts scene. To close this gap, The Stage at the Museum commissioned three writers to write three plays to be performed in three different stage productions. Following their premieres at The Stage at the Museum, the plays were performed at various other venues throughout the season.

In the unique series, *Taş (Stone)* written by Şebnem İşiğüzel and directed by Zinnure Türe, *Libido* was written by Nadir Sönmez and directed by Ayşe Lebriz Berkem, and *Tek Kullanımlık Hikâye (A Disposable Story)* was written by Volkan Çıkıntoğlu and directed by Gülhan Kadim. Each of these climate crisis themed plays met with their first audience at The Stage at the Museum.



Foster Sustainable Business Models

In line with our strategic priority defined as "pioneer in sustainability as a business", we invest in digital, material and climate technologies as new growth platforms. We also transform the business models of our existing businesses to reduce the negative impact of our operations and to contribute the SDGs through SDG-linked products and services. We give environmental and social themes such as water, carbon removal and recycling technologies to our R&D and innovation teams in order to facilitate SDG-linked business development and innovation. We invest in start-ups and support entrepreneurs both within and outside the Group to initiate their SDG-linked business ideas. Through this way, we support flourishing of sustainable technologies even beyond our ecosystems, while getting immediate access to emerging technologies and accelerating sustainable innovation in key sustainability areas such as circular economy, climate and energy technologies.

Responsible Investments, Products and Expenditures

Sabancı Holding continuously expands its portfolio in new areas that promote environmental and social benefits, following a responsible investment approach.

According to Bloomberg data, *global ESG assets are expected to surpass USD 50 trillion by 2025*, accounting for one-third of the total projected assets under management. As ESG criteria become increasingly vital from an investment perspective, Sabancı Holding continuously expands its portfolio in new areas that promote environmental and social benefits, following a responsible investment approach. We strive to meet the expectations of investors and other stakeholders by actively communicating and expanding our range of sustainability oriented solutions.

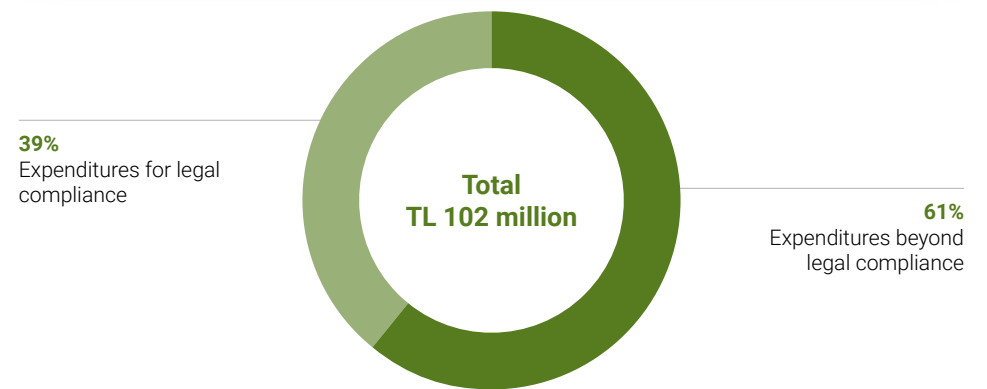
We monitor environmental investments and revenues from products and services in Group companies by breaking them down based on global and local approaches, such as the EU Taxonomy, and report on all measures taken to address the climate emergency. All our investments are guided by the “do no harm principle” for the environment and society.

Environmental Investments and Expenditures

As Sabancı Group, we classify environmental expenditures into two categories: those required for regulatory compliance purposes (mandated by law) and those not mandated by law. In 2022, the environmental expenditures of Group companies exceeded TL 102 million. Of these environmental expenditures, 39% consists of those not mandated by law (i.e., those that extend beyond regulatory compliance).

Environmental investments in our growth areas approached TL 5 billion in 2022 alone. We follow these investments across three categories regarding their contribution to sustainable development. Accordingly, the largest environmental investment in 2022 was realized in the mitigation investments category with 69%.

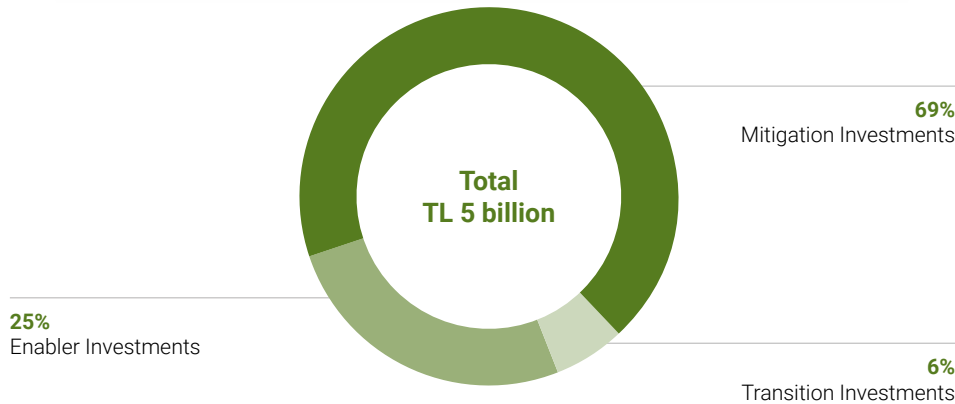
Breakdown of Environmental Expenditures⁴⁴ (2022)



⁴⁴ Usually refers to operational expenses (OpEx) or capital expenditures (CapEx), such as the purchase of energy efficiency equipment or modernization. It is aimed at making existing activities more sustainable. Routine maintenance-repair, environmental measurement, etc. expenses are not included. It expresses expenditures that results reduction in raw materials, waste or GHG emissions

Responsible Investments, Products and Expenditures

Environmental Investments in Our Areas of Growth⁴⁵ (2022)



1. Mitigation Investments:

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

2. Transition Investments:

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

3. Enabler Investments:

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

SDG-linked Products and Services

We monitor products and services that reduce resource usage and GHG emissions, enable the transition to more sustainable technologies, enable deploying these technologies, and create positive social impact.

The revenues from SDG-linked products and services have been TL 18.6 billion, while the total number of such solutions was 947. The largest revenue stream in total SDG-linked revenues is generated through the mitigation category.

SDG-linked Products and Services

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

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

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

4. Creating a positive social impact

Selected Examples from Industries

Energy: Green tariffs, renewable energy sales

Financial services and banking: Sustainable funds investing in environmentally friendly industries

Industrials: Electric vehicles

Building materials: Cement products with increased service life

Energy: E-charge stations

Retail: E-charging facility in a parking lot, in-store repair for electronics in cases where it is difficult to access maintenance and repair services

Industrials: Batteries, light materials that reduce the carbon footprint for the end user

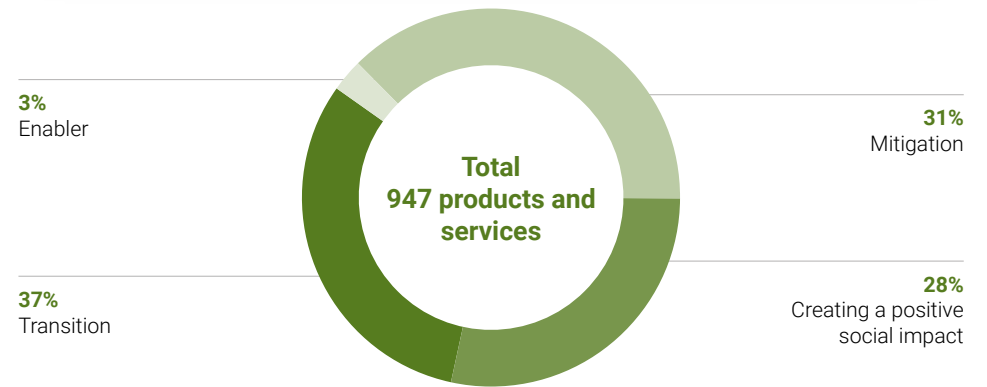
Energy: Customer solutions that provide energy security in businesses such as hospitals or in regions lacking access to energy and experiencing frequent interruptions

⁴⁵ Usually refers to capital expenditures (CapEx). Growth investments in the company's core business areas are included in this category. This includes the purchase of brownfield sites that fit these categories.

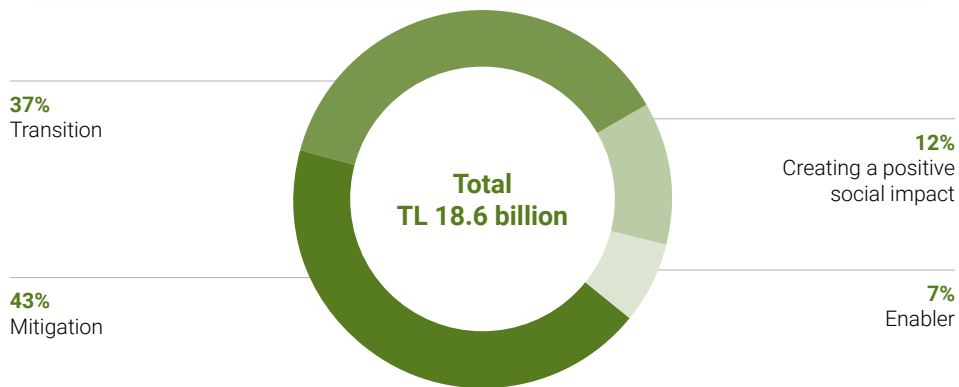
Responsible Investments, Products and Expenditures

We established a classification system for our products and services to guide our investment decisions on SDG-linked economic activities.

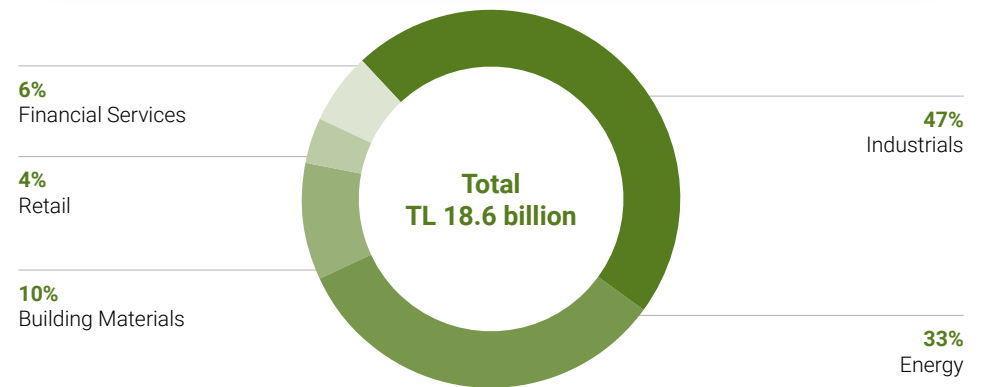
Number of SDG-linked Products and Services (2022) 🌱



Distribution of Revenues (2022) 🌱



SDG-linked Product and Service Revenues Sectoral Distribution⁴⁶ (2022)



⁴⁶ Akbank is not included. Akbank's performance regarding its sustainable business model is monitored under the Sustainable Finance heading.

Responsible Investments, Products and Expenditures

During the reporting year, our Group companies in the financial services and banking sector have continued efforts to increase their sustainable finance activities.



Sustainable Finance

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

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

2022 Highlights of the Companies

- **Akbank** made significant progress in achieving its sustainable financing targets in 2022, providing a total of TL 60 billion in sustainable financing. This increased the bank's total financing since 2021 to TL 87 billion, moving closer to its target of "TL 200 billion sustainable loan financing by 2030." The volume of sustainability-themed funds, which enable savings holders to invest in environmentally and socially beneficial companies, reached TL 2.7 billion, serving over 60,000 customers by the end of 2022. As of 2022, the bank's sustainable finance-based borrowing ratio in total borrowing exceeded 45% of its total borrowing.
- At least 80% of the fund portfolio of **Agesa's** new Sustainability Shares' Pension Investment Fund (GFH) is invested in the partnership shares of domestic and foreign companies included in the BIST Sustainability Index and the generally accepted sustainability indices abroad, American depository receipts, global depository receipts, and the participation shares of stock exchange mutual funds established to monitor sustainability indices in Türkiye.
- **Enerjisa Üretim** has entered into a multi-party and multi-tranche agreement with HSBC. The deal consists of three tranches with a total value of USD 102 million. Two tranches are allocated for funding investments in a 65 MW wind power plant in Erciyes, Türkiye. In contrast, the remaining tranche is dedicated to 35 MW hybrid solar investments in existing power plants. All loans associated with these tranches are designated as "Green" in nature.

Akbank's Key Figures in Sustainable Finance⁴⁷

TL 60 billion
in 2022

provided in sustainable finance

45%

of total wholesale funding in 2022 is ESG-linked

16

sustainable finance products

+45%

share of sustainable finance-based borrowing

3 Awards

including "Leader in Sustainable Finance" in Türkiye

⁴⁷ As of end-2022

Responsible Investments, Products and Expenditures



Akbank continues to strengthen its green and social loan portfolio

- Akbank provides support to its customers in transitioning to a low carbon economy through Green Foreign Trade Loan, Transition Loan, and Roof SPP Investment Loan products, serving various segments including Corporate, Commercial, and SMEs, while also offering a Roof SPP Loan for all customer segments.
- Akbank offers a transformation opportunity through the Blue Financing Product Package for customers in the tourism, port, and transportation sectors keen to invest in green subcategories, providing ESG analyses and suggestions to enhance their sustainability performance.
- The bank has extended its sustainable financing loans for the 200 km high-speed train project, aiming to establish a low-cost, environmentally friendly, and sustainable transportation network, further enhancing the quality of transportation services with Green Loan financing.
- Akbank provides drip irrigation credit to prevent wild irrigation, provide efficient irrigation, and safeguard water resources.
- The bank has developed seven sustainable finance products in its "SME Eco Transformation Package" to support SMEs in their green transition, financing needs, and climate adaptation, aligning with the European Green Deal.
- Akbank provides electric and hybrid vehicle loans for clean transportation and plans to publish an Impact Report on the positive effects of its sustainable finance loans.
- As of the end of the year, Akbank's financed energy projects included 3,163 MW of HEPP, 1,037 MW of WPP, 320 MW of GPP, 181 MW of SPP, and 21 MW of Biomass, totaling 185 renewable energy projects by the end of 2022.

New Growth Platforms

Sabancı Group successfully executed its strategy in 2022 by completing investments in various businesses as part of its commitment to a dynamic portfolio management strategy.

**USD 5
BILLION**

Amount of
SDG-linked
Investments
Between
2022-2027

We will grow in sustainable businesses to contribute to the transition to a sustainable economy.

As Sabancı Group, we started to track our investment in SDG-linked activities in 2022. Our CAPEX and OPEX will reach USD 5 billion in SDG-linked activities by 2027, with climate mitigation and adaptation having a share of 70%.

As Sabancı Group, with our appetite for sustainability and new-generation business models, we decided to position ourselves as one of the playmakers in global transformation. Sabancı Group successfully executed its strategy in 2022 by completing investments in various businesses as part of its commitment to a dynamic portfolio management strategy.

During that year, we allocated TL 4.9 billion to energy and climate technologies, advanced material technologies, and digital technologies, which the Group defines as the core elements of “new economy” investments.



New Growth Platforms

Sabancı Climate Technologies, a wholly owned subsidiary of Sabancı Holding, was founded in 2022 to undertake renewable energy investments and strategic investments in various venture capital funds and start-ups, primarily in the USA and Europe.

Energy and Climate Technologies

Green Hydrogen

Enerjisa Üretim, along with Sabancı University, has joined a 16-member consortium led by the South Marmara Development Agency for the "HYSouthMarmara Project," which has been selected for support under the Ufuk Avrupa Temiz Hidrojen Ortaklığı 2022 Call. This 5-year project, with a budget of EUR 36.8 million, aims to establish Türkiye's first Green Hydrogen Valley. The Southern Marmara Region, a leader in renewable energy with 13% of Türkiye's electricity production and close to 3 GW capacity, will see the growth of the hydrogen economy.

Enerjisa Üretim's site in Balıkesir will produce a minimum of 500 tons/year of green hydrogen, which will be used in various facilities. The project focuses on green hydrogen production and the production of liquid and solid hydrogen derivatives. It aims to produce hydrogen derivatives such as methanol and ammonia through environmentally friendly methods and local resources. Additionally, Türkiye's first Sodium Boron Hydride Plant will be established as part of the project. This investment will enable the utilization of boron's advantages in hydrogen storage, further solidifying boron's role in Türkiye's hydrogen economy, where it holds 73% of the world's reserves.

Renewables Expansion in Türkiye

As Türkiye's pioneer and leading private sector producer, Enerjisa Üretim's share in the installed power of Türkiye has increased to 4%, and our market share among active private sector players in the free market has increased to 5%.

In production, the Group focuses on the use of renewable resources. In 2022, Enerjisa Üretim commissioned Erciyes Wind Power Plant with an installed capacity of 65 MW. Enerjisa Üretim also aims to commission 150 MW hybrid solar power plants by the end of 2024 and to gradually complete its 1,000 MW YEKA-2 project investments by the first quarter of 2026. The total installed capacity in Türkiye is aimed at reaching 5,000 MW.

Sabancı Climate Technologies

2022 marked a milestone for Sabancı Group's energy business with climate technologies investment expanded to the United States. Sabancı Climate Technologies, a wholly owned subsidiary of Sabancı Holding, was founded in 2022 to undertake renewable energy investments and strategic investments in various venture capital funds and start-ups, primarily in the USA and Europe. This new entity paves the way to leverage Sabancı Group's core competencies in the energy business and access early-stage climate technologies to shape the Group's future portfolio.



In line with the above, a long-term strategic partnership has been established between Sabancı Climate Technologies and Safar Partners, one of the leading venture capital fund management companies in the USA. With this strategic partnership, Sabancı Climate Technologies, alongside investing in various funds managed by Safar Partners, is entitled to directly invest in start-ups that are a part of Safar Partners' network. At the initial stage, investments were made in funds and start-ups aiming to provide sustainable and clean energy solutions, such as Commonwealth Fusion Systems, an initiative capable of bringing fusion technology to life, and Quaise Energy, a company developing deep geothermal energy technologies.

New Growth Platforms

Providing customers with sustainable energy offerings, including distributed generation, decarbonization, and efficiency solutions, Enerjisa Enerji developed a sustainable, service-based business model through energy performance contracts (EPC).



Renewables Expansion in the USA: Sabancı Renewables Inc.

Sabancı Renewables Inc. was found in the USA by Sabancı Climate Technologies as the sole and founding shareholder to create a renewable energy portfolio in the USA.

Sabancı Renewables Inc., whose shares are fully and indirectly owned by Sabancı Holding, has acquired a project license to establish a 272 MW solar power plant in the USA. An Engineering, Procurement, and Construction Agreement (EPC) for the power plant investment has been signed. The project is expected to be completed in the first half of 2024.

Decarbonization and Efficiency Solutions

Sabancı Group's sustainability-focused growth strategy in the energy business also encompasses its customers. Providing customers with sustainable energy offerings, including distributed generation, decarbonization, and efficiency solutions, Enerjisa Enerji Müşteri Çözümleri developed a sustainable, service-based business model through energy performance contracts (EPC) s. In Türkiye, especially in the industrial segment, energy efficiency is crucial and has the potential to reach levels comparable to Scandinavian countries. Today, the company has also installed a total distributed generation capacity of over 24.1 MW. Enerjisa Enerji's 4.2 MW solar installation on Ali Sami Yen Sports Complex Nef Football Stadium set a Guinness world record as the largest installed capacity on a stadium rooftop, confirming its status as a global trendsetter.

In line with its focus on climate technologies, Sabancı Group's energy business has for some years included electrification and e-mobility. Enerjisa Enerji, the Group's energy distribution and retail company – via its subsidiary, Enerjisa Enerji Müşteri Çözümleri A.Ş. – has a 94% stake in Eşarj, Türkiye's first and fastest electric vehicle station network. In 2022, Eşarj won the Ministry of Industry and Technology national charging tender for 495 fast charging stations in key regions. Meanwhile, Eşarj had increased its charging network to 422 stations by 2022 year end, up more than 60% compared to the previous year.

New Growth Platforms

In 2022, Cimsa Sabancı Cement BV, an entity set up in the Netherlands, was rebranded as Sabancı Building Solutions BV in an effort to widen the Group’s portfolio of sustainable building solutions for international markets.



From Grey to Green

Building Materials

With operations in seven countries, Sabancı Group’s building materials business holds great potential after integrating its Bunol plant in Spain. The Group aims to maximize the value gained from the expanded global network by capitalizing on network synergies. Sabancı Group’s building materials business bolstered its position as the largest white cement player in the western hemisphere with decisive efforts to strengthen its global network throughout the year.

In 2022, alternative fuel usage in white cement production at plants in Türkiye surpassed 5% for the first time. Sustainable building solutions remain the focus of Sabancı Group’s building materials companies. In 2022, the Group companies outperformed their targets, boosting their use of alternative fuels, expanding alternative raw material use, and reducing their clinker usage ratio.

In the first quarter of 2022, a new alternative fuel feeding system became operational at Sabancı Group’s Afyon plant. Alternative fuel usage now accounts for an average of 25% of the total fuel consumption by Sabancı Group’s building materials companies compared to an 8% average in Türkiye. As a result, these companies use much less fossil fuel in production. Ongoing investments pave the way for alternative fuel usage to rise to 35% of total fuel consumption at Sabancı Group building materials companies by 2030.

A key part of the building materials unit’s decarbonization strategy is reducing its clinker ratio. To this end, the Clinker Saving initiative commenced in 2021. This effort continues to yield significant results and reduces the carbon intensity of the Group’s building material products to target levels.

Sabancı Group’s calcium aluminate cement (CAC) is critical to its transformation strategy in the building materials segment. Calcium aluminate is a value-added niche product in the construction industry that bridges the Group’s interests in the cement and construction

chemicals sectors. **Çimsa** is investing USD 45 million to double its calcium aluminate production capacity by the end of the third quarter of 2023 with a greenfield investment at its Mersin plant. The new production capacity will be used for exports to the USA and Europe target markets. This major investment aligns with Sabancı Group’s sustainable investment policy of delivering high value with low CO₂ intensity.

In 2022, **Cimsa Sabancı Cement BV**, an entity set up in the Netherlands as a robust overseas platform to position Sabancı Group as the global white cement trade leader, was rebranded as **Sabancı Building Solutions BV**. The rebranding effort aims to widen the Group’s portfolio of sustainable building solutions for international markets.

In 2022, Sabancı Building Solutions became a limited partner in Zacua Ventures, a venture capital firm focused on new frontiers in construction tech and advanced building materials. Zacua Ventures enables Sabancı Building Solutions to become an indirect investor in start-ups while providing an ideal opportunity to access new emerging technologies and closely monitor developments in these key areas. We have invested in three start-ups via Zacua Ventures and two directly via Sabancı Building Solutions thus far. At the end of end-2022, the Sabancı Global Technology Center GmbH was established in Munich, Germany, in collaboration with the Technical University of Munich. This new center was set up to serve the Group’s product diversification efforts and conduct research on new construction technology and sustainable building materials.

New Growth Platforms

During the year, Sabancı Group's industrials business unit reaped the benefits of its global operational model: Above 70% of total revenue was generated on a foreign currency basis originating in 125 countries worldwide.

Industrials for Green

Sabancı Group industrial companies gained significant market share on a global basis while entering new markets. During the year, Sabancı Group's industrials business unit reaped the benefits of its global operational model: Above 70% of total revenue was generated on a foreign currency basis originating in 125 countries worldwide.

Kordsa is focused on offering green products to replace those manufactured with conventional chemicals developed jointly with global tire manufacturers. With this approach, Kordsa developed CoKoon by joining R&D forces with Continental, a technology that does not contain resorcinol and formaldehyde in bonding textile reinforcing materials to the surrounding rubber matrix. Thus the 100-year rubber-based formula has been replaced with an eco-friendlier one after a 10-year R&D initiative. CoKoon represents among the most crucial strategic collaborations in the tire sector. CoKoon is positioned to become the new industry standard offering product and business model innovation. In 2022, Kordsa commenced a recycled polypropylene production project with Sabancı University. This effort aims to reduce the environmental impacts of plastic.

In another demonstration of its commitment to a greener future, the tire reinforcement company's R&D center in Türkiye developed a bio-based resin formula from sugar cane wastes. This next-generation material was designed for aerospace and railway usage and is exported to the USA.

In construction reinforcement, Kordsa's Kratos brand has become the solution partner for infrastructure, superstructure, and mining projects with its environmentally friendly solutions and high-performance products. Kratos solutions are widely known for providing significant labor, cost, and time advantages.

In the tire business, Sabancı Group's industrials unit is actively protecting its strong position in domestic and international markets with 7,300 points of sale in 87 countries worldwide.

Brisa, the Group's tire company, already supplies energy-efficient products compatible with electric vehicles. By acquiring Arvento, a company servicing more than half of Türkiye's vehicle fleets using telematics, Sabancı Group's tire business took a major step into the mobility ecosystem. Together with the Otopratik network, Arvento plays a key role in new offerings in the tire business that allow fleets to achieve fuel savings.

Temsa, a leading player in the electric bus sector, has staked its place among select manufacturers worldwide with five distinct electric bus models ready for mass production. In 2022, the company successfully introduced the TS 45E model, specifically tailored for the USA market, following two years of extensive testing in Silicon Valley. Additionally, in the same year, Temsa unveiled the LD SB E, the first intercity electric bus developed by a European manufacturer. Temsa is planning to convert diesel water taxis to electric using battery technology. In 2022, five sea taxis were transformed and are currently in active use.

This initiative has directly contributed to Türkiye's first hybrid water taxi production and promotes sustainable sea transportation. The completed transformation of these five sea taxis has resulted in an annual reduction of 50 tons of GHG emissions while avoiding 8,000 tons of diesel consumption.

Furthermore, in 2022, Temsa installed its batteries and microgrid systems at the Brisa and Kordsa campuses to enhance energy efficiency and reduce dependence on traditional power sources.

The Cooler Body Truck project involves the conversion of cooler truck bodies, powered by Temsa batteries and a diesel generator, into electric vehicles. In 2022, one refrigerated body truck was successfully transformed into an electric vehicle as part of this project.

Striving for profitable and responsible growth, Sabancı Group's industrial business unit has taken on a dual growth strategy in the arena of Advanced Materials and Equipment for Climate Technologies. Growth in those two domains, which are key to a sustainable, new world economy, suits the technological and operational competencies of Sabancı Group. In advanced materials, the Group's industrials business took the first step on its journey to transform its reinforcement unit with composites.

Demand to transition from traditional materials to composites grows daily across various usage areas, primarily aerospace to automotive, motorsport, sports equipment, marine, and wind turbines.

New Growth Platforms

Striving for profitable and responsible growth, Sabancı Group's industrial business unit has taken on a dual growth strategy in the arena of Advanced Materials and Equipment for Climate Technologies.

In the aerospace industry, **Kordsa**, Sabancı Group's tire reinforcement business, offers AX180 flame retardant epoxy resin for aircraft cabin interiors and seats instead of phenolic solutions, which release harmful gases during production. In automotive, innovative KCF650 carbon fabrics provide lightening, hardness, and chemical sealing to electric vehicle battery boxes in the event of an explosion. While 30% of revenue generation from Sabancı Group's composites business was non-aerospace four years ago, today, the percentage has reached 50% through diversification into automotive.

Kordsa, has applied for 43 patents and protected 19 projects developed at the Composite Technology Excellence Center (CTCE) as trade secrets. By acquiring the Italian composite company Microtex, Sabancı Group's advanced materials operations are expanding beyond the USA to Europe. Combined with the R&D capabilities of CTCE, Microtex will further diversify the Group's composites product portfolio and extend to strategic segments such as motorsport and luxury electric vehicles.

In addition to manufacturing electric buses, **Temsa**, Sabancı Group's bus manufacturer, is diversifying its revenue streams by producing battery packs and battery management systems.

Developed internally by the R&D center, these products have a wide range of usage areas, from storage to marine and farming to refrigeration. These new product portfolios took the Group's industrial business unit one step further into the fast-growing world of electrification. Moreover, in 2022 Sabancı Group's industrials business unit obtained the distribution rights of Kumpfan, Germany's premium electric motorcycle brand.

Otopratik and Propratik service points, the best-known domestic brands in the fast-service category, have expanded to 112 locations in 43 cities. Customers receive a comprehensive experience with fast-fit maintenance and eCar charging services. Efforts are underway to expand the Pratik service point network to 150 locations in 2023. At Arvento, many efficiency alternatives are offered to its fleet customers. For example, Arvento provides holistic mobility solutions with various services, including vehicle maintenance, a warning system for tire changes, and coating with data analytics.

Digital Technologies

2022 was a year of transformation for Sabancı Group's digital business. Dx Technology Services and Investment BV (Dx BV) was established in the Netherlands to create a global player in the digital world by focusing on business models based on next-generation technologies at Sabancı Group. Sabancı Holding is the sole and founding shareholder of this entity.

For further information about digital businesses, please refer to the *Digitalization* chapter.



Impact Investment

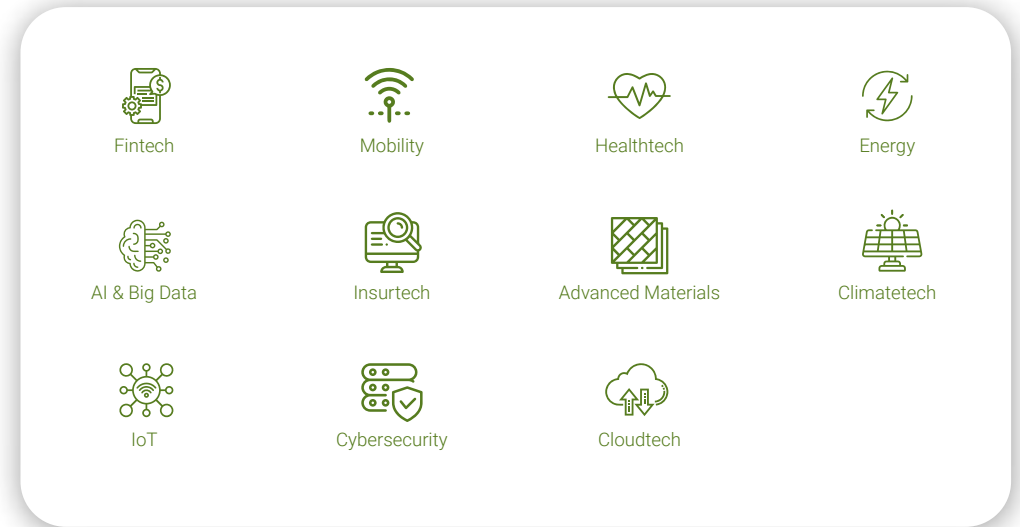
Sabancı Ventures invests in commercialized post-revenue scale-ups and seeks solid synergies and value creation opportunities for its investment targets and Sabancı Group companies.

Sabancı Holding incorporates ESG-related metrics into its investment analysis and decision-making processes in line with the Holding's Strategy House direction. Sabancı Ventures is the corporate venture capital arm of Sabancı Holding for both financial and strategic investors. It leverages the know-how, operational excellence, and global network of Sabancı Holding companies while creating value with commercial partnerships. It accepts Principles for Responsible Investment's (PRI) six Principles as a guide for evaluating investment decisions.

How Does Sabancı Ventures Invest?

As a corporate VC fund, Sabancı Ventures invests in commercialized post-revenue scale-ups and seeks solid synergies and value creation opportunities for its investment targets and Sabancı Group companies. Sabancı Ventures designates the right business partners with exceptional founders with scalable business models and helps them realize their global expansion potential. They typically invest in post-revenue (Pre)-Series A companies though they can also invest in later-stage companies.

Sabancı Ventures seeks solid synergies and value creation opportunities for the companies it invests in and the Sabancı Group. In line with this approach, those investments deemed acceptable by Sabancı Ventures must support the sustainability values of Sabancı Holding.



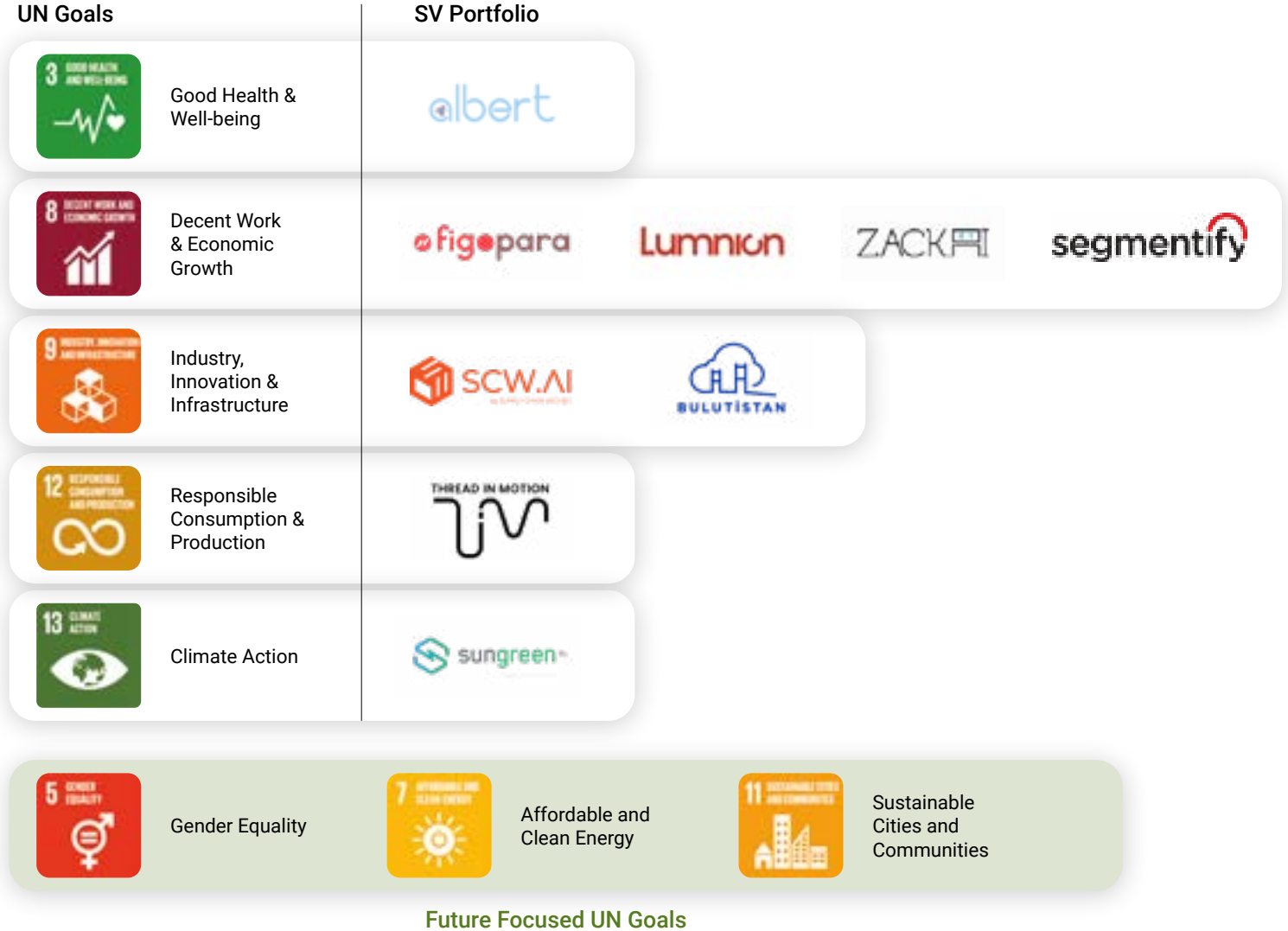
Sabancı Ventures actively evaluates opportunities with innovative business models and/or cutting-edge technologies in burgeoning areas such as the Internet of Things (IoT), artificial intelligence (AI) and big data, climatetech, insurtech, healthtech, fintech, mobility, advanced materials, and cloudtech. Sabancı Group has made corporate venture capital investments in 9 companies and deployed up nearly USD 10 million in three countries. Seven of these companies received investments directly from Sabancı Ventures.

With the six Principles of PRI, Sabancı Ventures strives to create a positive impact with its investments besides implementing a portfolio-wide ESG-related risk assessment. It establishes whether a potential investment meets the requirements of ESG risk management, the ethical principles of participation, and legal requirements or regulations such as those on anti-corruption. Then, the Fund aims to identify & eliminate the potential negative social and/or environmental impact of the new investment while incentivizing the other party to adopt a positive social and/or environmental stance.

Impact Investment

Sabancı Ventures invests in companies with the ambition to support Sustainable Development Goals (SDGs). It discusses impact objectives and identifies at least one SDG and its relevant KPIs to monitor the impact of investment in pre-investment processes. Once investments are made, Sabancı Ventures continuously monitors & updates the KPI status and determines optimization measures based on those KPIs.

For the details of Sabancı Venture's start-up portfolio on digitalization, please visit the [Digitalization](#) chapter.



Technology, Innovation and Digitalization

2022 marked a significant transformation for Sabancı Group's digital business. The Group has refined its digital business into a more integrated structure consisting of four key pillars: Cyber Security, Digital Marketing Technologies and Services, Cloud and Technology Services, and Digital Transformation Products. Meanwhile, a new global player named Dx Technology Services and Investment BV (Dx BV) was established in the Netherlands by Sabancı Holding, and new investments were made to expand the global footprint in digital business.

Technology and Innovation

While protecting the core business, Sabancı Group invests in new growth platforms to ensure that it gains an early position in emerging technologies.

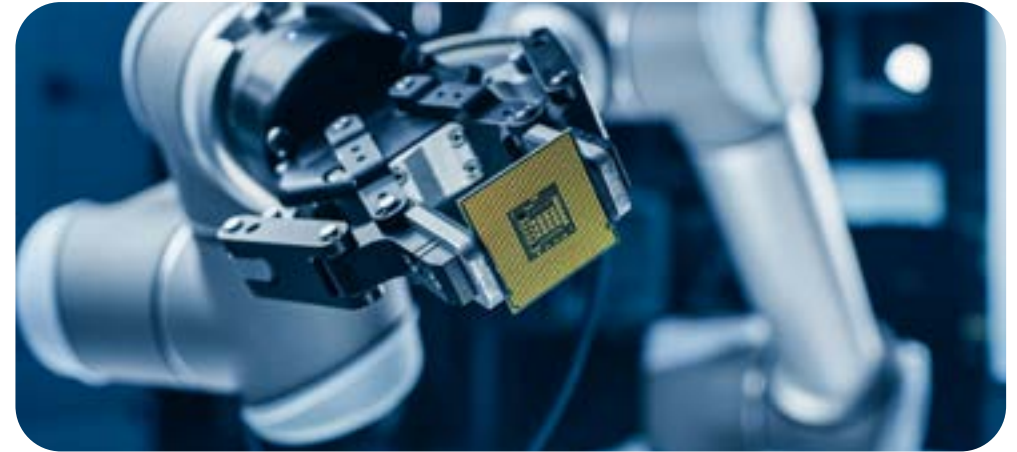
Sabancı Group's strategy combines its solid financial structure, dynamic portfolio management, and robust corporate governance with an innovation and technology-oriented business approach. While protecting the core business, the Group invests in new growth platforms to ensure that it gains an early position in emerging technologies. With this motivation, Sabancı Group advances towards its second century with an enhanced strategic focus on accelerating its growth and transformation while investing strategically in new growth platforms directly correlated with digital, technology, and innovation models.

The Group's global business model combines its proven R&D capabilities, operational excellence, and highly skilled human resources. These competitive strengths position the Group's industrials business unit well for breakthroughs in advanced materials and equipment for climate technologies.

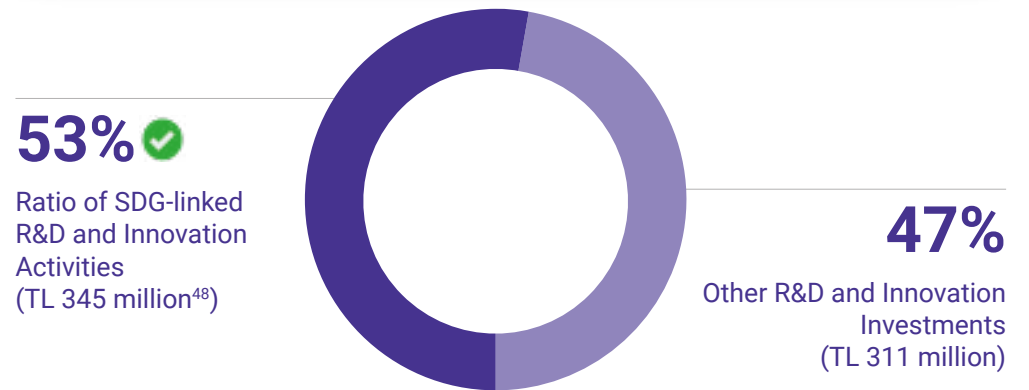
With its innovation and technology-oriented business approach, Sabancı Group delivers robust growth from its core businesses and gains significant opportunities in new growth platforms that foster sustainability.

The ratio of sustainability-linked R&D and innovation activities in Sabancı Group was 53% in 2022.

Please visit the *New Growth Platforms and Impact Investment* chapters for further details about technology and innovation.



R&D and Innovation Expenditures



We aim that 70% of our R&D and innovation expenses serve SDGs by 2025.

⁴⁸ Includes Aksigorta, Agesa, Akçansa, Brisa, Carrefoursa, Çimsa, Kordsa, Teknosa, Temsa, Enerjisa Enerji, Enerjisa Üretim, SabancıDX

Digitalization

In 2022, Sabancı Group successfully executed its strategy to transform the core and grow in new economy areas, including digital technologies.



Digitalization in Our Core Business

In 2022, Sabancı Group successfully executed its strategy to transform the core and grow in new economy areas, including digital technologies. Accordingly, our Group companies prioritized investments to enhance their digital capabilities for growth in the New Economy throughout the reporting year. For instance,

- **Brisa**, the Group's tire company, already supplies energy-efficient products compatible with electric vehicles. By acquiring Arvento, a company servicing more than half of Türkiye's vehicle fleets using telematics, Sabancı Group's tire business took a major step into the mobility ecosystem. With the Otopratik network, Arvento plays a key role in new offerings in the tire business.
- **Teknosa** is dedicated to optimizing customer satisfaction and operational efficiency by enhancing its online competencies, offering digital experiences at its stores, and creating Türkiye's largest service ecosystem in electronic works. With the introduction of the Teknosa marketplace business model,

the company has taken a valuable step in its transformation journey to meet consumers' diverse technological needs. Over the next three years, Teknosa aims to expand its marketplace and achieve a five-fold increase in e-commerce volumes, supported by a substantial investment plan.

- **Enerjisa Enerji and Brisa** have collaborated to increase the number of fast charging stations for electric vehicles in Türkiye. As part of their partnership, Eşarj, the leading network of electric charging stations, the majority stake in which is owned by Enerjisa Enerji, signed an agreement with Brisa in 2019. Eight fast charging stations are already operating at Brisa Otopratik stores in Istanbul, Bursa, Denizli, Antalya, Tekirdağ, Trabzon, and Adana provinces. The aim is to increase the number of fast charging stations to 17 by the end of the year, which is a significant step in popularizing electric vehicle usage. Additionally, Eşarj, with 468 plug-in vehicle charging stations across Türkiye, strives to become the fastest charging station network.

- **Enerjisa Üretim** has established the Synchronous Central Operations Chamber (Senkron) at its Istanbul Ataşehir Head Office to remotely manage 12 hydroelectric and four wind power plants. Senkron utilizes advanced data analytics and machine learning algorithms to monitor the processes and performance of Thermal, Hydroelectric, Wind, and Solar power plants. With certifications including ISO 55001 Asset Management, ISO 27001 Information Security Management, and ISO 9001 Integrated Management System, Senkron ensures efficient operations and information security. By leveraging modular, flexible, and user-friendly products developed in-house, Enerjisa Üretim focuses on simplifying operational processes and optimization activities.

Investing in Start-ups to Leverage the Ecosystem

By investing in start-ups, we leverage the ecosystem's growth potential and evaluate technology and intellectual property to differentiate these start-ups from the competition.

Some examples of start-ups we invested in during 2022 are as follows:

Supply Chain Wizard (SCW): SCW.AI is digital factory platform intended to specialize in supply chain strategy and optimization.

Thread In Motion: Thread In Motion is an industrial wearables company that intends to simplify industrial processes and transition to Industry 4.0.

Zack.ai: Zack.ai builds intelligent AI and NLP-powered virtual assistants for e-commerce and the on-demand business ecosystem.

Bulutistan: Bulutistan is one of the fastest-growing public and private cloud services companies introducing innovative business & service models.

Albert: Albert is a voice-based health assistant enabling people to manage their chronic diseases.

Digitalization

DX BV & SabancıDx

For many years, SabancıDx has built deep expertise, know-how, and an approach to creating insight-driven, agile, and scalable digital products to accelerate adoption and harness the power of digital. SabancıDx has commercialized numerous products, including HrWe, Pratis, and Edoksis, used daily by 10% of Fortune 500 companies and over 4,000 customers in the region.

2022 marked a significant transformation for Sabancı Group's digital business. Dx Technology Services and Investment BV (Dx BV) was established in the Netherlands to create a global player in the digital world focused on business models based on next-generation technologies at Sabancı Group. Sabancı Holding is the sole and founding shareholder of this entity. In 2022, Dx BV made strategic investments in leading companies, such as Radiflow and SEM, operating in the cybersecurity and digital marketing sectors to accelerate these rising stars' growth and value creation.

With these new investments, Sabancı Group expanded its global presence in the digital arena, doubling the number of customers served with a footprint spanning 60 countries and with offices in five countries.

On its digital business transformation journey, Sabancı Group has refined the strategic business model into a more integrated structure consisting of four key pillars: Cyber Security, Digital Marketing Technologies and Services, Cloud and Technology Services, and Digital Transformation Products. Each respective pillar's growth outlook and business potential lead Sabancı Group to accelerate investments and build a foundation for creating global value.

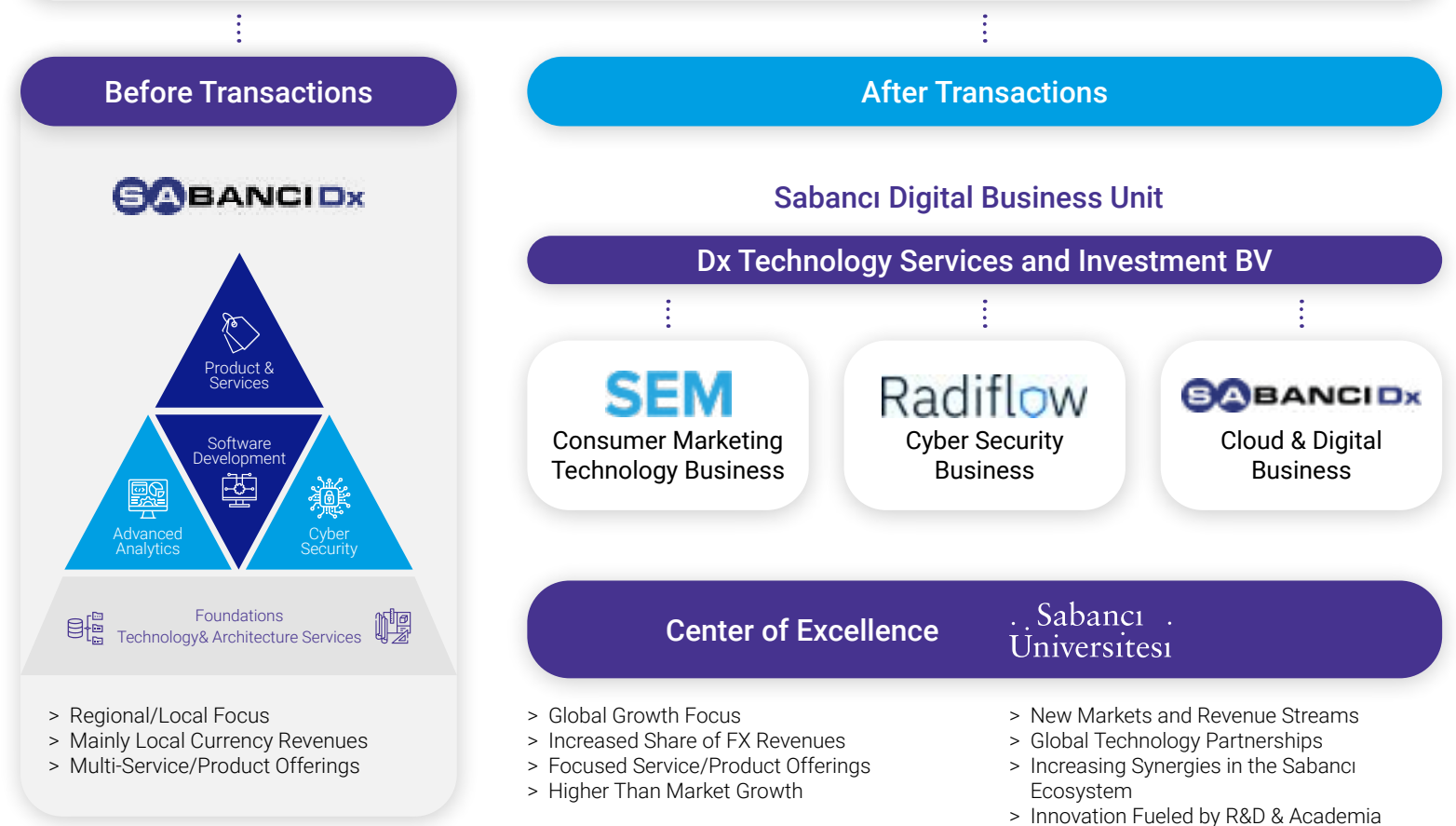
Sabancı Group has embarked on various marketing technologies initiatives through SabancıDx, enabling the Group to validate its distinctive digital marketing offerings.

SEM, a leading digital marketing agency in Türkiye and the country's first Google Premier Partner, became part of the Dx BV family in 2022. This market leader is well-positioned to bolster the Group's digital marketing capabilities and become the best place to seed and flourish unique value propositions for its business partners.

The growing use of digital technologies, the rapid rise of remote work, and increased awareness of business continuity have driven cyber security to the top of the agenda for decision-makers at all organizational levels. The global cyber security market is projected to reach USD 350 billion by 2026. Operational technologies (OT) security is one of the fastest-growing sub-segments of cyber security. Recognizing this immense potential, Dx BV invested in Radiflow, a leading developer of advanced solutions for safeguarding critical infrastructures in industries such as energy, utilities, manufacturing, transportation, and logistics. Radiflow protects over 6,000 facilities worldwide, enjoying a strong presence in Europe, the USA, the Middle East, North Africa, and the Asia Pacific region.

The business community's adoption of cloud technologies increases daily and is poised for a long and promising journey. SabancıDx has invested in building knowledge and talent in cloud technologies for many years. The company has long served customers in their transition to those technologies. Recently, SabancıDx established a strategic partnership with Bulutistan, a Sabancı Ventures investment. Talented professionals from both companies collaborate at the same campus to deliver optimal cloud solutions to customers.

We are investing in fast-growing innovative businesses to transform "Digital"



Human Capital

Our human capital constitutes Sabancı Group's most valuable asset and the backbone of our success in sustainability transformation. We maintain an equal and safe work environment in which everyone is respected, opportunities are created and diverse ideas can flourish. Reflecting our vision of "Sabancı of the New Generation", we continue to improve our talent management and cultural transformation practices to keep pace with the Future of Work (FoW), which is one of the five strategic directions in Sabancı Group's strategic plan. We develop initiatives at building skills, creating more options for internal mobility, and having better overall organizational health. In a nutshell, we support our employees to maximize the value of their own human capital. As a response to high talent competition, we design new initiatives to attract and retain talents in critical roles.

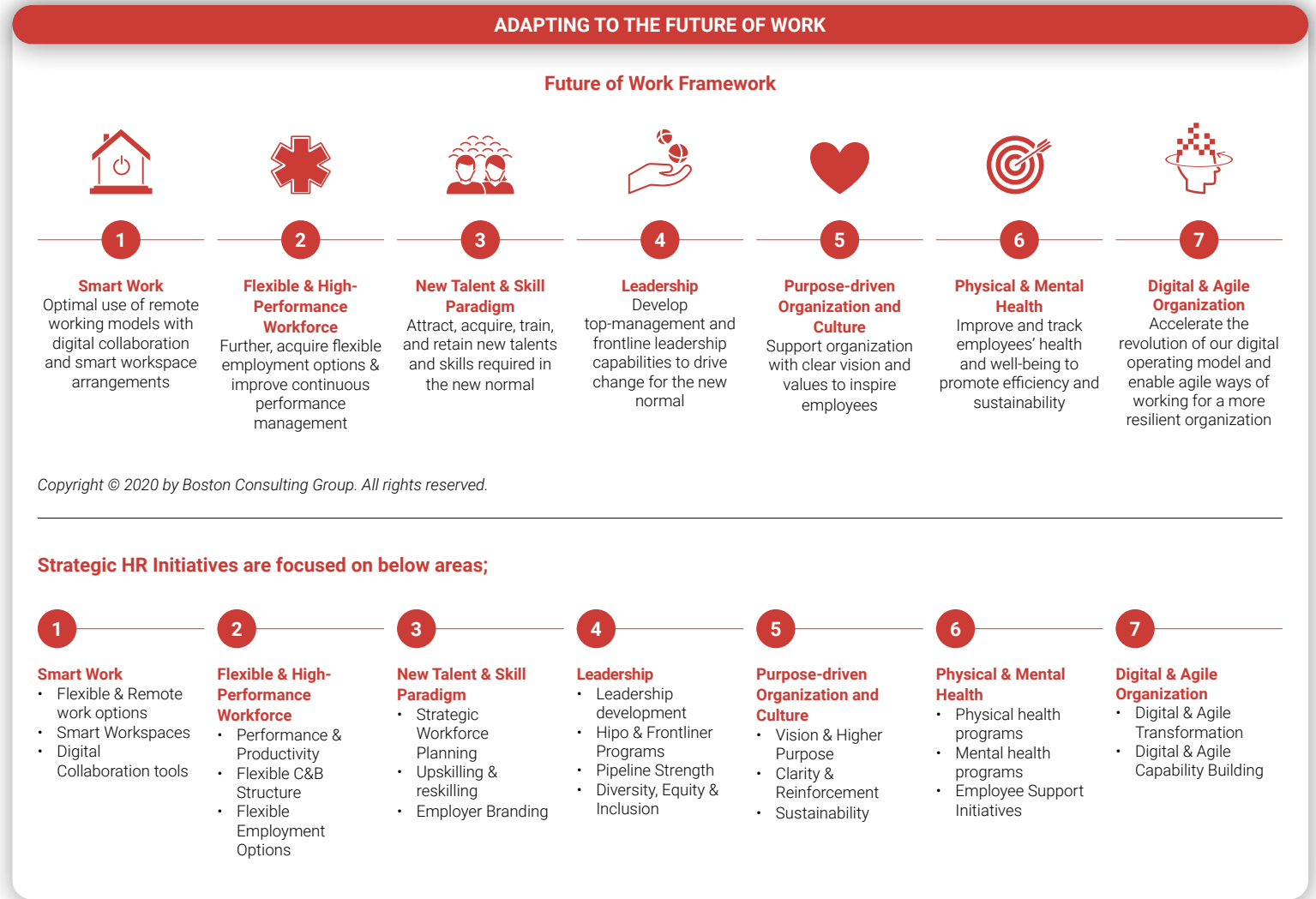
Human Capital Strategy

Sabancı Group has designed its human capital strategy in line with the Sabancı Holding Strategy House and Sabancı of New Generation culture and values.

Sabancı Group's human capital strategy is centered around developing a global ecosystem that is:

- Purpose and culture-driven,
- Stakeholder-oriented,
- Highly agile, resilient, and digital.

Adapting to the Future of Work is one of the five strategic directions in Sabancı Group's strategic plan. The framework of the Future of Work consists of seven main dimensions, 34 sub-dimensions, aspirations, and roadmaps. In developing their individual roadmaps, each Group company has embedded Future of Work-related actions in their transformation agenda – including over 1,500 medium-term and long-term actions designed to meet sector needs, global best practices, and trends. As of December 2022, 93% of these actions have been completed across the Group.



Talent Attraction, Retention, and Remuneration

To fulfill its growth aspirations in digital area, which is highly talent competitive, Sabancı Group developed the Flexible Management of Digital Roles initiative in 2022.

Smart Work

To fulfill its growth aspirations in digital area, which is highly talent competitive, Sabancı Group developed the Flexible Management of Digital Roles initiative in 2022. This effort aims to implement a flexible working model for digital roles to attract and retain the best talent and maximize the employee experience journey.

Many Group companies have renovated their office space to facilitate agile work, innovation, and collaboration in the workplace. Online tools like MS Teams, Zoom, are used more frequently to maintain remote and onsite collaboration, employee motivation, and productivity.

Physical & Mental Health

In 2022, the Group's employee assistance programs – including stress-management tools, mindfulness and resilience training programs, well-being applications, online dietician and psychological support, and coaching sessions – expanded in usage. The number of employees accessing the various assistance programs is regularly tracked. Any concerns or issues raised by staff program participants are addressed.

Employer Brand Management

Sabancı Global Ambassadors, a new talent acquisition program, was launched to help achieve the Group's global growth target. Top students at universities listed in the QS 500 in Europe and USA were selected as Sabancı Ambassadors of their campuses. Representing Sabancı Group at career events and among their various networks, the student ambassadors raise awareness on campus about Sabancı as an attractive employer.

Sabancı Holding Earns Global Recognition for Its Excellence in Employment and Human Capital Management

Sabancı Holding was ranked on the Forbes World's Best Employers list in 2022. In the "World's Most Attractive Employers 2022" survey conducted by Universum, the Group was named as a "Preferred Employer" among students in all categories. During the year, Sabancı Group won 28 awards in the Brandon Hall Group Human Capital Management Excellence Awards program. At the 2022 Stevie Awards, the Group was presented with 14 Gold, 24 Silver and 31 Bronze awards.

Sabancı Holding received a total of nine gold awards in the "Future of Work" and "Human Resources" categories at Brandon Hall; it won the gold award in the "Company of the Year" and "Employer of the Year" categories at the Stevie awards and recognized as the number one ranked holding company worldwide. At the Best Business Awards, Sabancı Holding was also recognized in the following categories: "Best in Equality, Diversity and Inclusion," "Best Place to Work," and "Best Human Resource" awards.

Talent Attraction, Retention, and Remuneration

In 2022, Sabancı Group launched the Strategic Workforce Planning (SWP) initiative. Using advanced data analytics models in this effort, the Group identifies short- and long-term skill-based workforce needs and proactively plans HR actions.

Talent Acquisition

Sabancı Group maintained its position as an “Employer of Choice” in 2022. Aiming to hire the best local and global talent, Sabancı Group is committed to delivering a great employee experience and fostering the “Sabancı people make a difference” philosophy.

The New Generation Career Experience Program offers third- and fourth-year university students the opportunity to work on projects and experience the Sabancı Group ecosystem for eight weeks. A diverse group of 50 undergraduates from five countries, with a 60% women's ratio, participated in the program in 2022. As of 2022, the New Generation Career Experience Program has about 200 alumni, 50% women.

The SEED Young Talent Program targets new graduates new graduates up to 2 years of professional experience. This program aims to hire and develop new talent, particularly in Sabancı Group's strategic growth areas. Ten thousand applications were received this year. Currently, SEED participants engage in various roles and groupwide job rotations to accelerate their development through leadership and upskilling trainings.

In 2022, Sabancı Group launched the Strategic Workforce Planning (SWP) initiative. Using advanced data analytics models in this effort, the Group identifies short- and long-term skill-based workforce needs and proactively plans HR actions. SWP was rolled out across the Group in three waves and was completed by the end of 2022.

Flexible & High-Performance Workforce

Adopted by all Sabancı Group companies, the continuous performance management system (i.e., Objectives and Key Results (OKRs) and Key Performance Indicators (KPIs)) focuses on transparency; stays agile and flexible; supports cooperation, and is fed with open and continuous feedback dialogue. In 2022, 100% of Group employees were subject to a regular performance evaluation process.

We continue the announcement, application and candidate nomination processes on the Sabancı Career Portal. We create opportunities for our employees to gain experience in different companies, industries and units if they so choose. While 43% of the positions opened within the Group in 2022 were filled by internal candidates, a total of 9,272 new employees joined the Group.



Talent Attraction, Retention, and Remuneration

Remuneration

REMUNERATION - TOTAL REWARD MODEL

Total Reward	Total Income Package	Recognition, Appreciation, and Supportive Practices	Flexible Working Career Development Training Support Golden Collar Awards Recognition & Appreciation Programs	Sabancı Group provides employees a range of benefits, recognition, appreciation, and supportive practices designed to reflect peer group and market practices.
		Benefit & Allowances	Employer-Contributed Private Pension System Private Health Insurance Employee Transportation Support / Fuel Support/Company Car Mobile Phone/Data Line	
	Total Cash	Variable Salary	Short-Term Incentives Long-Term Incentives	Sabancı Group's short-term incentive plan (STIP) and long-term incentive plan (LTIP) aim to align the remuneration architecture with achieving the Group's key financial and strategic targets and operational plans while considering the interests of key stakeholders.
		Fixed Salary	Base Salary	Base salary is defined by the role's size, scope and complexity, level of responsibility, and professional experience and is reviewed annually.

Our action plan to maintain equality include the release of a Group-wide Policy that suggests;

- the disclosure of pay gap figures (both raw pay gap and equal pay for equal work figures) with management level breakdown,
- if there are any pay gap on a company basis, each company determines a roadmap for a maximum of 2 years to ensure equality. Wage adjustments can be included in the scope of the mitigation action plan.

In 2022, Sabancı Group executed an interim salary increase in line with macroeconomic data and market conditions to ensure competitive employee welfare.

Gender equality is among the key criteria in our remuneration model. The female-to-male pay ratio is 1.⁵⁰

Sabancı Group provides competitive total remuneration opportunities to attract, retain, motivate, and reward employees. All Sabancı Group companies offer separate side benefit schemes with varying content and flexibility based on role status and requirements in line with employee expectations and needs. Gender equality is also a key criterion in Sabancı Group's remuneration model.

Sabancı Group does not tolerate a raw pay gap⁴⁹ between male and female employees. To maintain equality in the future, the Group is committed to conducting an annual equal pay for equal work research study with a raw gender pay gap analysis.

Gender equality is one of the key criteria to define Sabancı Group's remuneration model. Men and women receive equal pay with a female-to-male pay ratio of 1.0 in our Group.

⁴⁹ Refers to equal pay for equal work, includes white collar employees. ⁵⁰ This refers to the principle of equal pay for equal work.

Talent Attraction, Retention, and Remuneration

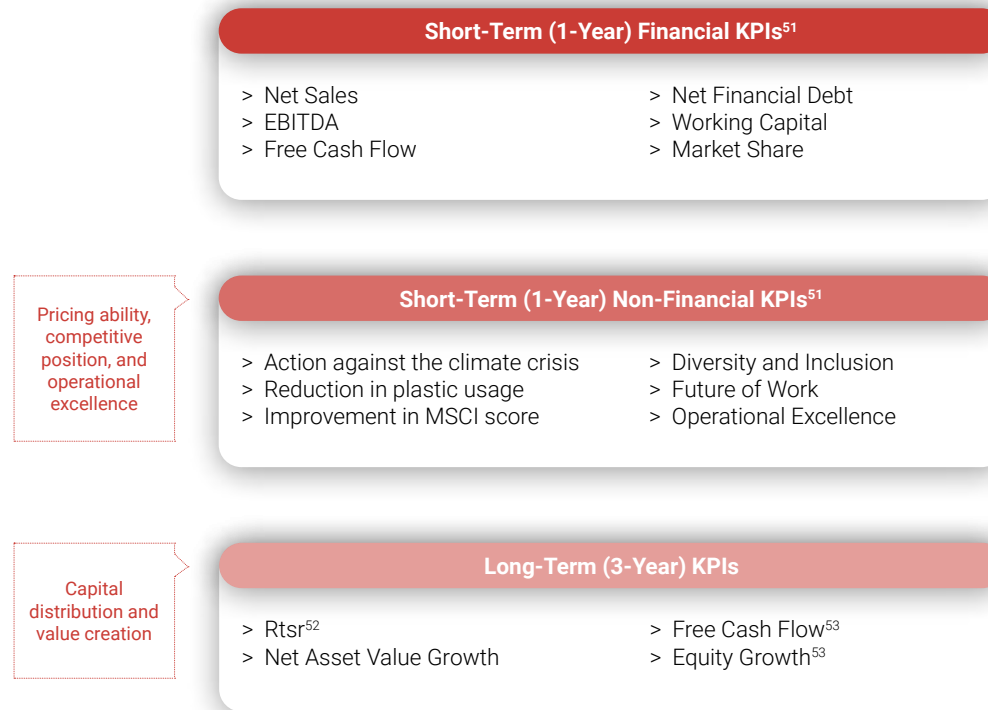
Short-Term Incentive (STI) & Long-Term Incentive (LTI) Systems

Short-term incentives enable employees to focus their performance on achieving key financial and non-financial objectives.

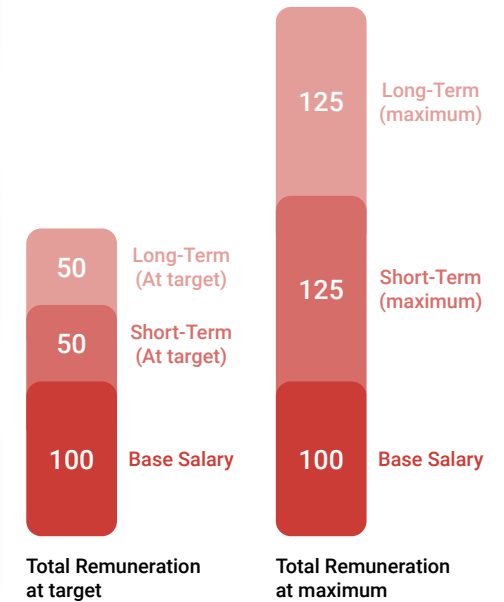
Long-term incentives are offered to a defined group of senior executive positions to boost share value, help them gain a shareholder perspective, and reward long-term performance and stability. The Board of Directors annually reviews and defines Long-Term KPIs for the senior management team.

The long-term bonus system covers a consecutive three-year performance period with payment of the bonus made at the end of the relevant performance period. The framework for canceling and reclamation premium payments (Malus & Clawback) is defined for short-term and long-term premium systems. This framework is applied to all Executive Board Members and senior executive officers who benefit from the short and long-term bonus system.

2022 KPIs for variable remuneration are as below.



Total Cash Distribution Model (%) Sample for a company general manager



⁵¹ Short-term KPIs are not limited to those written on this page; some are shown as examples. ⁵² Change in market capitalization compared to peers for the listed companies. ⁵³ For non-listed companies

Human Capital Development

In 2022, we provided a total of 1.6-million-person x hours of training to Group employees.

Upskilling & Reskilling

Upskilling and Reskilling are strategic priorities in Sabancı Group's Adaptation to the Future of Work model.

Group Level Programs	Upskilling & Reskilling Objective	Duration & 2022 Participants
IN-LEAD	Providing high-potential technical managers and engineers in Sabancı Group's industrial, building materials, and energy companies with professional and leadership development.	1 year 22 graduates
X-TEND	Offering an interactive online academy for all employees and their families that focuses on gaining critical skills such as resilience and innovativeness.	6 months ~ 1,400 participants
NEXT	Supporting IN-LEAD, TP-X, and X-POSURE graduates' development journeys with a series of immersion seminars delivered by industry leaders from Silicon Valley.	1½ months ~130 participants
Advanced-Data Analytics Academy (ADAA)	Focused on the digitalization dimension and supporting people with data science and translator technical expertise. The graduates will foster a data analytics perspective within their own companies.	8 months 48 graduates
X-LAB	Supporting the innovation dimension, two cohorts, including the Ideathon phase, have been finalized. Among the 10 cross-company/functional teams that competed in the Ideathon phase, three were selected to advance to the Sabancı entrepreneurship platform Sabancı ARF.	4-6 months 250 graduates

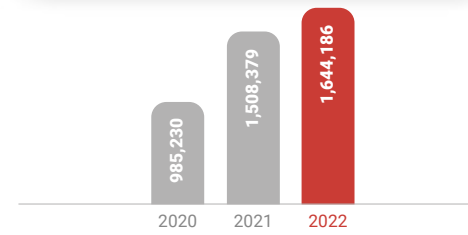
Learning and Development

In 2022, Sabancı Group spent TL ~138 million on employee training corresponding to an average of TL 2,765 per employee.

We endeavour to keep our employees up to date on business ethics and develop their skills and performance. Encouraging the career development of employees, developing existing talents, and increasing employee loyalty by rewarding high performance are essential part of our talent and career management approach. In this context, we support employees in their career journeys through career management processes and facilitate their involvement in different areas or higher positions within the Group. We focus on the development of all employees in the Group, regardless of company, unit, and blue-collar, white-collar or subcontractor status. In 2022, we provided a total of 1.6-million-person x hours of training to Group employees.

We endeavour to keep our employees up to date on business ethics as well as to develop their skills and performance. We train every new employee in the Group (including part-time and contracted employees) on Sabancı Group Code of Business Ethics (SA-ETHICS), which serves as a guide for employees. We provide annual refresher training for the current employees to keep their knowledge of SA-ETHICS up-to-date and to raise awareness. Since 2019, we have been providing training on Personal Data Protection to educate employees on the importance of personal data protection.

All Training Employee⁵⁴ (employee x hour)



Total Training Cost
TL ~138 Million
Average per employee
TL 2,765

Diversity and Inclusion Training
14,700 person x hour

Ethics Training
12,432 person x hour

Sustainability and Environment Training
36,770 person x hour

Anti-bribery and Corruption Training
21,078 person x hour

Training Provided for Sub-contractors⁵⁵
86,951 person x hour

In addition, in 2022, Sabancı Group supported **136 employees** in their post-graduate education.

⁵⁴ OHS trainings are not included. ⁵⁵ Includes Akbank, Akçansa, Çimsa, Brisa, Kordsa, and Temsa.

Human Capital Development

Sabancı Holding invests strongly in leadership at all levels. Senior executive leaders have participated in Top Team Effectiveness initiatives to reinforce the greater purpose of the Group and strengthen their purpose-driven leadership styles.

Leadership at Sabancı & Sabancı Transformation Team

Sabancı Holding Executive Committee Members and Company General Managers of Group Companies are positioned as “key accelerators” in driving the Group Purpose, leading strategic transformation, and creating value within the Sabancı ecosystem. In line with this objective, the Sabancı Transformation Team (SATT), comprising Sabancı Holding Executive Committee Members and Company General Managers of Group Companies, was established in 2021 to advance and leverage related efforts.

Sabancı Holding invests strongly in leadership at all levels. Senior executive leaders have participated in Top Team Effectiveness initiatives to reinforce the greater purpose of the Group and strengthen their purpose-driven leadership styles. And as in previous years, leadership potential assessment, succession principles, pipeline fullness, and organizational health criteria have been diligently followed across the Group through the Organizational People Review and Sabancı People Review processes. These processes create critical talent pools, succession plans, and development plans at the Company and Group levels.

These pools and plans are regularly reviewed, monitored, and implemented. Including SATT members, strategic priorities, and critical experience requirements for each leadership position have been thoroughly addressed. The developmental needs and career plans of leaders were considered accordingly. The career motivations and performance scores of Leadership Program participants and critical position holders are proactively monitored to anticipate potential flight risks. Rotational needs are also considered in this process.

Leadership Development Programs are conducted regularly to bolster the diverse leadership pipeline and to extend the Sabancı Leadership Model to all levels of the organization.

Leadership bench strength is a key success factor for Sabancı Group. Sustaining the business and growing the pipeline are achieved via organizational and groupwide people review meetings. These meetings ensure that leadership potential assessment, succession principles, pipeline fullness, and organizational vitality are followed across the Group. In 2022, Sabancı Group identified positions of immediate impact on the operational success and business performance, namely key players in digitalization, innovation, and sustainability.

Group Level Programs	Leadership Objective	Duration & 2022 Participants
TP-X	Improving the leadership skills of individuals of high potential talent who are new in their business careers and new to the Group.	1 ½ years 21 graduates
X-POSURE	Improving the leadership potential of Sabancı Group mid-level managers.	1 ½ years 23 graduates
X-CELERATE	Supporting CXO and GM level leaders with an enriching, transformative, connected, inspiring, inclusive leadership style.	1 ½ years 22 participants
SATT Leadership Program	Aimed at accelerating the leadership development and transformation journey, the program includes global immersion site visits, sustainability sessions in collaboration with the World Business Council for Sustainable Development (WBCSD), and innovation workshops.	26 participants from among leadership positions of General Manager and above were identified to the Sabancı Transformation Team (SATT)

Human Capital Development

Initiatives such as X-Teams Agile Collaboration Platform are designed to support the transformation of the corporate culture across Sabancı Group. Since its launch, X-TEAMS has carried out six cohorts with 40 teams of 400 employees.

Purpose-Driven Organization & Culture

Sabancı Group's strategic plan and business decisions are shared at the annual management meeting and quarterly CEO meetings. This year's management meeting was held with the participation of about 700 people from Group companies around the world.

In 2022, Holding Executive Committee worked on Top Team Effectiveness initiatives to reinforce the higher purpose of the Group and strengthen their purpose-driven leadership styles.

"It's Worth Running"

As part of the Sabancı Republic Day Campaign, 2,000 Group employees participated in the Istanbul Marathon, – the largest number from a single company. Sabancı race participants, who adopted the slogan "It's Worth Running" for charity, ranked third among companies that raised the most donations.

Engagement, Climate and Leadership Styles

Based on the Sabancı of the New Generation vision, the Group supports continuous improvement and implements an organization-wide feedback culture via regular climate and leadership style evaluation surveys.

Golden Collar Awards

In 2022 at the 13th Golden Collar Awards, 154 projects from across Sabancı Group companies competed. The best projects were recognized and rewarded in the following categories: "Digitalization and Continuous Improvement," "Innovation," "Customer Experience," "Sustainability," and "Sabancı of the New Generation."

Digital Transformation & Agile Organization

Talentin is a high-tech talent platform designed and developed by Sabancı Group and SabancıDx. It is an artificial intelligence-driven skills database platform for employee career pathing and internal mobility. The AI algorithm was constructed according to the Group's diversity and inclusion policies. All data features that may result in biased rankings were removed during development. Talentin effectively supports HR teams to identify the most suitable candidates among Group employees when a project role or job opportunity arises.

Initiatives such as X-Teams Agile Collaboration Platform are designed to support the transformation of the corporate culture across Sabancı Group. Since its launch, X-TEAMS has carried out six cohorts with 40 teams of 400 employees.

Human Rights, Diversity, Equity, and Inclusion

In line with Sabancı Group sustainability strategy establishing and maintaining a fair working environment for employees is a top priority at Sabancı Group companies.

Sabancı Holding sets its Human Rights standards, exclusion criteria and due diligence framework for its entire value chain including suppliers and its work force in Responsible Investment Policy. Topics include minimum wage, defense industry norms, labor rights, child labor and the like.

Sabancı Group is committed to complying with the following international standards:

- The Universal Declaration of Human Rights,
- The ILO Declaration on Fundamental Principles and Rights at Work,
- The OECD Guidelines for Multinational Enterprises,
- The UN Guiding Principles on Business Human Rights,
- The Women Empowerment Principles,
- The UN Global Compact.

Equal Opportunity & Diversity

Sabancı Group is committed to ensuring equal rights and opportunities to foster a positive and inclusive work environment and to contribute to the socio-economic development of every community where it operates. No employee discrimination based on language, race, skin color, ethnicity, gender, political inclination, faith, religion, denomination, age, physical disability, or other similar characteristics is tolerated at Sabancı Group. The Declaration of Principles on Equality at Work has been adopted across the Group. In line with the Group sustainability strategy establishing and maintaining a fair working environment for employees is a top priority at Sabancı Group companies. Progress is tracked according to a clear five-pillar roadmap recognized by the Bloomberg Gender-Equality Index: the female leadership and talent pipeline, equal pay and gender pay equity, inclusive culture, anti-sexual harassment policies, and being a pro-women brand.

Labor Relations Management and Legal Compliance

Using data-based analyses, Sabancı Group companies are regularly informed about potential risks related to issues on the agenda of industrial relations and labor law. Group companies are also instantly informed about developments in relevant issues, receiving guidance on proactive measures related to such risks.

Sabancı Group respects the rights of its employees to join unions and participate in collective bargaining agreements. The Group takes an unbiased approach to its employees' union selection and union organization processes. 91% of Sabancı Group blue-collar employees are affiliated with a union.

Establishing an effective cooperation and dialogue platform is underway to ensure the improvement and continuance of labor harmony among employee and employer unions.

As the leader of the TÜSİAD Employment and Social Security Working Group, Sabancı Group supports activities related to private sector labor legislation. The Group participates in TÜSİAD's sub-working groups, the opinion-making process on developments in Türkiye and the wider world regarding labor legislation, and contributes to all relevant research studies.

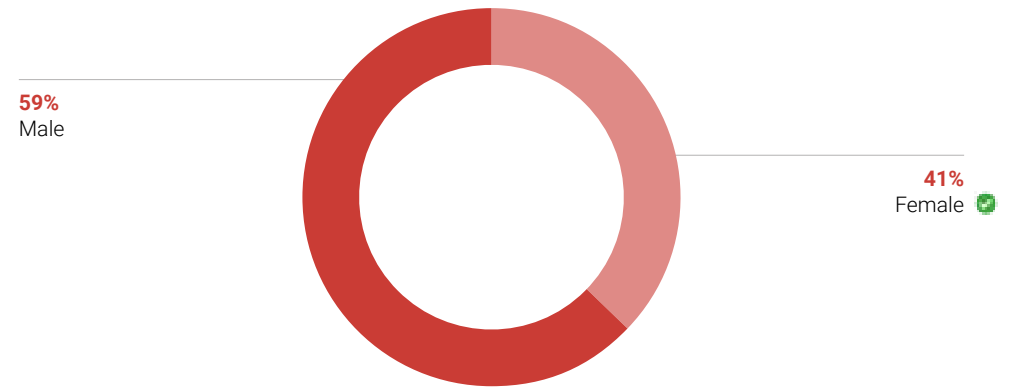
91% of Sabancı Group blue collar employees are affiliated with a union.

Employees by Category	Female	Male
Blue-collar employees	26%	59%
White-collar employees	74%	41%

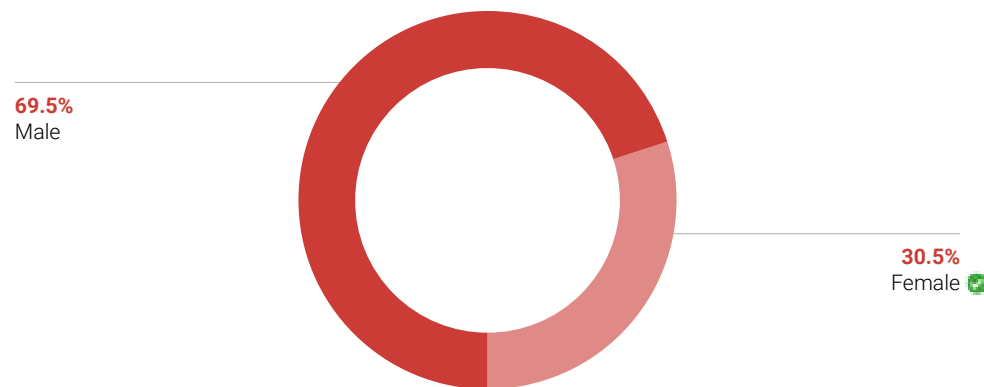
Human Rights, Diversity, Equity, and Inclusion

With a workforce of over 60 thousand employees worldwide, including subcontractors, Sabancı Group is determined to establish itself as a global leader, relying on its diverse and talented human resources to confidently shape the future.

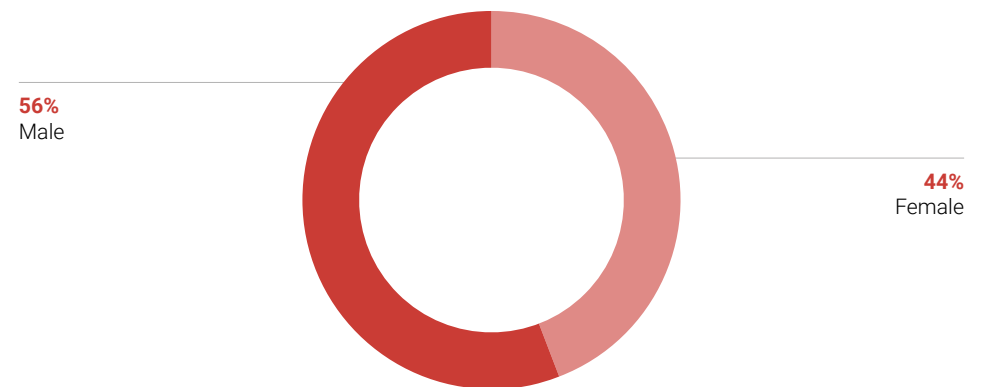
Distribution of Managerial Role by Gender



Distribution of Workforce by Gender



Board of Directors Gender Breakdown⁵⁶



⁵⁶ Includes Sabancı Holding figures.

Human Rights, Diversity, Equity, and Inclusion

Sabancı Holding has been listed in the Bloomberg Gender Equality Index for two years in a row as the sole Holding company based in Türkiye.

WOMEN'S EMPOWERMENT PRINCIPLES

Sabancı Holding, Enerjisa Enerji, Carrefoursa, Teknosa, Akçansa, Çimsa and Kordsa are among the signatories of the Women's Empowerment Principles (WEPs) Platform established in partnership with the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and the United Nations Global Compact. They support gender equality in the business world and the economic empowerment of female employees.



Share of Women Employees in IT, R&D, and Revenue Generating Roles

Share of Women Employees (%)

STEM Roles ⁵⁷	33%	✔
Revenue Generating Roles ⁵⁸	44%	✔

Maternity/Parental Leave (2022)

	Female	Male
Employees granted maternity/parental leave	798 ✔	1,894 ✔
Employees who returned to work following maternity/parental leave	755 ✔	1,894 ✔

⁵⁷ Science, technology, engineering, and math ⁵⁸ Revenue-generating jobs refer to ones that when vacant, no revenue is generated.

Human Rights, Diversity, Equity, and Inclusion

At Sabancı Holding, women hold 44% of seats in Board of Directors. Both Sabancı Holding and Akbank Board of Directors are chaired by women.

At Sabancı Group, 30.49% of our employees and 41% of our managers are women. We encourage employees to take active roles at home and with their families, regardless of their gender. We also facilitate the return of women to work after maternity leave. We also delivered Gender Equality trainings that include basic concepts on gender, stereotypes, discrimination, sexual harassment and violence, sexism and discrimination in language and communication and unconscious bias to all employees in 2022. We have compulsory trainings totalling to 14,700 person x hour that include sections on eliminating unconscious bias for all levels including the management positions.

As Sabancı Holding, we commit to increase the female leaders to 50% by 2030, meaning a 32% increase compared to 2020 figures, which was already aligned with the EU average.

Sabancı Holding was included in the 2023 Bloomberg Gender Equality Index, which recognizes the performance of companies committed to gender equality across five pillars, two times in a row.

Sabancı Group has been included in the Bloomberg Gender Equality Index two times in a row which recognizes the performance of companies committee to gender equality across five pillars. At Sabancı Holding, women hold 44% of Board seats including the Chair role.

Employee Engagement and Satisfaction

Employee engagement and satisfaction is essential for mitigating talent risk. Organizations with high employee engagement levels are more likely to retain their top talent and attract new ones. By focusing on employee engagement strategies such as creating a positive work culture, providing opportunities for growth and development, and recognizing and rewarding employee achievements, organizations can both reduce talent risk and improve well-being of employees.

84%

Sabancı Holding Employee Satisfaction Score

Evaluated based on age, gender and managerial level.

We regularly measure employee engagement and satisfaction score through independent companies to receive employee feedback and determine the actions that will increase employee loyalty. We utilize the services of independent organizations to annually measure the employees' perceptions of the organizational climate and the leadership styles of the management team, which has the greatest impact on this climate. The results related to leadership styles are included as a indicator in the Senior Management's People and Organization performance target.

Sabancı Holding was recognized as one of the World's Best Employers companies listed on Forbes in 2022.

Sabancı Holding's New Generation Career Experience Program has won the first prize in Youth Awards 2022 as "Most Liked Short-Term Training Program by Youth"

Occupational Health and Safety Management


Sabancı Group aims to standardize and continuously improve employee health and safety practices via training and sharing information and experience.

At Sabancı Group, employee health, and safety applications are carried out under relevant legal and regulatory requirements and standards. Trends and best practices are constantly monitored and adopted when deemed appropriate. Potential risks are analyzed and proactively acted upon as needed.

Sabancı Group aims to standardize and continuously improve employee health and safety practices via training and sharing information and experience. The Group extends this compliance and pursuit of excellence to its workforce and all stakeholders.

While ensuring employee health and safety, we work per international standards and confirm this approach in our certification. Among Group companies, Akçansa, Brisa, Çimsa, Enerjisa

Enerji, Enerjisa Üretim, and Kordsa have received ISO 45001 Occupational Health and Safety Management System certification.

We believe that ensuring occupational health and safety (OHS) is a multidimensional issue. This is why we support our employees with training, raise their awareness, and update their knowledge and experience. In 2022, we provided 568,651  person*hours of OHS training to Group employees.⁵⁹ We also provide regular OHS training to subcontractors with the same sense of responsibility.

We work with the target of zero accidents across the Group. There were 547⁶⁰ accidents in Group companies in 2022, one of which was fatal. The lost days' rate (LDR)⁶¹ is 7.26.⁶² In 2022, the number of occupational diseases experienced across the group was nine.



568,651  person*hours of OHS training⁶⁰

⁵⁹ The lost days rate is the ratio of the total number of lost days calculated based on work-related injury or disease only. ⁶⁰ All recorded accidents are included, regardless of their scale. ⁶¹ Includes group employees and subcontractors. ⁶² Includes group employees and subcontractors.

Group Highlights in 2022

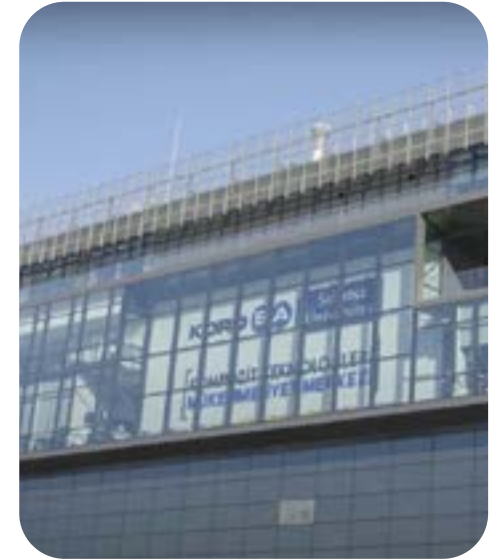
Akbank launched the Role Model Akbank Members Program in 2022 to empower and enhance the visibility of women in business and society.

- **Akbank**, in 2022, introduced the Akbank+ Program, enabling its employees to focus full-time on their entrepreneurial ideas. This marked a first of its kind in Türkiye and is expected to greatly contribute to the bank and the country's entrepreneurship ecosystem.
- **Akbank** has implemented the "İyi Bir Sen" well-being program, which focuses on all stakeholders' physical, mental, emotional, social, digital, and intellectual well-being.
- **Akbank** launched the Role Model Akbank Members Program in 2022 to empower and enhance the visibility of women in business and society. The Program aims to create a value network for women, fostering a social impact within and beyond the Bank and ultimately contributing to an inclusive future.
- **Agesa** introduced its new employer brand, "İyinin Peşinde," to prioritize the loyalty and happiness of its employees, implementing best practices in human resources.
- **Agesa** was awarded "Best Employer of Türkiye" by Kincentric for its outstanding performance in engagement, engaging leadership, agility, and talent focus, achieving an impressive engagement rate of 83% in 2022.
- **Aksigorta**, with 51% of its workforce comprised of women, received the Equality for Women at Work Certificate after an independent audit in collaboration with the Sustainability Academy and the British audit firm Intertek.
- **Aksigorta**, the Best Employer for four consecutive years, received the Continuous Excellence award from Kincentric, recognizing its workplace excellence in agility, engaging leadership, talent focus, and employee engagement.
- **Aksigorta** received three awards in the Brandon Hall Excellence Awards program: Gold for "Best Approach in Leadership Development" (Power Up project), Gold for "Best New Recruitment Program" (Aksigortalı Onboarding project), and Silver for "Best Approach in Corporate Culture Transformation" (Agiland project).
- **Akçansa** has been recognized with numerous prestigious awards across different programs within the year. The International Business Awards program honored Akçansa as the "Company of the Year" and two Bronze awards for its exceptional human resources practices. The company won Gold and Silver awards for its "Future of Business" project in the Brandon Hall Excellence Awards. Akçansa received one Gold, two Silver, and one Bronze in the Stevie Awards for Great Employers Program. The Globe Business Excellence Awards recognized Akçansa's commitment to people and sustainability, presenting the company with three Gold and one Silver award for its outstanding practices. In the Youth Awards, Akçansa also secured a top third position in the "Industrial Company Most Preferred Among the Youth as an Employer" category.
- **Akçansa** achieved the best accident frequency rate in 2022, while the company's Samsun (Ladik) plant maintained a zero-accident record for the third consecutive year.
- In 2022, **Çimsa** published its "Human Rights Policy" to contribute to sustainability and introduced an "Equality, Diversity, and Inclusion Policy" to promote gender equality, combat discrimination, and foster an inclusive culture.
- **Enerjisa Enerji** ranked 3rd globally by the number of awards received, garnering 68 awards in 2022 from renowned award programs such as the International Stevie Awards, Globe Awards, and Youthall Awards.
- As part of its commitment to gender equality and human rights, **Enerjisa Enerji** established the Diversity, Equality, and Inclusion Committee this year. The company was selected as one of the 12 from Türkiye in the Bloomberg Gender-Equality Index, which includes 484 companies from 45 countries and 11 sectors.

Group Highlights in 2022

Kordsa achieved remarkable success in 2022, becoming the most awarded Turkish company at the Brandon Hall Group Human Capital Management Excellence Awards with 14 awards.

- **Enerjisa Üretim** has launched two development programs, namely the Power MBA Program and Orion, to provide career opportunities and positively impact the company's values.
- **Enerjisa Üretim** received the "Success Award" at the 14th Peryön Human Value Awards. Additionally, at the Brandon Hall 2022 Human Capital Management Excellence Awards, its project "Bilbot" received the Silver Award in the Best Approach to HCM Innovation category, while its "Manevra" project received the Bronze Award in the Best Use of Virtual Worlds in the Learning and Development Program category.
- **Brisa** received three Golden Awards and one Bronze Award at the Brandon Hall Excellence Awards for its Future of Work #seninicin (#foryou) project. The company also merited three Silver Awards at the Stevie Awards for Great Employers in different categories. Additionally, Brisa ranked 33rd in the Fortune Türkiye survey, securing the top position in the tire industry among the top 100 companies in Türkiye.
- **Kordsa** achieved remarkable success in 2022, becoming the most awarded Turkish company at the Brandon Hall Group Human Capital Management Excellence Awards with 14 awards. The company also won five Stevie Awards, including one Silver and four Bronze awards. Kordsa Türkiye received a "Great Place to Work" certificate, and Kordsa Brazil once again secured the Best Employer Award in Brazil.
- **Carrefoursa** promotes gender diversity and inclusivity in the workplace by implementing projects such as "Female Butcher/Fish Section Officer of the Future," "Strong Woman Stores," "My Re-Career Is in Carrefoursa," "Turkish Down Syndrome Foundation +1 Happiness," and "Flexible Working Model." Carrefoursa's initiatives, including the "Us Again Platform" and "Female Producers" project, received two awards in the categories of "Women's Employment and Equality of Opportunity at Work." Additionally, the Company was recognized with a Bronze award for its "Voice of Hands" project, benefiting hearing-impaired employees, in the Stevie Awards for Great Employers competition.
- In the "Top100 Talent Program," **Carrefoursa** achieved 2nd place in the Retail & Sales category with its internship program "My Career Cart."



Governance

Sabancı Group acknowledges that a sound corporate governance system is key driver of our financial and extra-financial success. Therefore, based on this understanding, we design corporate governance practices that apply across Sabancı Group with primary attention to accountability, responsible business, and efficient stakeholder management. The Board of Directors, Sabancı Holding's highest governing body, actively oversees our ESG performance through a variety of committees including the Board Sustainability Committee and thanks to its members' experience on ESG-related topics. All executive functions are proactively involved in sustainability related initiatives, while a variety of hard and soft controls are in place to prevent a siloed approach.

Board of Directors

1 GÜLER SABANCI
Chair

2 EROL SABANCI
Vice Chair

3 SERRA SABANCI
Board Member

4 SUZAN SABANCI DİNÇER
Board Member

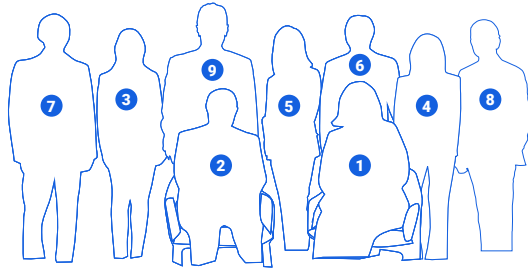
5 SAİME GONCA ARTUNKAL
Board Member

6 CENK ALPER
Board Member and CEO

7 AHMET ERDEM
Independent Board Member

8 MEHMET KAHYA
Independent Board Member

9 HAYRİ ÇULHACI
Independent Board Member



⁶³ At the 2022 Ordinary General Assembly Meeting dated March 30, 2023; Güler SABANCI, Erol SABANCI, Suzan Sabancı DİNÇER, Serra SABANCI, Elçin Melisa Sabancı TAPAN, Cenk ALPER, Hayri ÇULHACI, Mehmet KAHYA and Hüseyin GELİS have been elected as the members of the Board of Directors to serve one-year terms of office.

GRI 2-9, 2-10, 2-11, 2-17

Board of Directors

Güler Sabancı Chair

Güler Sabancı was born in Istanbul. After finishing high school education at TED Ankara College, Sabancı graduated from Boğaziçi University, Department of Business Administration.

Güler Sabancı is the Chair of Sabancı Holding since 2004, one of the leading and most reputable multi-business groups of Türkiye, operating in 14 countries.

Chair of the Board of Trustees of the Sabancı Foundation, Güler Sabancı is also the Founding Chair of Sabancı University and Chair of the Sakıp Sabancı Museum. The first female member of the European Round Table for Industry, she sits on the MIT Energy Initiative's External Advisory Board. She is also a member of The Trilateral Commission and TÜSİAD.

Besides being an effective industrialist, prominent business figure, and renowned art-enthusiast, she has also been accepted as one of the most influential women in the region for her work on gender equality and social development. Her remarkable success has been recognized internationally with numerous awards, including the David Rockefeller Bridging Leadership Award, the Clinton Global Citizen Award, the Raymond Georis Prize for Innovative Philanthropy, and the European School of Management Responsible Leadership Award.

She is the author of the book "Founding a University", published in 2020.

Erol Sabancı Vice Chair

Erol Sabancı served as a member of the Akbank Board of Directors between 1967 and March 2018. For a decade beginning from March 1998 Erol Sabancı was the Chairman of the Board of Directors. He has been a Consultant to the Board of Directors since 26 March 2018. Erol Sabancı also serves as Vice Chairman of the Board of Directors of Sabancı Holding.

Suzan Sabancı Dinçer CBE Board Member

Suzan Sabancı Dinçer is the Chairman of Akbank. Mrs. Sabancı Dinçer is also a board member of Sabancı Holding and a member of the Board of Trustees of Sabancı University and the Sabancı Foundation. In 2009, Mrs. Sabancı Dinçer founded the Akbank International Advisory Board and currently serves as its chairman.

Mrs. Sabancı Dinçer is a member of the Institute of International Finance Board of Directors and Emerging Markets Advisory Board as well as Harvard University's Global Advisory Council. Suzan Sabancı Dinçer is also co-chair of the New York-based American-Turkish Society, as well as a member of the Global Board of Advisors at the Council on Foreign Relations (CFR), the Board of Managing Directors of Venetian Heritage, Inc, and the Cultural and Social Affairs Committee of the Serpentine Council respectively.

From 2010 to 2014, Suzan Sabancı Dinçer served as the chairman of the Turkish-British Business Council for two terms. From 2009 to 2016, Mrs. Sabancı Dinçer sat on the Global Board of Advisors of Chatham House. Between 2014 and 2018, Mrs. Sabancı Dinçer acted as the Advisory Board President of the Women on Board Association Türkiye, dedicated to promoting social development by increasing female representation on boards. She is a founding member and board member of Endeavor Türkiye, a founding and honorary member of the Women Entrepreneurs Association of Türkiye, and chairman of the Executive Advisory Board and member of the board of patrons of the Contemporary Istanbul Art Fair.

Saime Gonca Artunkal (Sakıp Sabancı Holding A.Ş. Represented by Saime Gonca Artunkal) Board Member

Saime Gonca Artunkal received her undergraduate degree in economics from Oglethorpe University and her master's degrees from the London School of Economics and Boğaziçi University. She started her career in 1991 at Andersen Consulting and worked in investment banking and corporate finance at The Chase Manhattan, Morgan Stanley, Citi, Societe Generale and UBS in both London and Istanbul. She was the CEO and Chairperson of UBS in Türkiye until the end of 2018. Saime Gonca Artunkal has extensive risk management experience ranging from credit and market risks to reputational and compliance risks. During her banking career, she has held managerial roles covering various regions including the Middle East, Greece, Israel, Türkiye, Central Asia and the Caucasus.

She has also worked on transactions in the UK, Europe and the US. She currently advises Turkish and international companies and families on mergers and acquisitions, corporate finance and corporate governance. She is a member of the Board of Trustees of Sabancı University, a member of the Advisory Board of FODER - Financial Literacy and Inclusion Association, Member of Audit Committee of KIHP – YC – Women for Women's Human Rights – New Ways and a founding member of 65+ Elderly Rights Association.

Serra Sabancı Board Member

Serra Sabancı was born in Adana in 1975. She graduated from the University of Portsmouth, and then from the Istanbul Bilgi University Department of Economics at the top of her class. She began her professional career at Temsa, then received training on mergers and acquisitions and corporate governance at the Institute of Directors (IoD) in London.

Acting as a Board Member and Acting Chair at various Sabancı Group companies, including in textiles, chemicals, automotive, and cement, Serra Sabancı also served on the Audit Committee for five years at Sabancı Holding.

Serra Sabancı is currently a Member of the Board of Directors at Sabancı Holding, and a Member of the Board of Trustees at Sabancı University and the Sabancı Foundation. She leads and supervises the Foundation's project on environmental awareness and animal rights protection for preschool and primary age groups.

Board of Directors

Cenk Alper Board Member and CEO

Cenk Alper received his Bachelor's degree in Mechanical Engineering from the Middle East Technical University in 1991. He has a Master's degree in Mechanical Engineering from the same university as well as an MBA from Sabancı University.

Mr. Alper joined the Sabancı Group in 1996 at Beksa, later taking on managing positions in Belgium and the US at Bekaert between 2002 and 2007. In 2007, Mr. Alper returned to Türkiye as the Global Technology Director at Kordsa and completed the establishment of its R&D center and Innovation division. After serving as COO, he led Kordsa's transformation and secondary public offering as CEO between 2013 and 2017. In 2017, he took on a new role as Sabancı Holding Industry Group President. As of August 2019, Cenk Alper is the CEO and Board Member of Sabancı Holding. In recent years, he has been focusing on sustainable growth, entrepreneurship and technology management.

He is a member of the Turkish Industry and Business Association (TÜSİAD), the World Economic Forum (WEF), the World Business Council for Sustainable Development (WBCSD), the CNBC ESG Council, WORLD.MINDS and General Assembly of 30% Club Türkiye Campaign.

Ahmet Erdem Independent Board Member

Ahmet Erdem graduated from Istanbul Technical University as a Civil Engineer and also studied Engineering Management at Istanbul University.

Mr. Erdem joined Shell in 1990. He worked in top executive roles in Türkiye, Middle East and Europe. After serving as the Investment Manager of Greece and Türkiye and as the Retail Sales Manager in Türkiye; in 2006, he performed a major role in the formation of the Shell & Turcas joint venture where he is still the Chairman of the Board. After his duties as Retail General Manager and Executive Committee Member during the integration of the Joint Venture, he served as the Country Chair Shell Kenya and as the Chairman of Shell Kenya that is the operational center of Shell in East Africa. He participated in Royal Dutch Shell's risk management trainings in finance and reputation and has experience of 20 years in risk management.

In addition to his role as the Country Chair Shell Türkiye Mr. Erdem also serves as the Chairman of Shell & Turcas and as an Independent Member of the Board of Directors at Sabancı Holding.

Mr. Erdem served as Chairman of the International Investors Association (YASED) for two terms. He also serves as the Petroleum and Petroleum Products Industry Council President at the Union of Chambers and Commodity Exchanges of Türkiye (TOBB); as the Vice Chairman at Oil Industry Association (PETDER); as a Board Member at the World Business Council for Sustainable Development (WBCSD Türkiye), United Nations Global Compact Türkiye and Energy Efficiency Association (ENVER) and as an Advisory Board Member at British Chamber of Commerce.

Hayri Çulhacı Independent Board Member

Having graduated from Ankara University Faculty of Political Sciences in 1978, Hayri Çulhacı obtained his MBA degree from Northeastern University, USA in 1986.

Between 1979 and 1990, he assumed various audit and management positions at the Ministry of Finance.

Having joined Akbank as Executive Vice President in 1990, Mr. Çulhacı became an Executive Director in 2009 and also served as the Vice President of the Executive Board, Chairman of Audit Committee, Corporate Management Committee and High Level Risk Committee from 2010 on. He was retired in 2020.

Hayri Çulhacı was also a member of the Board of Aksigorta A.Ş. and Avivasa and Chairman of Ak Yatırım Menkul Değerler A.Ş. and Ak Portföy Yönetimi A.Ş. He is still the Vice Chairman and a member of the Board of Trustees of Sabancı Foundation.

Mehmet Kahya Independent Board Member

Mehmet Kahya received his double major BS degree in Chemical Engineering and Economics from Yale University and his MBA with majors in Finance, Marketing and Quantitative Methods from Kellogg School of Management.

He started his career as Management Services Manager at Sasa (1975-80) and later was Founder and Managing Director of MKM BV (Holland, 1980-84) and of Sibermetik Sistemler (1984-86). Mehmet Kahya rejoined Sabancı Group in 1986 as Automotive Group Vice President and was EVP/President of Temsa (1986-90) and Member of the Presidency of Toyotasa (1990-94) while serving as Member of the Management and Planning Council of Sabancı Holding and as Member of the Boards of Temsa, Toyotasa, Susa and Sapeksa.

In the period 1994-2006, various positions held by Mr. Kahya was Managing Director and Vice Chairman of the Board of CarnaudMetalbox, President of Uzel Makina and Member of the Executive Committee of Uzel Holding, General manager and Group Vice President of DYO, Member of the Executive Committee of Sarten Ambalaj, Shareholder and Vice-Chairman of the Board of Gierlings Velpor (Portugal, 2002-2005), President of Assan Alüminyum.

Since 2006, he is advising boards/shareholders as the Founder and Principal of Kronus. Currently he serves as an independent member on the Board of Directors at Brisa; member of the board at Temsa and Electrosalus Biyomedikal; and as shareholder advisor at various companies.

Skill Matrix

44%

Ratio of female member

33%

Ratio of independent members on the Board of Directors

We believe that having members on the Board of Directors who possess a diverse range of competencies, knowledge and experience strengthens the Board's functioning and benefits decision-making processes. Research shows that companies with a diverse board of directors have 36% more profitability than others. The process of being nominated for the Board of Directors membership is not solely limited to gender equality in terms of diversity and inclusion. We evaluate the competencies of candidates by considering various factors, such as knowledge of the industry, management experience, knowledge in ESG matters, crisis management experience, and global and long-term thinking. We do not tolerate any discrimination among candidates on grounds of gender, age, ethnicity, religion, language, race, etc.

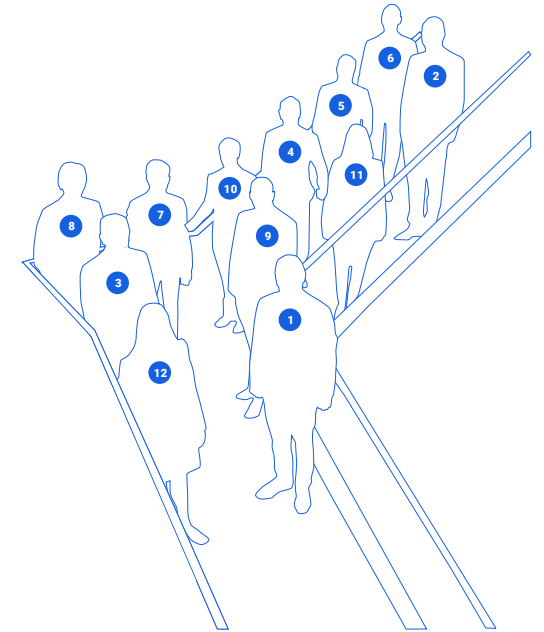
Board of Directors Skill Matrix

Explanation	Rate of Related Member of Board
Gender	44% female member
Term (≥15 years)	33%
Average Tenure	~12.19 years
Independent Members	33%
Audit Experience	44%
Financial Services Experience	44%
Non-Financial Real Sector Experience	56%
Risk Management Experience	67%
Environmental, Social and Corporate Governance Experience	89%
International/Multi Geographical Experience	78%
Average board meeting attendance for 2022	96%
Minimum required attendance for all members	67%

Executive Committee



- 1 CENK ALPER**
Board Member and CEO
- 2 BURAK ORHUN**
Building Materials
- 3 CEVDET ALEMDAR**
Industrials
- 4 FUAT ÖKSÜZ**
Audit and Secretary General
- 5 EYÜP ENGİN**
Banking
- 6 GÖKHAN EYİĞÜN**
Strategy and Business Development
- 7 HAKAN TİMUR**
Human Capital and Sustainability
- 8 HALUK DİNÇER**
Financial Services
- 9 KIVANÇ ZAIMLER**
Energy
- 10 N. ORHUN KÖSTEM**
Finance
- 11 PELİN ERKIRALP**
Corporate Brand Management and Communications
- 12 ŞEBNEM ÖNDER**
Legal and Compliance



⁶⁴ As of March 15, 2023, Yeşim ÖZLALE ÖNEN has been appointed as Group President of Human Capital and Sustainability.

⁶⁵ As of March 15, 2023, Max SPEUR has been appointed as Group President of Digital.

Executive Committee

Cenk Alper Board Member and CEO

Cenk Alper received his Bachelor's degree in Mechanical Engineering from the Middle East Technical University in 1991. He has a Master's degree in Mechanical Engineering from the same university as well as an MBA from Sabancı University.

Mr. Alper joined the Sabancı Group in 1996 at Beksa, later taking on managing positions in Belgium and the US at Bekaert between 2002 and 2007. In 2007, Mr. Alper returned to Türkiye as the Global Technology Director at Kordsa and completed the establishment of its R&D center and Innovation division. After serving as COO, he led Kordsa's transformation and secondary public offering as CEO between 2013 and 2017. In 2017, he took on a new role as Sabancı Holding Industry Group President. As of August 2019, Cenk Alper is the CEO and Board Member of Sabancı Holding. In recent years, he has been focusing on sustainable growth, entrepreneurship and technology management.

He is a member of the Turkish Industry and Business Association (TÜSİAD), the World Economic Forum (WEF), the World Business Council for Sustainable Development (WBCSD), the CNBC ESG Council, WORLD.MINDS and General Assembly of 30% Club Türkiye Campaign.

Burak Orhun Building Materials

Burak Orhun graduated from Boğaziçi University Economics Department and received his master's degree in Finance from George Washington University and MBA degree from University of Pennsylvania – Wharton School of Business.

Burak Orhun started his career at Mercedes Benz Turk as a Financial Analyst, after which he worked in United States at Thomson Corporation/Reuters, CapitalOne Financial and CadenceQuest, Inc, respectively, at various management positions such as Finance Manager, Director of Portfolio Management, Director of Corporate Development and CFO. Before joining Sabancı Group, Burak Orhun, worked at Oyak Group, responsible for all M&A and new investment activities of the Group from 2009 to 2018. He was the General Manager of Oyak Girişim Danışmanlığı A.Ş., while having executive management, board member and chairman roles at chemical and energy companies of the Group, both domestic and global. Mr. Orhun joined Sabancı Group in 2018 as Head of Strategy and Business Development. Burak Orhun is currently The Building Materials Group President of Sabancı Holding. Mr. Orhun also serves as Chairman at Afyon Çimento, Akçansa, Çimmsa and Sabancı Building Solutions BV as well as a member of Board at Teknosa, Carrefoursa and SabancıDX.

Cevdet Alemdar Industrials

Cevdet Alemdar received his BS degree from Industrial Engineering department of Boğaziçi University in 1992 and completed his MBA degree in Sabancı University in 2000.

He joined the group in 1993 and has taken various leadership positions, respectively in Beksa, Sakosa, Kordsa, Temsa Is Makinalari and Brisa. After administering wire investments serving to manufacturing and construction industries in Türkiye, he has taken on general manager roles in Brazil, Thailand and China, and lead marketing and sales functions in technical textiles for Kordsa in South America and Asia Pacific regions.

Returning to Türkiye, he has steered Kordsa's R&D and innovation processes as VP of Technology and Market Development. Later, he guided Temsa Is Makinalari to transform from a construction equipment company to a heavy machines and truck provider in Türkiye. Next, as CEO he led Brisa, a joint venture of Bridgestone and Sabancı Holding, an important tire manufacturing venture in the world and leader of Türkiye's tire and mobility solutions. From April 2020 onwards, he is Sabancı Holding Industrials SBU President. He is also the Chairman of the Board of Kordsa, Brisa, Temsa Skoda Transportation and Temsa Motorlu Araçlar.

He is TÜSİAD's board member, DEİK / Türkiye - USA Business Council (TAİK) board member and Boğaziçi University alumni.

Eyüp Engin Banking

Eyüp Engin graduated from Middle East Technical University, Faculty of Economics and Business Administration.

Eyüp Engin joined Akbank in 1978 as an Assistant Internal Auditor. Following his auditing assignment, Eyüp Engin served as Department Head in Treasury, International Banking and Overseas Financial Institutions. He was appointed as the Executive Vice President in charge of Corporate Banking in 1996 and after 1998, Mr. Engin continued to serve as Executive Vice President in charge of International Banking and Overseas Financial Institutions Marketing.

Eyüp Engin was appointed to the position of Head of Internal Audit in 2007 and during 2007-2019 he served on Boards of Directors of Bank's subsidiaries as the President of Audit Committee. Mr. Engin was elected as Executive Board Member in March 2019 and he was elected as Vice Chairman and Executive Board Member in March 2020. Eyüp Engin also serves as Vice Chairman of Türk Telekomünikasyon A.Ş.

Additionally, Eyüp Engin is Banking Unit Group President and Executive Committee Member of Sabancı Holding.

Executive Committee

Fuat Öksüz Audit and Secretary General

Fuat Öksüz graduated from Business Administration Department of Boğaziçi University in 1986 and started his career in Andersen Istanbul Office as assistant auditor in the same year. He worked in this company by the end of 2002, became local partner in 1997 and international partner in 2000. He worked as an independent auditor and financial advisor in the first 10 years of his business life. Later on, Fuat Öksüz led the foundation, took leadership of Andersen Business Process Outsourcing practice and further took the leadership of Andersen Business Consulting Practice.

In 2003, he joined Ernst & Young as a Partner and served for one year. In January 2004, Fuat Öksüz joined Sabancı Holding as Head of Audit, also chaired Sabancı Board of Ethics. Mr. Öksüz worked in Enerjisa between 2010 – 2017 taking various responsibilities including; CFO of Enerjisa Generation Company and Enerjisa Trading Company with dual management responsibility with CEO, Enerjisa Group Head of Planning & Controlling, Head of Accounting, Reporting & Tax and Head of Special Projects (restructuring and IPO).

Fuat Öksüz has been serving as Sabancı Holding Head of Audit and Chair of Sabancı Holding Ethics Board since 2018. Further to existing responsibilities, he has also taken the role of Secretary General since July 2022.

Gökhan Eyigün Strategy and Business Development

Gökhan Eyigün graduated from Management Engineering Department of Istanbul Technical University with honors degree in 1998. He had his MBA degree from Rotterdam School of Management in 2004; moreover, he attended several executive programs at Harvard Business School.

Mr. Eyigün started his career at Arthur Andersen in 1998 where he was mainly specialized in Corporate Finance Advisory. He, then, took responsibility in the formation of Corporate Finance and M&A Advisory department at PricewaterhouseCoopers in 2004 and led the department afterwards. In 2007, Mr. Eyigün joined Sabancı Group where he contributed to Strategy and Business Development department at various executive roles until 2018. He served as the Secretary General of Sabancı Holding and the General Manager of Exsa, Tursa and AEO companies between 2018 and 2021; and he worked as the Executive Board Member of Temsa Motor Vehicles between 2020 and 2021, in addition. He was appointed as the Group President of Strategy and Business Development at Sabancı Holding in 2021. Mr. Eyigün is also the Vice Chairman of the Board at Afyon Çimento, Çimsa, Exsa and Temsa Motorlu Araçlar. He is a member of Board at Dx Technology Services and Investment BV (SabancıDx BV), SabancıDx, Kordsa and Temsa Skoda Ulaşım Araçları. He is responsible from Sabancı Ventures and Sabancı ARF Almost Ready to Fly at the same time.

Hakan Timur Human Capital and Sustainability

Hakan Timur holds a BA degree in Economics from Istanbul University and a Masters degree in Energy and Technology Management from Sabancı University.

Hakan Timur started his professional career in 1997 at Marsa-Kraft Foods International. After that, he held a variety of local and international human capital and development roles in a wide range of sectors including energy, industrials, building materials and food industry at Sabancı Group companies. Since 2018, he has been working as Sabancı Group Human Capital and Sustainability Group President. In 2021, he also started to serve as the Chief DE&I Officer at Sabancı Holding.

In addition to his current role, Mr. Timur is an Executive Committee Member at Sabancı Holding and Chairperson at Teknosa. He is also holding BOD membership and vice chairman roles in various companies i.e SabancıDx, Enerjisa.

He is a Board Member in Private Sector Volunteers Association, Board Members Association and Business Council for Sustainable Development in Türkiye. He undertakes the leadership of Turkish Industry & Business Association's Employment and Social Security Working Group and is a Commissioner in BCTI of WBCSD. Hakan Timur, who has been serving as Sabancı Holding Human Capital and Sustainability Group President, has left his position as of March 15, 2023.

Haluk Dinçer Financial Services

Haluk Dinçer has a BSE degree in Mechanical Engineering and an MBA, both from the University of Michigan.

After starting his career at General Motors Technical Center in 1985, Mr. Dinçer joined Sabancı Group in August 1995, serving initially as Executive Board Member, and then in December 1995, as Executive Vice Chairman of Temsa. In October 2001, he assumed responsibilities within the Holding company, first as Food Group Vice President, and six months later, as Holding Executive Board Member and Food Group President. He took over as Food and Retail Group President in September 2004, and after organizational restructuring in March 2011, as Retail and Insurance Group President. In June 2016, Mr. Dinçer was named Insurance Group President and later in April 2020, Financial Services Group President. With this role, he currently serves as Chairman of the Board of Aksigorta, Ageasa, Exsa, Tursa and Ankara Enternasyonel Otelcilik, as well as Board Member of Brisa.

Haluk Dinçer served as President of TÜSİAD - Turkish Industry and Business Association in 2014-15, and as President of Türkiye-U.S. Business Council (TAİK) in 2008-14. He has been a Board Member of the Global Relations Forum (GRF) since February 2018 and a member of the Geneva Association since June 2019.

Executive Committee

Kıvanç Zaimler Energy

Kıvanç Zaimler studied at Istanbul Technical University and Berlin Technical University and held various managerial positions in the private sector in different fields between 1992-2008.

Mr. Zaimler joined Enerjisa in 2008 and held several roles in natural gas trading and as General Manager of distribution and retail companies before serving as the CEO of Enerjisa. In 2018, Mr. Zaimler carried out the IPO of Enerjisa, one of the largest IPOs in that period.

As of July 2018, Mr. Zaimler was appointed as President of the Energy Group at Sabancı Holding. He is the Chairman of the Board of Directors at Enerjisa Enerji and the Vice Chairman of the Board of Directors at Enerjisa Üretim. He is also the Chairman of the Board of Sabancı Climate Technologies, which was established in June 2022 to accomplish Sabancı Holding's investments abroad in the field of energy and climate technologies, and Sabancı Renewables, which was established in the USA.

In addition to his duties in the energy business, Mr. Zaimler has been the Chairman of SabancıDx since 2020; serves as the Chairman of Dx Technology Services and Investment BV (SabancıDx BV), the digital-focused global technology company of Sabancı Holding, established recently in the Netherlands.

Mr. Zaimler is also taking an active role in non-governmental organizations. He serves as the Vice President of the World Energy Council-

Türkiye, Member of the Board of Sabancı University Istanbul International Energy and Climate Center (IICEC), Member of the SHURA Advisory Council and Chairman of the Board of ELDER.

N. Orhun Köstem Finance

Orhun Köstem received his bachelor's degree from Middle East Technical University Mechanical Engineering Department in 1991 and his MBA degreed at the same university. He also has a master's degree in Finance and Corporate Law from Bilgi University.

Mr. Köstem joined Anadolu Group in 1994 and held various management positions until 2008. In 2008, he was appointed as the CFO of Efes Breweries International and in 2009 continued his career as Corporate Finance Coordinator of Anadolu Group. Orhun Köstem pursued his career in Coca-Cola İçecek where he worked from 2010 to 2016 as the CFO and from 2017 to 2018 as the Regional Director responsible for Middle East and Pakistan. Mr. Köstem served as the CFO of Anadolu Efes between 2019 and 2021. Mr. Köstem is the Group CFO of Sabancı Holding since July 1, 2021. He is also the Chairman of Carrefoursa, Vice Chairman of Sabancı Climate Technologies, Supervisory Board Member of Çimsa Sabancı Cement BV and Member of the Board of Directors of Akbank, Kordsa, Enerjisa Enerji and Enerjisa Üretim.

Mr. Köstem is one of the three authors of the book "A Window to Capital Markets: The A to Z of Public Offering and Investor Relations" published in 2009. In 2016, 2019, 2020 and

2021 he was listed among "Türkiye's Most Influential 50 CFOs", according to a research conducted by BMI Business School in collaboration with DataExpert. He was awarded as Türkiye's Best CFO in the Investor Relations Awards organized by Thomson Reuters Extel in 2011 and 2013, while he was also honored with the "Best CFOs" by Sell Side analysts in Consumer Sector in Emerging EMEA by Institutional Investor Magazine and Institutional Investor Research Group in 2020. He was ranked as Best CFO in Industrials Sector in the Emerging EMEA Region by Institutional Investor in 2022 and he was named among C-Suite Series – Fortune CFO 2022 list. He is also a member of CFA Society and CFO Network of the World Business Council for Sustainable Development (WBCSD).

Pelin Erkıralp Corporate Brand Management and Communications

Pelin Erkıralp graduated from Boğaziçi University Economics Department in 1996 and began her career at Unilever as a Brand Manager.

She managed Hair Care businesses in Unilever Africa, Middle East and Türkiye between 2002-2006 leading innovation and harmonization across the region. In 2006 Mrs. Erkıralp moved to Citibank as Vice President Marketing managing marketing for retail & commercial banking businesses. After joining Philip Morris Sabancı in 2009 and pursuing several leadership positions in Türkiye, she undertook the management of Marlboro brand globally in Philip Morris International headquarters in Lausanne, Switzerland between 2012-2013.

Following her return to Türkiye, she was appointed Marketing Director in Philip Morris Sabancı for 4.5 years. Mrs. Erkıralp started to work with LC Waikiki as Assistant General Manager Marketing in 2017, and managed various transformation projects that supported the company's expansion domestically and abroad. She undertook the position of Chief Marketing Officer in Kızılay Yatırım Holding between 2019-2020, and led marketing function of 8 companies within the holding.

She joined Sabancı Holding as Corporate Brand Management and Communications President in 2020. She is also a member of the board at Carrefoursa and Temsa Motorlu Araçlar.

Şebnem Önder Legal and Compliance

Şebnem Önder graduated from Ankara University Faculty of Law in 1994.

She started her career in 1994 as Associate at White&Case LLP (Türkiye). Between 1999 and 2000, she continued working at the same position in New York, where the company's headquarter is located. Then, from 2000 to 2014, she worked as a Partner in the Türkiye unit of the same company. In 2014, she started to work as the Legal Director of British American Tobacco (Türkiye & North Africa). Ms. Önder worked as the European Regional Head of Compliance at British American Tobacco between 2018 and 2022.

Since September 12, 2022 Ms. Önder has been working as Sabancı Holding Legal and Compliance President. She is also a member of the board at Akçansa, Brisa and Carrefoursa.

Committees and Their Responsibilities

According to the Company's Articles of Association, the Board of Directors establishes a sufficient number of Committees ("Committee") to fulfill the required tasks and responsibilities properly. According to the Corporate Governance Code in Türkiye, the Board or each committee may benefit from the opinions of the independent specialists/consultants on matters that they find necessary regarding their activities without approval of corporate management.

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

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

The Corporate Governance, Nomination and Remuneration Committee ensures the implementation of the Corporate Governance Principles within the company to ensure Sabancı Corporate Governance Standards apply across Sabancı Group companies, and if these principles are not implemented, the Committee makes suggestions for improvement to the Board of Directors. The Committee also oversees the activities of the Investor Relations

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

The Early Detection of Risk Committee (EDRC) is responsible for initially evaluating, identifying, and determining the necessary risk measures and management processes for strategic, operational, financial and compliance risks that can hinder Sabancı Holding's existence, development, and continuity; and informing the Board of Directors of critical risks so proactive measures are put in place and fully implemented.

The Board Sustainability Committee, in coordination with Sabancı Holding's Human Capital and Sustainability Group Presidency, monitors the following activities which are under the responsibility of other Management functions related with the Sustainability Leadership Committee, follows up developments and performance, provides guidance for improvement to Holding Management in case of need. The Committee also briefs the Board of Directors and makes suggestions as needed. Aforementioned sustainability topics are as follows:

a) Sustainability Governance

- Structure and functioning of sustainability governance which was established to implement sustainability initiatives in accordance with expectations of internal and external stakeholders.
- Treating all risks which may arise in environmental and social issues, and which may transform into financial risks at times, including reputation risks, with the coordination of the Early Detection of Risk Committee (EDRC).
- Having the necessary knowledge level to comply with all local and international developments to execute managerial duties of Sabancı Holding executive level in sustainability areas.

b) Sustainability Performance

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

c) Transparency

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

d) Policies

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

The members of the Board Sustainability Committee determined in accordance with the decision of the Board of Directors of the company are as follows:

Full Name	Role	Nature of the Board of Directors Membership
Ahmet Erdem ⁶⁶	Committee Chair	Independent Board Member
Hayri Çulhacı	Committee Member	Independent Board Member
Mehmet Kahya	Committee Member	Independent Board Member

For further information Board Sustainability Committee and Sustainability Leadership Committee, see the section Sustainability Management.

You can find more information about the committees and their duties in the Sabancı Holding 2022 Annual Report.

⁶⁶ As of March 30, 2023, Hüseyin GELİS has been appointed as the Chair of the Board Sustainability Committee.

Policies

At Sabancı Group, we regulate the fields of the environment, occupational health and safety, social responsibility, and communication with policies that guide the Group companies.

We have introduced a Group-wide **Responsible Investment Policy** in line with our commitment to doing business responsibly. This policy ensures that our capital allocation and investments decisions comply with the Group's sustainability goals and improve the Group's ESG performance across the entire value chain.

With our **Environmental Policy**, we set environmental standards beyond the legal obligations of Sabancı Group, manage environmental risks and our performance in line with our targets, and take improvement measures.

With our **Health and Safety Policy**, we aim to provide a healthy and safe working environment for Sabancı Group employees and achieve zero work accidents and zero occupational diseases.

Within the scope of our **Corporate Social Responsibility Policy and Principles**, we expect all our establishments that constitute Sabancı Group to responsibly manage the economic, social, and environmental impact of their actions and to prioritize social development.

Within the scope of the **Communication Principles of Sabancı Group**, through internal and external communication tools, we aim to safeguard and promote the corporate reputation of Sabancı Group.

With our **Anti-Bribery and Anti-Corruption Policy**, we demonstrate our absolute intolerance of bribery and corruption across the Group with our external stakeholders while strengthening our position with related measures, sanctions and ethics line.

You can find all our policies [here](#).



Business Ethics

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

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

- Holding and Company Human Resources are responsible for informing all employees (including our part-time and contracted employees) at least once a year about the Code of Ethics to ensure the clarity of policies and rules, providing training, and ensuring constant communication with employees.
- The Holding and Company are responsible for employees reading the ethical rules, being informed about this matter, and ensuring they sign the Employee Statement.

- At the beginning of each year, the Holding and Company ensure all employees renew their notifications by signing the Business Ethics Compliance form.

Within the scope of Sabancı Holding, there are no lawsuits filed and/or concluded against ESG issues, which are important in terms of ESG policies and/or which will significantly affect the activities, for the 2022 fiscal year.

The Sabancı Holding Ethics Board is responsible for supporting the Board of Directors in fulfilling this responsibility. Group employees can report ethical violations to the Ethics Board by emailing etik@sabanci.com, dialing +90 212 385 85 85, or mailing to the Sabancı Holding Headquarters. 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 for raising concerns.

The Code of Business Ethics and Anti-Bribery and Anti-Corruption Policy cover corporate issues, primarily the fight against bribery and corruption, human resources and environmental matters, and compliance with operating principles and legal obligations. The respective Audit Departments carry out periodic or on-demand custom audits under the control of the Audit Committee per International Internal Auditing Standards and Ethical Rules to ensure compliance with legal regulations, contracts, company policies and procedures and ethical rules; to prevent errors and irregularities; to protect assets; to ensure the effectiveness of the risk management and internal control environment, the accuracy and integrity of operational and financial information, and to identify opportunities for improvement. The audits encompass all group companies entering the Sustainability Report's scope, and the business units to be audited are prioritized from a risk perspective. In addition, the Internal Audit Units of Group companies also carry out regular audits for the same purpose under the supervision of Audit Committees at least once every three years.

The audit scope covers all Group companies and the units to be audited within the relevant year are prioritized from a risk perspective. Audit activity covers notification and complaint submitted through the ethics hotline or other channels, and special examinations into violations against legal regulations, our code of ethics and the other company regulations. The number of ethical notifications made in 2022 is 943 excluding the bank. Of these notifications, 4% were made to the Ethics Board, and the rest were made directly to the companies. Notifications and violations are divided into the following five categories: administrative issues, abuse/fraud/conflict of interests, harassment/unfair treatment, working conditions, and notifications from customers and suppliers. Following the evaluation of the notifications, all cases were examined, and ethical violations were observed in rate of 52%. Of the violations, 48% were related to administrative issues. Unfair treatment-related issues follow this at 30%. As a result of the investigations, the employment contracts of 145 employees were terminated in 491 cases due to ethical violations. At H.Ö. Sabancı Holding A.Ş. in particular, no ethical notifications or cases have occurred.

TRAINING ON ETHICS AND PERSONAL DATA PROTECTION

We annually provide refresher training for current employees to keep their SA-ETHIC knowledge up-to-date and raise awareness. We ensure that every new employee in the Group receives SA-ETHIC training. This year, the university students participating in the New Generation Career Experience Program also received SA-ETHIC training. At the end of the training, we request a written statement from the employees signifying their willingness to comply with SA-ETHIC. Since 2019, we have provided online Personal Data Protection training to Group companies. In 2022, we provided 12,492 x hours of ethics training.

ANTI-BRIBERY AND ANTI-CORRUPTION

Sabancı Group does not tolerate bribery or corruption under any circumstances. We expect all Group managers and employees to comply with the duties and responsibilities in the Anti-Bribery and Anti-Corruption Policy. The ethics training provided to employees covers Anti-Bribery and Anti-Corruption Policy-related topics. Employees can report bribery and corruption cases to the Ethics Board by emailing etik@sabanci.com, dialing +90 212 385 85 85, or mailing to the Sabancı Holding Headquarters. The Ethics Board is responsible for reviewing all reports thoroughly according to the privacy policy and resolving them as soon as possible.

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

We follow black-listed individuals and companies in close coordination with public authorities. We black-list suppliers deemed objectionable or risky by public institutions for any reason, act contrary to our Group culture, or violate our processes, and we terminate our business relationship with them. We can thus identify suppliers, contractors, and customers who are known or suspected of being involved in bribery. We apply sanctions on people who urge, encourage, and legitimize violating acts, as well as those who tolerate such acts by not reporting them despite being aware of them. Nevertheless, those suppliers can be re-evaluated every year and added to the suppliers' list once they have remedied the violations.

You can access the Sabancı Holding Anti-Bribery and Anti-Corruption Policy here.

Annex 1: Stakeholder Relations and Communication

Stakeholders	Frequency	Communication Platforms	Stakeholder Priorities
Employees	Daily	Audits, supplier meetings, training	Business results, remuneration, performance and talent management, employee development, leadership, communication between Group companies, digitalization, innovation, ESG performance
Shareholders and Investors	At least monthly	Annual reports, annual meetings, conferences	Financial performance, ESG performance, future targets, responsible investment approach
Suppliers	Daily	Audits, supplier meetings, training	Business performance, incentives, quality, investment in sustainable business models
Dealers and Partners	At least weekly	Dealer meetings, field visits, training	Business performance, business goals
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; innovation
Universities	Project-based	Career days, project partnerships	Contribution to career opportunities, knowledge generation and development, reduction of environmental impact, performance improvement in the value chain
Mass media	Weekly	Press conferences, press releases, exclusive interviews, special news studies, digital communication channels	Business goal development, driving sectoral development, agenda assessment, transparency

Annex 2: Corporate Memberships and Initiatives

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
30% Club Türkiye	Member
World Business Council of Sustainable Development	Member
UN Global Compact	Member
The Turkish Industry and Business Association	High-Level Representation and Representation in Various Commissions and Working Groups
The Foreign Economic Relations Board of Türkiye	Business Councils Member / Member
The Corporate Governance Association of Türkiye	Member
The Institute of Internal Auditing of Türkiye	High-Level Representation and Ethics Committee Membership
The Turkish Investor Relations Society	High-Level Representation / Board Member / Member
The Istanbul Chamber of Commerce	Member
The Board of Directors Association	Member
The American Turkish Society	Board Member
The World Energy Council	Board Member
The Turkish Cement Manufacturers' Association	Chair
The Cement Industry Employers' Association	Board Member/Member
The Global Cement and Concrete Association	Member
CEMBUREAU	Member
Business Plastics Initiative	Member
Business Council for Sustainable Development Türkiye	Board Member/Member
The Ethics and Reputation Society of Türkiye	Member
The People Management Association of Türkiye	Member
UNICEF Türkiye	Business Advisory Board Membership

Annex 3: Performance Indicators

Environmental Performance Indicators

Energy Consumption	2020*	2021*	2022
Total energy consumption (MWh)	39,474,981	43,342,048	38,141,793
Renewable energy consumption (MWh)	164,781	355,920	1,169,642
Purchased heat/steam/cooling (kg)	80,583	39,873	37,802

Savings and Reductions Based on Environmental Investments	2020*	2021*	2022
Energy savings (MWh)	12,506	43,157	73,792
Greenhouse gas emission reductions (ton CO ₂ e)	20,636	117,570	4,033,409

Greenhouse Gas Emissions ⁶⁷ (ton CO ₂ e)	2020*	2021*	2022
Scope 1	9,194,246	9,977,578	9,065,147
Scope 2 (location-based)	907,001	1,227,675	1,118,018
Scope 2 (market-based)	907,001	1,227,675	887,826
Total (Scope 1 and 2)	10,101,247	11,205,253	9,952,973
Scope 3 ⁶⁸	11,219,425	11,594,615	10,290,896
Total	21,320,671	22,799,868	20,243,869

Air Emissions (kg)	2020*	2021*	2022
NOx	11,634,810	36,759,565	28,042,536
SOx	3,675,249	10,962,819	3,650,508
Persistent organic pollutants (POP)	-	-	0.000124
Volatile organic compounds (VOC)	174,718	347,715	252,415
Hazardous air pollutants (HAP)	2	11,183	850
Particulate matter (PM)	72,715	301,282	306,490

Water Consumption ⁶⁸ (m ³)	2020*	2021	2022
Water consumption	10,051,448	9,258,621	8,429,288
Water withdrawal	10,051,448	10,647,280	10,026,518
Water recycled and reused	-	23%	31%
Total amount of discharged water	3,488,182	5,378,280	2,340,655

2021 total water consumption data has been restated because of the latest calculations.

GRI 2-4, 302-1, 302-3, 302-4, 303-3, 303-4, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-3

Waste ⁶⁸ (ton)	2020*	2021*	2022
Hazardous waste	8,109	8,206	10,625
Non-hazardous waste	23,465	34,555	41,819
Non-hazardous waste including ash waste	-	-	2,333,819
Total waste without ash waste	31,574	42,761	52,445
Total waste with ash waste	-	-	2,344,445
Percentage of waste reused and recycled	87%	80%	78%
Percentage of waste reused and recycled including ash	-	-	2%
Plastic consumption	15,762	2,725	4,066

Intensity Indicators	2020*	2021*	2022
Energy intensity (MWh/ million TL)	381.28	284.93	94.51
Greenhouse gas emission intensity (ton CO ₂ e/ million TL)	97.57	73.66	24.66
Water intensity (m ³ / million TL)	97.08	70.11	24.78
Waste intensity (ton/million TL)	0.30	0.28	0.13
Waste intensity with ash waste (ton/million TL)			5.69

Total Environmental Investments and Expenditures (TL)	2020*	2021*	2022
Mitigation investments	12,217,351	148,608,145	3,463,624,009
Transition investments	15,430,444	72,309,255	297,802,375
Enabler investments	125,160,338	255,505,514	1,290,404,438
Environmental expenditures mandatory by law	19,632,611	19,952,712	39,984,869
Environmental expenditures that are not required by law	14,814,655	14,407,163	62,933,911

*Verified data.

⁶⁷ Scope 1, 2 and 3 GHG emissions of the Group for the year 2020 and 2021 have been restated due to the change in consolidation approach. Sabancı Holding's GHG emissions have been calculated by using the equity share approach in accordance with the Greenhouse Gas Protocol. Accordingly, Sabancı Holding accounts for GHG emissions from operations according to its share of equity in the operation.

⁶⁸ Only Sabancı Holding's business travels and employee committing data are included in consolidated value.

Annex 3: Performance Indicators

Social Performance Indicators

Employees by Category	2020*		2021*		2022	
	Female	Male	Female	Male	Female	Male
Total number of employees	14,178	33,485	14,118	33,687	15,218	34,687
Number of white-collar employees	8,983	13,716	9,414	13,863	11,251	14,360
Number of blue-collar employees	5,195	19,769	4,704	19,825	3,967	20,327
Employees covered by collective bargaining agreements	4,833	18,341	4,321	18,496	3,022	17,485
Number of employees with disabilities	240	1,015	246	986	274	1,032
Number of foreign employees	3	17	1	15	-	14
Number of part-time employees	-	-	-	-	45	28
Employees by Employment Type	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Employees by employment type	46,635	1,017	47,764	41	49,831	74
Number of white-collar employees	22,348	340	22,979	11	25,555	56
Number of blue-collar employees	24,287	677	24,785	30	24,276	18
Employees by Age	Female	Male	Female	Male	Female	Male
30 and younger	3,922	6,850	3,556	6,995	4,010	7,409
30-50 years old	10,124	25,503	10,404	25,529	10,990	25,849
50 and older	131	1,122	158	1,163	218	1,429
Number of New Hires	Female	Male	Female	Male	Female	Male
Under 30	1,378	2,436	2,008	3,668	2,788	3,300
30-50 years old	545	1,301	818	1,567	1,306	1,789
Over 50	1	48	4	57	18	71
Number of Employees Who Left	Female	Male	Female	Male	Female	Male
Total number of employees who left	1,424	2,675	2,015	3,569	2,089	3,719
Number of employees leaving - under 30	723	1,166	923	1,300	962	1,561
Number of employees leaving - 30-50 years old	680	1,321	1,068	2,023	1,094	1,938
Number of employees leaving - over 50	21	188	24	246	33	220
Number of employees left voluntarily	855	1,447	1,329	2,223	1,621	2,613
Voluntary employee turnover rate	0.06	0.04	0.09	0.07	0.11	0.08
Total employee turnover rate	0.10	0.08	0.14	0.11	0.14	0.11
Employees by Years	Female	Male	Female	Male	Female	Male
Number of employees working for a period of 0-5 years	5,797	13,452	5,702	12,815	6,449	12,780
Number of employees working for a period of 5-10 years	3,860	10,659	3,858	10,504	3,831	11,093
Number of employees working for a period of more than 10 years	4,520	9,367	4,564	10,356	4,937	10,816

*Verified data.

GRI 2-7, 2-8, 2-30, 205-2, 401-1, 401-3, 403-5, 403-9, 403-10, 404-1, 404-3

Annex 3: Performance Indicators

Maternal/Parental Leave	2020		2021		2022	
	Female	Male	Female	Male	Female	Male
Number of employees granted maternal/parental leave	814	2,043	749	1,775	798	1,894
Employees who returned to work after maternal/parental leave	761	1,741	682	1,775	755	1,894
Ratio of the employees who returned to work after maternal leave	86%		90%		95%	

Performance Evaluation	2020		2021		2022	
	Female	Male	Female	Male	Female	Male
Number of employees subject to regular performance evaluation	10,100	15,355	4,156	10,689	10,620	15,683

Training	2020*	2021*	2022
	Total training hours	985,230	1,508,379
Average training hours per employee	21	32	33
Ethics training	-	1,425	12,432
Sustainability training	37,835	21,118	14,700
Diversity and inclusion training	9,679	18,476	21,078
Anti-Bribery training	-	8,890	36,770
Average training cost per person (person/hours)	-	9,444	2,765

Subcontractors ⁶⁹	Female	Male	Female	Male	Female	Male
	Number of subcontractors	4,420	6,534	5,283	7,351	5,075

Occupational Health and Safety Indicators (Employees)	2020*	2021*	2022
	Number of fatalities	1	3
Number of incidents	321	518	547
Number of occupational diseases	0	16	9
Incident rate (IR)	0.79	0.89	0.87
Lost day rate (LDR) ⁷⁰	8.79	11.83	7.26
Injury-related Absenteeism ⁷¹	1,521	5,387	4,573
Total OHS Investments (TL) ⁷²	96,406,786.55	130,902,549.26	93,470,861
OHS training hours	220,243	496,915	568,651
Average OHS training hours per employee	5	10	11

*Verified data.

⁶⁹ Agesa and SabancıDx is not included. ⁷⁰ Lost day rate (LDR) is the ratio of total lost days, which is calculated based on work-related injury or disease only to total working days. LDR for the respective year is calculated as follows: Total Number of Lost Days * 200,000/ Employee hours worked ⁷¹ Absentee (AR) for the respective year is the ratio of total absent days to the employee hours worked. ⁷² Akbank, CSC BV and Sabancı Holding are not included.

Annex 4: Reporting Principles

This reporting principles (the “Principles”) provides information on the data preparation and reporting methodologies of indicators within the scope of the limited assurance in the Hacı Ömer Sabancı Holding A.Ş.’s (the “Sabancı Holding”, “Group”) 2022 Sustainability Report (the “2022 Sustainability Report”). The indicators include social indicators, environmental indicators and economic indicators. It is the responsibility of the Group’s management to ensure that appropriate procedures are in place to prepare the indicators mentioned above in line with, in all material respects, the Principles.

The data included in this guideline is for the FY 22 (1 January – 31 December 2022), fiscal year ended December 31, 2022, and as detailed in the “Key Definitions and Reporting Scope” section comprises only the relevant operations of listed companies below in Türkiye and Çimsa’s abroad location that are the responsibility of the Group.

- Agesa Emeklilik ve Hayat A.Ş. (“Agesa”)
- Akbank T.A.Ş. (“Akbank”, “Bank”)
- Akçansa Çimento Sanayi ve Ticaret A.Ş. (“Akçansa”)
- Aksigorta A.Ş. (“Aksigorta”)
- Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. (“Brisa”)
- Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. (“Carrefoursa”)
- Çimsa Çimento Sanayi ve Ticaret A.Ş. (“Çimsa”)
- Enerjisa Enerji A.Ş. (“Enerjisa Enerji”)
- Enerjisa Üretim Santralleri A.Ş. (“Enerjisa Üretim”)
- Hacı Ömer Sabancı Holding A.Ş. (“Holding”)
- Kordsa Teknik Tekstil A.Ş. (“Kordsa”)
- Sabancı Dijital Teknoloji Hizmetleri A.Ş. (“SabancıDx”)
- Teknosa İç ve Dış Ticaret A.Ş. (“Teknosa”)
- Temsa Skoda Sabancı Ulaşım Araçları A.Ş. (“Temsal”)

General Reporting Principles

In preparing this guidance document, consideration has been given to following principles:

- Information Preparation – to highlight to users of the information the primary principles of relevance and reliability of information; and
- Information Reporting – to highlight the primary principles of comparability / consistency with other data including prior year and understandability / transparency providing clarity to users.

Key Definitions and Reporting Scope

For the purpose of this report, the Group defines:

Type	Indicator	Scope
	Occupational Health and Safety	
	Number of Incidents (#)	This indicator indicates the total number of accidents which occurred during a work-related activity of the employee and monitored through notifications made to the Social Security Institution during the reporting period.
	Number of Fatalities (#)	This indicator reflects the number of fatal accidents resulted in deaths which occurred during a work-related activity of the employee and monitored through notifications made to the Social Security Institution during the reporting period.
	Number of Occupational Diseases (#)	This indicator reflects the total number of occupational diseases that refer to temporary or permanent illness, physical or mental disability, which occur due to the nature of the work, or the operating conditions of the business. This is followed up through notifications made to the Social Security Institution during the reporting period.
	Social Indicators	
	Injury-related Absenteeism (#)	This indicator refers to absenteeism as a result of accidents that are machine/equipment collision, uncontrolled material movement, cutting with blades, getting stuck between machine equipment, falling/sliding/tripping, car crashes, landings, rubbing, getting stuck between car and equipment, resulting loss of working days and followed up through notifications made to the Social Security Institution during the reporting period.
	Total Working Hours (h)	This indicator reflects total working hours of the employees that is tracked by Human Resources of the Companies during the reporting period.
	Lost Day Rate (%)	This indicator means the rate of lost workdays due to work accidents that are machine/equipment collision, uncontrolled material movement, cutting with blades, getting stuck between machine equipment, falling/sliding/tripping, car crashes, landings, rubbing, getting stuck between car and equipment, and monitored through notifications made to the Social Security Institution during the reporting period.
	OHS Training Hours (h)	This indicator represents the total hours of the OHS trainings, delivered to the employees and sub-contractors, that is tracked monitored through the training tracking platform of Human Resources of the Companies during the reporting period.

Annex 4: Reporting Principles

Type	Indicator	Scope
	Total Number of Employees	
	Total Number of Employees (#)	This indicator means the total number of female and male employees who were monitored through Human Resources and were reported to the Social Security Institution.
	Distribution of Female Employees	
	Female Employees' Rate (%)	This indicator means the ratio of the total number of female employees of the Group to the total number of employees during the reporting period.
	Distribution of Female Managers (%)	This indicator represents the ratio of the female managers (N-1; executive level who directly reports to the CEO, N-2; middle level which is two degrees away from CEO and N-3; managerial level is three degrees away from CEO) during the reporting period.
	Share of Women Managers in Revenue-Generating Roles (%)	This indicator means the ratio of the female managers worked in the roles that have an impact on the Group's revenue directly. Revenue-generating roles defined as the roles that when vacant, no revenue is generated.
	Share of Women Employees in STEM Roles (%)	This indicator represents the ratio of female employees worked in STEM (Science, Technology, Engineering, Mathematics) roles and tracked by Human Resources of the Companies during the reporting period.
Social Indicators	Total Number of Employees on Maternity Leave (#)	This indicator means the number of female employees on maternity leave within the periods specified in the regulation and tracked by Human Resources of the Companies during the reporting period.
	Total Number of Employees on Paternity Leave (#)	This indicator means the number of male employees on paternity leave within the periods specified in the regulation and tracked by Human Resources of the Companies during the reporting period.
	Total Number of Employees Returned to Work After Maternity Leave (#)	This indicator means the number of female employees returned to work after maternity leave and tracked by Human Resources of the Companies during the reporting period.
	Total Number of Employees Returned to Work After on Paternity Leave (#)	This indicator means the number of male employees returned to work after paternity leave and tracked by Human Resources of the Companies during the reporting period.
	Ratio of the Employees who Returned to Work After Maternal Leave (%)	This indicator represents the ratio of the females left and returned to work after maternal leave during and tracked by Human Resources of the Companies the reporting period.

Type	Indicator	Scope
	Trainings	
	Total Hours of Trainings by Gender (h)	This indicator reflects the total hours of training provided to employees that is monitored through the training tracking platform of Human Resources during the reporting period.
	Total Hours of Trainings by Age (h)	This indicator reflects the total hours of training provided to the employees that is monitored through the training tracking platform of Human Resources during the reporting period. It is tracked by age groups as under 30, between 30 and 50, and over 50.
	Total Hours of Trainings by Managerial Level (h)	This indicator reflects the total hours of training provided to the managers that is monitored through the training tracking platform of Human Resources during the reporting period. It is tracked by managerial levels as N-1, N-2 and N-3.
	Total Hours of Trainings by training types (h)	This indicator reflects the total hours of training provided to the employees that is monitored through the training tracking platform of Human Resources during the reporting period. It is tracked by types (ethics, diversity and inclusion, sustainability and environment and anti-bribery and corruption).
	Total Training Cost (TL)	This indicator reflects the total costs of the trainings provided to the employees that is monitored through the training tracking platform of Human Resources during the reporting period.
	Average Training Costs per Person (TL)	This indicator reflects the average training costs per employee during the reporting period.
	Total Number of Employees Hired	
	Number of Employees Hired by Gender (#)	This indicator reflects the total number of female and male employees hired and declared to the Social Security Institution with the Employment Declaration during the reporting period.
	Number of Employees Hired by Age (#)	This indicator reflects the total number of employees hired and declared to the Social Security Institution with the Employment Declaration during the reporting period. It is tracked by age groups as under 30, between 30 and 50, and over 50.
	Number of Employees Hired by Managerial Level (#)	This indicator reflects the total number of managers hired and declared to the Social Security Institution with the Employment Declaration during the reporting period. It is tracked by the managerial levels as N-1, N-2 and N-3.

Social Indicators

Annex 4: Reporting Principles

Type	Indicator	Scope
	Total Number of Employees Left	
	Number of Employees Left by Gender (#)	This indicator reflects the total number of female and male employees left and declared to the Social Security Institution of the Companies with the Declaration of Leaving Employment during the reporting period.
Social Indicators	Number of Employees Left by Age (#)	This indicator reflects the total number of employees left and declared to the Social Security Institution of the Companies with the Declaration of Leaving Employment during the reporting period. It is tracked by age groups as under 30, between 30 and 50, and over 50.
	Number of Employees Left by Managerial Level (#)	This indicator reflects the total number of managers left and declared to the Social Security Institution of the Companies with the Declaration of Leaving Employment during the reporting period. It is tracked by managerial levels N-1, N-2 and N-3.
	Turnover Rates	
	Turnover Rates by Gender (%)	This indicator means the ratio of the number of employees who quit their jobs declared by the Companies to the Social Security Institution with the Declaration of Leaving Work to the total number of employees within the reporting period. It is monitored in gender breakdown.
	Turnover Rates by Age (%)	This indicator means the ratio of the number of employees who quit their jobs declared by the Companies to the Social Security Institution with the Declaration of Leaving Work to the total number of employees within the reporting period. It is monitored in age breakdown as under 30, between 30 and 50 and over 50.
Social Indicators	Turnover Rates by Managerial Level (%)	This indicator means the ratio of the number of managers who quit their jobs declared by the Companies to the Social Security Institution with the Declaration of Leaving Work to the total number of managers within the reporting period. It is monitored in managerial level breakdown as N-1, N-2 and N-3.
	People Reached Through Inclusion Programs in Reporting Period (#)	It refers to the number of people of the vulnerable groups (elderly, youth, women, socioeconomically disadvantaged people and disabled people, etc.) reached by the Group through inclusion programs during the reporting period.

Type	Indicator	Scope
	Energy Consumption by Fuel Type	
	Total Energy Consumption (MWh)	
	Natural Gas Consumption (m ³)	This indicator reflects the total purchased natural gas (volume – m ³) consumption used for heating, cooking and other business operations that require natural gas, at the relevant locations of the Group during the reporting period. It is reported in MWh on a consolidated basis.
	Diesel Consumption (L)	This indicator reflects the total purchased diesel (volume – l) consumption used for generators and company-owned cars at the relevant locations of the Group during the reporting period. It is reported in MWh on a consolidated basis.
	Coal (Ton)	This indicator reflects the total purchased coal (by weight – tones) consumption used for heating at the relevant locations of the Group's during the reporting period.
	Fuel-Oil (m ³)	This indicator reflects the total purchased fuel-oil (by weight – tones) consumption used for heating at the relevant locations of the Group's during the reporting period.
Environmental Indicators	Gasoline (L)	This indicator reflects the total purchased gasoline (volume – l) consumption used for company-owned cars at the relevant locations of the Group during the reporting period. It is reported in MWh on a consolidated basis.
	LPG (kg)	This indicator reflects the total purchased LPG consumption used for company-owned cars at the relevant locations of the Group's during the reporting period. It is reported in kg on a consolidated basis.
	LNG (L)	This indicator reflects the total purchased liquified natural gas (volume – l) consumption used for heating, cooking and other business operations that require natural gas, at the relevant locations of the Group during the reporting period. It is reported in liter on a consolidated basis.
	CNG (m ³)	This indicator reflects the total purchased compressed natural gas (volume – l) consumption used for heating, cooking and other business operations that require natural gas, at the relevant locations of the Group during the reporting period. It is reported in m ³ on a consolidated basis.
	Petroleum Coke (ton)	This indicator refers to the petroleum coke (by weight – tones) consumption used for business operations at the relevant locations of the Group's during the reporting period. It is reported in MWh on a consolidated basis.

Annex 4: Reporting Principles

Type	Indicator	Scope	
Environmental Indicators	Alternative Fuels (ton)	This indicator refers to the alternative fuels such as waste oil, waste tire, waste-derived fuel and waste sludge (by weight – tones) consumption used for business operations at the relevant locations of the Companies during the reporting period. It is reported in ton on a consolidated basis.	
	Electricity Consumption (MWh)	This indicator reflects the total purchased electricity consumption used for air conditioning, lighting, electrical equipment uses and other business operations that require electricity, at the relevant locations of the Group during the reporting period. It is reported in MWh on a consolidated basis.	
	Purchased Heat/ Steam/Cooling (kg)	Purchased in the reporting period means the amount of R22 and other gases such as SF6, R407C, R134A, R410A and CO ₂ purchased by the Group and the amount of refrigerant gas consumed for cooling purposes. It is reported in kg on a consolidated basis. Gases has been calculated based on maintenance/repair forms and related invoices.	
	Sold Heat/Steam/Cooling (kg)	This indicator represents the amount of steam, cooling gasses, heat, electricity sold by the Group during the reporting period. Sold energy is reported in MWh on a consolidated basis.	
	Share of Renewable Energy Consumption in Total Energy Consumption		
	Renewable Energy Generation (MWh)	It represents the total of renewable energy sourced electricity produced by the Group during the reporting period. It is reported in MWh on a consolidated basis.	
	Renewable Energy Consumption (MWh)	This represents the Group's renewable energy consumption figures by the end of the reporting period. It is reported in MWh on a consolidated basis.	
	Purchased Renewable Energy (MWh)	It represents the total purchased renewable energy (by I-REC, YEK-G certificates etc.) during the reporting period. It is reported in MWh on a consolidated basis.	
	Intensity Indicators		
	Energy intensity (MWh/ Million TL)	It means energy consumption per revenue-TL within the reporting period. It is reported in MWh/TL on a consolidated basis.	
Greenhouse Gas Emission Intensity (ton CO ₂ e/million TL)	It means greenhouse gas emissions per revenue-million TL within the reporting period. It is reported in tonCO ₂ e/million TL on a consolidated basis.		
Total Yearly Business Air Travel in Kilometers (km)	It means the total kilometers of air travels made by the Group employees during the reporting period.		
Total Yearly Employee Commuting in Kilometers (km)	It means the total kilometers covered by the services provided for the Group employees during the reporting period.		

Type	Indicator	Scope	
Environmental Indicators	Greenhouse Gas Emissions (ton CO₂e)		
	The Greenhouse Gas Emissions (GHG) Consolidation Approach	Sabancı Holding's GHG emissions have been calculated by using the equity share approach in accordance with the Greenhouse Gas Protocol. Accordingly, Sabancı Holding accounts for GHG emissions from operations according to its share of equity in the operation. The rationale of this methodological change based on distribution of the responsibility for reducing greenhouse gas emissions in a fair and equitable manner. It provides a comprehensive and balanced framework for tackling climate change and ensuring that all stakeholders are included in the efforts to reduce greenhouse gas emissions. In addition, the GHG equity share approach encourages investments in sustainable technologies and practices which can have lasting positive effects on environment, society, and the transformation of the economy. It also allows for flexibility in emission reduction strategies enabling the adoption of tailored solutions that best suit each stakeholder's circumstances.	
		Scope 1 (tCO ₂ e)	This indicator reflects the emissions of greenhouse gases due to the use of natural gas, diesel, gasoline consumption, SF6 and refrigerant gases and fire extinguishing devices at the relevant locations of the Group during the reporting period. It is reported in tonCO ₂ e on a consolidated basis.
		Scope 2 (tCO ₂ e)	This indicator reflects the emissions of greenhouse gases due to the use of purchased electricity at the relevant locations of the Group during the reporting period. It is reported in tonCO ₂ e on a consolidated basis.
	Scope 3 (tCO ₂ e)	This indicator includes scope 3 emissions associated with the Holding's investments in the reporting year, not already included in scope 1 or scope 2. Moreover, scope 3 also includes Holding's business travelers and employee commuting figures.	
	Water Consumption		
	Water Consumption (m ³)	This indicator reflects the total water consumption by source (volume – m ³) as mains water, fresh water, well water, third party sources, reused water at the relevant locations of the Group during the reporting period. It is reported in m ³ on a consolidated basis.	
	Total Amount of Discharged Water (m ³)	This indicator reflects the total water discharge by source (volume – m ³) at the relevant locations of the Group during the reporting period. It is reported in m ³ on a consolidated basis.	

Annex 4: Reporting Principles

Type	Indicator	Scope
Environmental Indicators	Water Recycled and Reused (%)	This indicator represents the ratio of the amount of water reused-recycled to the total consumed water in the reporting period. It is reported in m ³ on a consolidated basis.
	Waste	
	Percentage of waste reused and recycled (%)	It represents the ratio of the amount of waste recycled in the reporting period to the total amount of hazardous and non-hazardous waste.
	Percentage of waste reused and recycled including ash (%)	It represents the ratio of the amount of waste recycled in the reporting period to the total amount of hazardous and non-hazardous waste including ash.
	Hazardous Waste (ton)	It means the amount of hazardous waste where the Group's operations take place during the reporting period. It is reported in ton on a consolidated basis.
	Non-Hazardous Waste (ton)	It means the amount of non-hazardous waste where the Group's operations take place during the reporting period.
	Non-Hazardous Waste including ash waste (ton)	It means the amount of non-hazardous waste including ash waste where the Group's operations take place during the reporting period.
	Total waste without ash waste (ton)	It means the total amount of hazardous and non-hazardous waste excluding ash waste where the Group's operations take place during the reporting period.
	Total waste with ash waste (ton)	It means the total amount of hazardous and non-hazardous waste including ash waste where the Group's operations take place during the reporting period.
	Plastic consumption (ton)	Total plastic consumption is followed up with invoices; represents the consumption amount of plastic products, pet bottles, bags and plastic packaging.
Sustainable Business Model		
Economic Indicators	Number of SDG-linked Products and Services (#)	It refers to the number of mitigation (Products that directly reduce resource use or carbon emissions. Includes activities that are considered unquestionably sustainable.), transition (Products and services that are not considered entirely environmentally friendly in nature, but can be considered as a transition to more sustainable technologies, such as cement and rubber products produced using alternative raw materials and/or fuels.) and enabler (Products that are not considered as direct source/carbon emission reduction activities, but facilitate the dissemination of related technologies.) products and services offered by the Group during the reporting period that provide environmental and social benefits.

Type	Indicator	Scope
Environmental Indicators	SDG-linked Product and Service Revenue (TL)	It refers to the income obtained from the products and services offered by the Group during the reporting period, which provide environmental and social benefits, and have a mitigation, transitional and facilitating nature. It is reported as TL on a consolidated basis.
	R&D and Innovation Investments (TL)	It refers to the R&D and innovation investments of the Group made during the reporting period. It is reported as TL on a consolidated basis.
	SDG-Linked R&D and Innovation Investments (TL)	It refers to the sustainability-oriented R&D and innovation investments of the Group made during the reporting period. It is reported as TL on a consolidated basis.
	Ratio of SDG-Linked R&D and Innovation Activities (%)	It refers to the ratio of sustainability linked R&D and innovation investments in the Group's investment budget to total R&D and innovation investment during the reporting period.
	Environmental Investments and Expenditures	
	Environmental Investments by Type (TL)	It refers to the mitigation (Products that directly reduce resource use or carbon emissions. Includes activities that are considered unquestionably sustainable.), transition (Products and services that are not considered entirely environmentally friendly in nature, but can be considered as a transition to more sustainable technologies, such as cement and rubber products produced using alternative raw materials and/or fuels.) and enabler (Products that are not considered as direct source/carbon emission reduction activities, but facilitate the dissemination of related technologies.) environmental investments carried out by the Group during the reporting period that provide environmental and social benefits. It is reported as TL on a consolidated basis.
	Savings and Reduction Based on Environmental Investments (TL)	It refers to the financial savings and environmental/social benefits through SDG-linked investments and/or operations during the reporting period. It is reported as TL on a consolidated basis.
Environmental Expenditures by Type (TL)	It refers to expenditures that are legally required and not legally required in the reporting period. It is reported as TL on a consolidated basis.	

Annex 4: Reporting Principles

Data Preparation

Social Indicators

Occupational Health and Safety (OHS) Indicators

The number of accidents and the number of fatal cases is followed by the tables that list the Social Security Institution declarations.

The following definitions and formulas are used in the calculation of occupational health and safety indicators.

Formulas:

Lost Day Rate = Accidental Absence / Total Working Hours * 200,000

Distribution of Female Employees Data

The total number of employees represents the total number of employees that the companies have as of the end of the reporting year and that are based on the information included in the annual reports or human resources systems published as of 31 December 2022.

The following definitions and formulas are used in the calculation of female employee distribution indicators.

Formulas:

Female Employees's Rate = Number of Female Employees / Total Number of Employees

Distribution of Female Managers

Managerial levels in the scope are defined as N-1, N-2 and N-3. N-1 level is an executive level who directly reports to the CEO. N-2 level is defined as the middle level which is two degrees away from CEO. Similarly, N-3 is a managerial level is three degrees away from CEO.

Formulas:

Ratio of female managers (N-1) = number of N-1 level female managers / total number of N-1 level managers

Ratio of female managers (N-2) = number of N-2 level female managers / total number of N-2 level managers

Ratio of female managers (N-3) = number of N-3 level female managers / total number of N-3 level managers

Distribution of Female Managers in Revenue-Generating Roles

Revenue-generating roles defined as the roles that when vacant, no revenue is generated.

Formulas:

Share of Women Managers in Revenue-Generating Roles = number of female managers in revenue-generating roles / total number of managers in revenue-generating roles

Distribution of Female Employees in STEM Roles

STEM roles are directly related to Science, Technology, Engineering and Mathematics.

Formulas:

Share of Women Employees in STEM Roles = Number of female employees in STEM roles / total number of employees in STEM roles

Parental Leaves

Parental leaves include maternity and paternity leaves during the reporting period.

Formulas:

Ratio of the Employees who Returned to Work After Maternal Leave = Number of employees returned from maternity leaves / Number of employees left due to maternity leave

Annex 4: Reporting Principles

Trainings:

It represents the trainings provided to the employees during the reporting period. Total training hours is divided into four sub-categories. Total training hours by gender (female and male), by age (under 30, between 30 and 50, over 50), by managerial levels (N-1, N-2 and N-3), by training types (ethics, diversity and inclusion, sustainability and environment and anti-bribery and corruption).

Total cost of the trainings represents the total cost of all the trainings provided by the Companies to their employees.

Formulas:

Average Training Costs per Employee = Total cost of all the trainings / the number of employees

Total Number of Employees Hired

The number of employees hired during the reporting period is divided into three categories as gender (female and male), age (under 30, between 30 and 50, over 50) and managerial level (N-1, N-2 and N-3).

Total Number of Employees Left

The number of employees left during the reporting period is divided into three categories as gender (female and male), age (under 30, between 30 and 50, over 50) and managerial level (N-1, N-2 and N-3).

Turnover Rates

Formulas:

Turnover rates by gender:

- Number of female employees left / total number of female employees
- Number of male employees left / total number of male employees

Turnover rates by age:

- Number of employees under 30 left / total number of employees under 30
- Number of employees between 30 and 50 left / total number of employees between 30 and 50
- Number of employees over 50 left / total number of employees over 50

Turnover rates by managerial level:

- Number of managers (N-1) left / total number of managers (N-1)
- Number of managers (N-2) left / total number of managers (N-2)
- Number of managers (N-3) left / total number of managers (N-3)

People Reached Through Inclusion Programs in Reporting Period

It refers to the number of people of the sensitive groups (old, youth, women and disabled people, etc.) reached by the Group through inclusion programs.

Akbank:

It refers to the number of young people reached through the programs named "Gençlik Akademisi" and "Şehrin İyi Hali". The number of participants is tracked through the confirmation letters received.

Agesa:

Sensitive groups reached in 2022 include aid to people over the age of 65. These people are reached within the scope of "Her Yaşta Fonu" projects that are realized in cooperation with the Non-Governmental Organization. Another sensitive group is young people. The number of people represents the support for the education of 9 female students made to the Turkish Education Foundation AgeSA Scholarship Fund. Another group is children who are reached through ecology workshops. 3 female employees are also included in the sensitive group reached through a project called "Deniz Yıldızları" and consists of employed female workers in call centers. Another group is visually impaired people. Within the framework of its cooperation with BlindLook, AgeSA provides voice guidance services to its visually impaired customers in their digital applications, enabling them to perform all insurance transactions on their own without assistance. In the 2022 reporting period, 1951 visually impaired users entered through digital channels.

Enerjisa Enerji:

Sensitive groups reached in 2022 include the "Device Dependent Patients" (Hasta Var Programı), who maintain their life dependent on a device. If the medical condition of a patient requires vital medical equipment, in case of an outage in their residential area, emergency supply is provided. Furthermore, in accordance with the amendments on the Regulation on Electricity Market Customer Services Regulation in 2022, the conditions for cutting off energy to vulnerable customers in case of unpaid bills have been altered. Accordingly, for the families of martyrs, veterans, and disabled veterans, customers over the age of 65 and customers who submitted a health report stating that they had disabilities over 40%; the electricity will be cut only in the case of three consecutive months of failure in payment.

Annex 4: Reporting Principles

Kordsa:

The Women Empowering Engineering (*MGK) project organized for the youth, the donation made on behalf of female employees and the women's day celebration, and the April 23 event for children are inclusion programs organized by Kordsa.

**Engineer empowerment work for women is workshop programs organized for young people to gain an engineer perspective and improve their artistic and handicraft skills.*

Brisa:

Sensitive groups reached in 2022 include youth, children and women. It represents the number of young people and children reached through activities and donations within the scope of the Sustainability Week and "Cumhuriyet Seferberliği" Project. The number of women reached represents the number of people reached by the ideathon program.

Temsa:

Sensitive groups reached in 2022 include young people who benefit from university, vocational high school, summer internship programs, workplace training, the foundation for children with leukemia and inclusiveness of disabled people in recruitment process of Temsa.

Carrefoursa:

Sensitive groups reached in 2022 include people reached through TIDER by Destek Market which was created in collaboration with TIDER.

Teknosa:

Within the scope of the "Technology for Women" project, the number of female participants who attended digital literacy training was evaluated. Additionally, "Yarının Farkında", "AÇEV" and "Fixfest" projects was held for the students and young groups and others.

Çimsa:

In the reporting period, it refers to the number of children, youth and disabled people reached through the Company's "Republic Mobilization - Our Mission is Equality", "Republic Mobilization - Water is Breath", "Disability Week" and "World Water Day" projects.

Enerjisa Üretim:

Honey Forest Project: Producers are supported by supporting the planting of different types of plants.

500 Women Support: Preparatory training was given to support the entry of university and high school senior female students into the energy sector.

Providing Online Mathematics Lessons to Children: InoKids Application was opened to the access of children from Grade 2 to Grade 8, enabling them to receive fun math education.

SVET Project: A total of 13700 certified walnuts and stone fruit saplings were distributed in Tufanbeyli and Saimbeyli. A total of 103 producers benefited from the certified walnut saplings distributed.

Library Construction: A library, carpet purchase and Kindergarten were installed in Yahyalı Çamlıca Primary School.

Education Project: Soysallı Primary and Secondary School renovation works were carried out and the education conditions of 246 students in the earthquake area were improved.

A total of 450 fire resistant boats were given to Adana, Kahramanmaraş and Kozan Forestry Operations Directorates.

Environmental Indicators

Energy Consumption by Fuel Type

Within the scope of energy consumption data for Akbank, Aksigorta, Agesa, Enerjisa Üretim, Enerjisa Enerji, SabancıDx, Kordsa, Brisa, Temsa, Carrefoursa, Teknosa, Akçansa, Çimsa and Holding, natural gas, diesel, fuel-oil, gasoline, LPG, CNG, coal, petroleum-coke, alternative fuels and electricity have been reported. The data is obtained with the meter, invoice, receipt, and maintenance-repair forms of the service providers.

Akbank:

Akbank's headquarter and buildings, branches and vehicles are included in the calculations. For calculating these values, the consumptions are obtained from the counters and invoices of the service providers or based on the consumptions in the sample branches.

Aksigorta:

Natural gas consumption is obtained by dividing the unit price over the TL amount of the invoices of the service providers. Consumption values for 70% Aksigorta and 30% common area are denominated by the building management.

Annex 4: Reporting Principles

Brisa:

Diesel consumption is derived from service providers' invoices for generators, fire pumps and company-owned vehicles. Gasoline and LPG consumption is obtained from the invoices of the service providers for the vehicles belonging to the Group. For natural gas consumption.

- For the Izmit, Aksaray, Altunizade, Esenler and Arvento locations, the m³ value on the invoice is considered.

Carrefoursa:

Natural gas consumption is obtained by dividing the unit price over the TL amount of the invoices of the service providers. The unit price is obtained by taking the average of the TL unit prices per kWh determined by İGDAŞ for each month for 2022.

Teknosa:

Natural gas consumption for stores is obtained by dividing the unit price over the TL amount of the invoices of the service providers. Two different unit price for semester one and semester two (obtained by TURKSTAT) is considered in the total consumption. Natural gas consumption for warehouse is obtained from meters and natural gas consumption for headquarters is obtained from Carrefoursa since the consumption is mutual and Teknosa is responsible from the 30% of the total consumption. Electricity for stores is provided by both Enerjisa and other providers. Electricity consumption from the other providers is calculated by considering two different unit price obtained by TURKSTAT. On the other hand, electricity meters are used to calculate the consumption from the Enerjisa. Electricity consumption for warehouse is obtained from meters and electricity consumption for headquarters is obtained from Carrefoursa since the consumption is mutual and Teknosa is responsible from the 30% of the total consumption.

Temsa:

Electricity and Natural Gas consumption amounts are obtained from the invoices of the service providers.

SabancıDx:

Electricity consumption amount is obtained from the invoices of the service providers for the Sabancı Center, Altunizade and Kentsa locations.

Akbank, Aksigorta, Agesa, Enerjisa Üretim, Enerjisa Enerji, SabancıDx, Kordsa, Brisa, Temsa, Carrefoursa, Teknosa and Holding use the following conversion factors in their energy consumption calculations:

- Since the electricity supply unit is billed in kWh, a conversion factor of 1 kWh=0.0036 GJ is used for conversion to GJ;

- Since the natural gas supply unit is billed in m³, a conversion factor [1 m³ * (34.52) MJ/m³]/1000 is used;
- Since the diesel supply unit is billed in liters, the conversion factor [1 l * (35.42) MJ/l] /1000 is used for conversion to GJ;
- Since the gasoline supply unit is billed in liters, the conversion factor [1 l * (31.98) MJ/l] /1000 is used for conversion to GJ;
- Since the unit of all fuel consumption is reported as MWh, a conversion factor of 1 GJ=0.277777 MWh is used for conversion to GJ.

Akçansa, Çimsa:

The Companies energy resources calorific values are shared below. The calorific values in the Emission Verification Reports reported to the Ministry of Environment for 2022 are taken as a basis. It uses the formulas listed below along with these values:

- Since the electricity supply unit is billed in kWh, a conversion factor of 1 kWh=0.0036 GJ is used for conversion to GJ;
- Since Imported Coal and Domestic Coal supply unit is reported in tons, conversion factor of [1 ton * (Net Calorific value) GJ/ton] /1000 is used in conversion to TJ;
- Since the natural gas supply unit is billed in m³, a conversion factor [1 m³ * (Net Calorific Value) GJ/m³]/1000 is used;
- Since the diesel supply unit is reported in liters, the conversion factor [1 l * (Net Calorific value) GJ/l] /1000 is used in the conversion to TJ;
- Since the fuel-oil supply unit is reported in liters, the conversion factor [1 l * (Net Calorific value) GJ/l] /1000 is used in the conversion to TJ;
- Since the unit of consumption of petroleum coke, waste oil, waste tire, waste-derived fuel (RDF) and waste sludge, which are evaluated within the scope of other fuels, is reported in tons, in conversion to TJ [1 t * (Net Calorific Value) GJ/t] /1000 conversion factor is used;
- Since the unit of all fuel consumption is reported as MWh, a conversion factor of 1 GJ=0.277777 MWh is used for conversion to GJ.

Purchased Heat/Steam/Cooling

The amount of refrigerant consumed for cooling purposes is reported within the scope of purchased heat/steam/cooling indicator. For this indicator, the total consumption amount of R22 gases and other gases such as SF₆, R407C, R134A, R410A and CO₂ gases has been calculated based on maintenance/repair forms and related invoices.

Annex 4: Reporting Principles

Greenhouse Gas Intensity and Energy Intensity (tCO₂-e / TL)

Greenhouse gas intensity was calculated by dividing the sum of scope 1 and 2 emissions by the total TL revenues in the reporting period.

Energy intensity was calculated by dividing the total energy consumption by the total TL revenues in the reporting period.

Total TL income refers to the combined revenue of the Group in the Sabancı Holding Annual Report.

Formulas:

Greenhouse Gas and Energy Intensity = t CO₂-e / Revenues in TL

Energy Intensity = Total energy consumption / Revenues in TL

Share of Renewable Energy Consumption in Total Energy Consumption

Renewable energy consumption refers to the renewable energy sourced electricity consumption purchased by the Group.

Akbank & Aksigorta & Brisa & Enerjisa Enerji & Kordsa& Holding & Teknosa:

It is followed by I-REC (Renewable Energy Certificate).

Temsa:

It is followed by YEK-G (Renewable Energy Resource Guarantee System)

SabancıDx:

It is followed by reports received over the system. Renewable energy consumption is obtained from Smartflower and Solar systems of the company.

Akçansa:

Renewable energy consumption refers to the electrical energy obtained from the waste heat generated during the production process and the energy gained from the wind turbine.

Çimsa:

Renewable energy consumption represents the sum of the amount of geothermal renewable energy purchased by the Company with the International Renewable Energy Certificate (I-REC) Certificate and the amount of waste heat energy generated at the Company's Mersin Facility location.

Renewable energy generation, on the other hand, refers to the total electricity produced by the Group from renewable energy sources. It is followed by reports received on the system.

Formulas:

Share of Renewable Energy Consumption in Total Energy Consumption = Renewable Energy Consumption/Total Energy Consumption

Total Yearly Business Air Travel in Kilometers

It represents the total kilometers of air travels made by the Group's employees during the reporting period. Companies are followed up with the information provided by the tourism agency they work for.

Total Yearly Employee Commuting in Kilometers

It represents the total kilometers covered by the services provided for the Group employees during the reporting period. These data are followed in line with the information shared by the tourism agency with which the Group works.

Scope 1, 2 and 3 Emissions

Akbank, Aksigorta, Agesa, Temsa, Carrefoursa, Teknosa, SabancıDx, Enerjisa Üretim, Enerjisa Enerji, Brisa, Kordsa, Holding:

Scope 1 and Scope 2 emissions have been calculated in accordance with ISO 14064-1, with the principle of operational control within the framework of the "Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard".

In the calculations, CO₂ equivalent factors consisting of CO₂, CH₄, N₂O, HFCs (SF₆ and refrigerant gas) CO₂ equivalent emission factors were used. The emission sources are detailed in the table below. Global Warming Potential (GWP) coefficients are from 5th Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) (https://www.ipcc.ch/site/assets/uploads/2018/02/SYR_AR5_FINAL_full.pdf) and Greenhouse Gas Protocol (<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021>) and the resultant ton CO₂-e value is calculated by multiplying with the appropriate coefficients.

Annex 4: Reporting Principles

Emission sources – Scope 1	Emission Calculation Methodology
Stationary	IPCC 2006 guidelines, fuel NCV and density values are from regulations published by Energy Ministry. IPCC GWP coefficients are from 5 th assessment Report.
Mobile	IPCC 2006 guidelines, fuel NCV and density values are from regulations published by Energy Ministry. IPCC GWP coefficients are from 5 th assessment Report.
Fugitive	IPCC 2006 guidelines. IPCC GWP coefficients are from 5 th assessment Report.
Processes	IPCC guidelines, Global Cement and Concrete Association – Cement CO2 and Energy Protocol V3.1, Cement Sustainability Initiative.
Emission Factors – Scope 2	Ton CO ₂ -e/MWh
Turkey Electricity (from grid)	IEA Emissions Factors 2022, TEIAS 2022 published data for electricity generation.
Emission Factors – Scope 3 (Holding)	kgCO ₂ -e/km
Business Travels (Domestic Flights) (km)	
Business Travels (International Flights - Europe) (km)	DEFRA 2021 GHG conversion factors.
Business Travels (International Flights – Overseas) (km)	

Çimsa:

Scope 1 and scope 2 emission calculations were made using the Carbon Dioxide Emissions and Energy Inventory- Cement CO₂ and Energy Protocol Version 3.1 (WBCSD Cement Sustainability Initiative Cement CO₂ and Energy Protocol, Version 3.1, CO₂ Emissions and Energy Inventory) provided by the World Business Council for Sustainable Development - Cement Sustainability Initiative (WBCSD).

Akçansa:

Scope 1, scope 2 emissions are calculated in accordance with ISO 14064-1, “Greenhouse Gases Protocol: Corporate Accounting and Reporting Standard” in accordance with ISO 14064-1. For scope 1 and scope 2 emission calculations, the Carbon Dioxide Emission and Energy Inventory - Cement Sustainability Initiative provided by the World Business Council for Sustainable Development - Cement Sustainability Initiative (WBCSD- World Business Council for Sustainable Development - Cement Sustainability Initiative) is used. Calculated using the WBCSD Cement Sustainability Initiative Cement CO₂ and Energy Protocol, Version 3.04 up, CO₂ Emissions and Energy Inventory.

Water Consumption

Consumption data for the total water withdrawal and discharges are obtained from meters, invoices, field consumption reports, and assumptions based on the Turkish Statistical Institute.

Enerjisa Üretim;

The cooling water used by Enerjisa Üretim is processed through a contactless system. Therefore, there is no contamination of these waters with any polluting parameters during use in the facility. Deep sea discharges are made by the company for cooling water used and this discharges are not considered as wastewater discharge.

Waste

Hazardous wastes are defined as wastes containing substances that are dangerous for human health and the environment and that have the potential to be harmful, while non-hazardous wastes are defined as wastes that do not cause any harm to human health and the environment. The total amount of hazardous waste and non-hazardous waste is tracked through the waste declaration forms shared by the suppliers.

The amount of recycled waste refers to the amount of waste that goes to the Group 's landfill/solid waste site or is recycled by itself or another organization, recovered for energy purposes and reused. It is followed through the waste declaration forms shared by the providers.

Enerjisa Üretim;

Ash wastes generated in Enerjisa Üretim started to be reported for the first time in 2022 and are included in the total amount of waste as of this year.

Formulas:

Reused / recycled waste ratio = Amount of Recycled Waste / (Total Hazardous Waste + Total Non-Hazardous Waste)

Annex 4: Reporting Principles

Economic Indicators

The following definitions and formulas are used in the calculation of economic indicators.

Sustainable Business Model

Products and services identified as sustainable are;

- Products and services that provide benefits related to the direct reduction of environmental resources / carbon emissions (mitigation),
- Products and services related to the reduction of environmental resource use / carbon emissions in technologies and activities that are not considered sustainable in nature (transition),
- Products and services that are not considered as direct source / carbon emission reduction activities, but facilitate the dissemination of related technologies (enabler)
- Grouped as products and services that create positive social impact.

Revenues from products and services were obtained through product-based sales lists, and total revenue from related product types was reported within the scope of this indicator.

Within the scope of the ratio of SDG-linked product and service revenues to total revenues, total TL revenues represent the total revenues of the companies as of the end of the reporting year, which are stated in the annual reports published as of 31 December 2022 or in the financial reports subject to independent audit.

The total amount reported within the scope of R&D and innovation investment consists of the investments made within the approved budget of the Group. Amounts reported under R&D and innovation investments represent the total revenue figures of the Companies stated in the annual reports published as of 31 December 2022 or in the financial reports subject to independent audit. The total amount reported within the scope of sustainability-oriented R&D and innovation investment represents the sustainability-oriented investments included in the Group's approved R&D and innovation investment budget.

Akbank:

While calculating the number of financed renewable energy projects, the loaned renewable energy portfolio was used. In this context, the financing provided to the Hydroelectric Power Plant (HEPP), Wind Power Plant (WPP), Biomass Power Plant (BES), Geothermal Power Plant (GPP) and Solar Power Plant (SPP) which are within the scope of renewable energy, and the calculation is based on the total installed capacity of the project.

Aksigorta:

The number of SDG-linked products and services consist of 15 products and services that are considered as products and services that create positive social impact, mitigation and enabler. The 15 services evaluated within this scope, which include remote inspection study, providing a discount for the next year in case of no damage, discount to ecological housing certified houses, remote sales, Akbebek (insurance for children), Akşalık mobile application, online health consultancy, control mammography, discounts for women on Mother's Day and special insurance services for serious diseases.

Agesa:

The number of SDG-linked products and services consist of 13 products and services that are considered as products that create positive social impact and mitigation. The 13 products are Long Good Odds Insurance, VIP Life, My Credit is Safe, Advantage Plus Personal Accident Insurance, Akbank Personal Accident Insurance, Express Personal Accident Insurance, Take Care Insurance, Saving Future Plan, Saving VIP Plan & Prestigious Retirement Investment Plan, Sabancı Employee Assurance Plan, Retirement Investment Plan, Rapid Retirement Plan, Retirement Income Plan, Automatic Enrollment Plans. The SDG-linked products revenue is calculated as 5% of each related products' revenue indicated by the Agesa Global.

Enerjisa Üretim:

The number of SDG-linked products and services consist of 18 products and services, which are considered as mitigation products. Mitigation products are defined as products and services that provide benefits related to the direct reduction of environmental resources and/or carbon emissions. The products evaluated in this context are 12 HPP, 4 WPP 2 SPPs.

Enerjisa Enerji:

The amount of SDG-linked product and service revenues has been determined through the sales lists followed under IREC (Green Energy Certificate), Cogeneration, energy efficiency products, Solar Power Plant projects, Regulated Green Energy Tariff Sales, Green Energy Sales (green energy certificate and electricity bundle sales), Low Loss Transformer, LED (Street Lighting) and Network Connection revenues for mitigation projects and under SCADA, OSOS, Compensation and Voltage Line Transition, Eşarj AC, Eşarj DC, E-charge Network and maintenance and E-charge Maintenance revenues for enabler projects and were reported on this basis.

Annex 4: Reporting Principles

SabancıDx:

The number of SDG-linked products and services consists of 6 products and services, which are considered as mitigation and transition products.

The product Edoksis project, which is an e-transformation platform that enables companies to manage electronic document flow in accordance with RA standards, quickly and securely considered as only one mitigation services.

There are 5 services evaluated within the scope of converter products considered within the scope of the digital transformation project which are Perfx, Hrweb, Thanxie, Pratis1 and Pratis Pro. The balance reported within the R&D and innovation investments includes the R&D projects capitalized in the 2022 financial year.

Kordsa:

64 SDG-linked products (19 Mitigation, 36 Transition, 7 Enabler, 2 positive social impact) specified of which 32 are developed by Tire Reinforcement, 18 Composite Technologies and 14 Construction Reinforcement.

Brisa:

The number of SDG-linked products and services consist of 522 products and services that are considered as transition, enabler and positive social impact products.

Products that are not considered as sustainable by their nature are tire products designed with Aspects+ mobilfix and product improvements. Products that are not completely environmentally friendly in nature, such as PSR A&B, LVR A&B&C labels, TBR A&B&C tire models, but can be considered as a transition to more SDG-linked technologies are included in the transition product group. In the enabler product group, manufactured tire products for electric vehicles were evaluated. In the category of products with positive social impact, wet braking distance (All groups A value & Sound All groups PBN wave-1 value), wet groundbreaking distance (All groups A value & Sound All groups different from PBN wave-1 value) and wet ground breaking distance (All groups different from A value & Sound All groups PBN wave-1 value) products were evaluated.

The projects included within the scope of R&D and innovation investments are the projects carried out at Brisa R&D Center, the reported balance includes R&D projects capitalized in the 2022 financial year.

Total amounts reported within the scope of SDG-linked R&D and innovation investments consist of expenditures made within the approved budget of the Company. The projects carried out at the Brisa R&D Center are the projects carried out under the headings of rolling resistance, reducing noise and raw material use, energy saving, localization projects, recycled material usage and improvement of abrasion life, within the scope of environmental investment.

Temsa:

The number of SDG-linked products consist of 7 products that are considered as mitigation. The products considered within the scope of mitigation products are sustainable electric vehicle models produced by the Company, monitored by the relevant product catalogs and sales invoices. The balance reported within the R&D and innovation investments includes the R&D projects capitalized in the 2022 financial year. Total income for Temsa has been obtained from internal financial reports.

Carrefoursa:

The number of SDG-linked products and services consist of 61 products and services, which are considered to create positive social impact, enabler and mitigation. The products evaluated within the scope of mitigation products are 54 CarrefourSa branded Eco-Bio and organic bread products. The service evaluated within the scope of enabler products is the e-charging points located at 2 locations for electric vehicles, 1 product is reusable crate, and 1 product is bringing your own bowl project. Other products and services consist of donation to Tohum Autism Early Diagnosis and Education Foundation through transforming waste oils into biodiesel, donation of books to children in need in Child Education Foundation with the proceeds from the collection of waste batteries and Don't Be Deceived by Its Appearance project which prevent food waste through selling fruits/vegetables that do not meet the standards due to their shape to customers at affordable prices.

Teknosa:

The number of SDG-linked products and services consist of 170 products and services, which are considered as mitigation and enabler products. The products evaluated within the scope of mitigation products are 104 types are low energy consumption A+++ white appliances and air conditioner models. The service evaluated within the scope of enabler products are Teknogaranti, Maintenance&Repair, Rental, Buyback and renovated products.

Projects carried out within the scope of R&D and innovation investments include R&D projects capitalized in the 2022 financial year.

The company's energy savings are due to the automation system for heating, cooling and lighting installed in its stores and workplaces as well as Teknosa stores that turned into LED lighting in 2022.

Annex 4: Reporting Principles

Akçansa:

The number of SDG-linked products and services consist of 24 products and services, which are considered as transition products. Transition products refer to cement types that are included in the scope of products related to the reduction of environmental resource use / carbon emissions in technologies and activities that are not considered sustainable by nature. The balance reported within the scope of R&D and innovation investments includes the expenses of the projects within the 2022 financial year budget.

Çimsa:

The number of SDG-linked products and services consist of 10 products and services, which are considered as transition products. Transition products refer to cement types that are included in the scope of products related to the reduction of environmental resource use / carbon emissions in technologies and activities that are not considered sustainable by nature.

Sustainability-focused R&D and innovation investment budget represent the R&D and innovation budget allocated by the Company for Escoriar, Ligni-Tech, HorusCam, New World, C-World, Non-Shrink, HyperCog, Iceberg, Forge and Re-CON projects, which is budgeted by the Company during the reporting period and is also stated in the Çimsa Integrated Annual Report published as of 31 December 2022 and reported as expense in the financial statements.

Formulas:

Ratio of SDG-linked Product and Service Revenues to Total Revenue = $\frac{\text{SDG-linked Product and Service Revenues}}{\text{Total Revenue}}$

Ratio of All R&D and Innovation Investment Budget to Total Revenue = $\frac{\text{R\&D and Innovation Investment Budget}}{\text{Total Revenue}}$

Ratio of SDG-linked R&D and Innovation Investment Budget to Total Revenue = $\frac{\text{SDG-linked R\&D and Innovation Investment Budget}}{\text{Total Revenue}}$

Savings and Reduction Based on Environmental Investments

Kordsa:

Within the scope of the financial savings and environmental and social benefit indicators realized through sustainable investments and/or operations, the Company's electricity savings in kWh and savings in TL are reported. Energy savings are reported based on the outputs of the software used.

Brisa:

Within the scope of the financial savings and environmental and social benefit indicators realized through sustainable investments and/or operations, the Company's electricity CO₂ savings in tones and savings in TL are reported. The financial and environmental benefits of energy saving projects realized in Izmit and Aksaray locations were evaluated and combined.

Carrefoursa:

The financial savings and environmental/social benefit indicators realized through the sustainable operations of the Company during the reporting period include the replacement of fixtures, the use of IFCO RPC, industrial cooling refurbishment, air conditioner renewal, air conditioner operation monitoring and management (air conditioning automation), secondary savings projects and route optimization. The savings related to these operations have been evaluated through the emission factors referenced by the Turkey 2020 National Inventory Report (NIR) and the certificates of the applications.

Teknosa:

Within the scope of the financial savings and environmental and social benefit indicators realized through sustainable investments and/or operations, the Company's electricity savings in kWh and savings in TL are reported. The financial and environmental benefits of energy saving projects (LED conversion and Automation system installation) realized in stores are evaluated regarding this indicator.

Çimsa:

It represents the environmental benefit achieved by the reduction of CO₂ emissions during the reporting period.

Akçansa:

Energy savings refers to savings in kWh from energy efficiency projects. CO₂ savings refers to the savings in CO₂ achieved through energy efficiency projects and investment projects.

Annex 4: Reporting Principles

Environmental Investments and Expenditures

Aksigorta:

It covers the environmental investments and expenditures of the Company during the reporting period. Environmental investments are reported as mitigation investments. The environmental investment made by the Company in the reporting period includes Akbank, Global Holding and Enka's green bonds. Environmental investment amounts are followed on the receipt issued for Aksigorta. The total amount reported in this indicator is composed of the expenditures made within the approved budget of the Company. Environmental expenditures are monitored through the receipt issued for Aksigorta.

Agesa:

The total amount reported in this indicator is composed of expenditures and investments made within the approved budget of the Company and monitored through invoices.

Enerjisa Üretim:

Environmental investments include adding solar panels to power plants established for different purposes and wind power plants. In the reporting period, environmental expenditures cover legally mandatory and non-mandatory expenditures. Expenditures that are not legally mandatory include consultancy services received on environmental issues, afforestation projects and expenditures made for activities that contribute to the environment, such as catching and transporting fish. Legally mandatory expenditures also refer to expenditures made within the scope of legal obligations such as emission calculations and analysis costs.

Enerjisa Enerji:

Environmental investments are reported as mitigation investments, enabler and mitigation investments. The total amounts reported in these indicators are constituted by the expenditures made within the approved budget of the Company. Mitigation investments include energy efficiency practices, LED investments and street lighting applications, renewable electricity sources network connection & transition applications and cogeneration solutions. Enabler investments include those related to E-charge, SCADA, OSOS, Compensation, low loss transformer and voltage conversion projects.

Kordsa:

Environmental investments are reported as transition investments. The total amounts reported in these indicators are constituted by the expenditures made within the approved budget of the Company. Related expenditures cover the number of products and services related to the reduction of environmental resource use / carbon emissions in technologies and activities that are not considered sustainable by their nature.

Brisa:

Environmental expenditures that are not required by law are Izmit plastic crushing machine installation, Izmit mixer dust collector improvement, Izmit filter replacements, Aksaray consultancy and technical assistance service procurement; environmental expenditures that are required by law are Izmit plastic crushing machine rental, emission measurement costs and GEKAP expenditures. The total amount reported in these indicators consists of the expenditures made within the approved budget of the Company.

Temsa:

Environmental investments are reported as mitigation investments. The total amounts reported in these indicators are constituted by the expenditures made. Expenditures are mitigation investments that directly reduce resource use or carbon emissions. It includes the production and sales of Sustainable Electric Vehicles.

Teknosa:

Environmental investments are reported as enabler investments. The total amounts reported in these indicators are constituted by the expenditures made within the approved budget of the Company. In this criterion, investment expenditures made for teknosa.com under facilitating investments within the scope of environmental investment were evaluated, and within the scope of environmental expenditures, the Recycling Contribution Share (GEKAP) and the amounts of LED conversion and automation system installation in Teknosa stores were evaluated. Environmental investments and expenditures are tracked through invoices issued.

Akçansa:

Environmental investments are reported as transition investments. The total amounts reported in these indicators are constituted by the expenditures made within the approved budget of the Company. The said expenditures include investment projects in Büyükçekmece, Samsun-Ladik and Çanakkale Plants, ready mixed concrete plants and as well as Ambarlı and Yalova locations as transition investments.

Çimsa:

Environmental investments cover emission reduction and energy efficiency investments realized by Çimsa in the reporting period. Environmental expenditures refer to legal obligatory (expenses related to waste disposal, environmental obligatory expenses and dues, lab measurements, online measuring device, maintenance, etc.) and non-legal obligatory (consulting fees spent on environmental and sustainability issues) operational expenditures.

Restatement


The measuring and reporting of sustainability-related data inevitably involves a degree of estimation. Restatements are considered where there is a change in the data of greater than 5 percent at the Group level.

Annex 5: Assurance Statement

Limited Assurance Report to the Board of Directors of Hacı Ömer Sabancı Holding A.Ş.

We have been engaged by the Board of Directors of Hacı Ömer Sabancı Holding A.Ş. and group companies ("Sabancı Group" or the "Group") to perform a limited assurance engagement in respect of the Selected Sustainability Information (the "Selected Information") stated in the Sabancı Group 2022 Sustainability Report (the "2022 Sustainability Report") for the year ended 31 December 2022 and listed below.

Selected Information

The scope of the Selected Information for the year ended 31 December 2022, which is subject to our limited assurance work, set out in the pages 14, 109, 120, 129, 133, 134, 136, 153, 154 and 155 of the 2022 Sustainability Report with the sign  is summarised below:

Social Performance Indicators

- Occupational Health and Safety Indicators
 - Number of incidents (#)
 - Number of fatalities (#)
 - Number of occupational diseases (#)
 - Injury-related absenteeism (#)
 - Total working hours (h)
 - Lost Day Rate (LDR) (%)
 - OHS Training Hours (h)
- Total number of employees (#)
- Distribution of Female Employees
 - Female employees' rate (%)
 - Distribution of Female Managers (%)
 - Share of Women Managers in Revenue-Generating Roles (%)
 - Share of Women Employees in STEM Roles (%)
 - Total Number of Employees on Maternity Leave (#)
 - Total Number of Employees on Paternity Leave (#)
 - Total Number of Employees Returned to Work After Maternity Leave (#)
 - Total Number of Employees Returned to Work After on Paternity Leave (#)
 - Ratio of the Employees who Returned to Work After Maternal Leave (%)

- Trainings
 - Total Hours of Trainings by Gender (h)
 - Total Hours of Trainings by Age (h)
 - Total Hours of Trainings by Managerial Level (h)
 - Total Hours of Trainings by training types (h)
 - Total Training Cost (TL)
 - Average Training Costs per Person (TL)
- Total Number of Employees Hired
 - Number of Employees Hired by Gender, Age, Managerial Level (#)
- Total Number of Employees Left
 - Number of the Employees Left by Gender, Age, Managerial Level (#)
- Turnover Rates
 - Turnover Rates by Gender, Age, Managerial Level (%)
- People Reached Through Inclusion Programs in Reporting Period (#)

Environmental Performance Indicators


- Energy Consumption by Fuel Type
 - Total energy consumption (MWh)
 - Purchased heat/steam/cooling (kg)
 - Sold heat/steam/cooling (kg)
- Share of Renewable Energy Consumption in Total Energy Consumption
 - Renewable Energy Generation (MWh)
 - Renewable Energy Consumption (MWh)
 - Purchased Renewable Energy (MWh)
- Intensity Indicators
 - Energy intensity (MWh/ million TL)
 - Greenhouse gas emission intensity (ton CO₂e/ million TL)
- Total Yearly Business Air Travel in Kilometers (km)
- Total Yearly Employee Commuting in Kilometers (km)
- Greenhouse Gas Emissions (ton CO₂e)
 - Scope 1
 - Scope 2
 - Scope 3
- Water Consumption
 - Water Consumption (m³)
 - Total Amount of Discharged Water (m³)
 - Water Recycled & Reused (m³)

Annex 5: Assurance Statement

- Waste
 - Percentage of waste reused and recycled (%)
 - Percentage of waste reused and recycled including ash (%)
 - Hazardous Waste (ton)
 - Non-Hazardous Waste (ton)
 - Non-Hazardous Waste including ash waste (ton)
 - Total waste without ash waste (ton)
 - Total waste with ash waste (ton)
 - Plastic consumption (ton)

Economic Performance Indicators

- Sustainable Business Model
 - Number of SDG-linked Products and Services (#)
 - SDG-linked Product and Service Revenue (TL)
 - R&D and Innovation Investments (TL)
 - SDG Linked R&D and Innovation Investments (TL)
 - Ratio of SDG Linked R&D and Innovation Activities (%)
- Environmental Investments and Expenditures
 - Environmental Investments by Type (TL)
 - Savings and Reduction Based on Environmental Investments (TL)
 - Environmental Expenditures by Type (TL)

Our assurance was with respect to the year ended 31 December 2022 information only and we have not performed any procedures with respect to earlier periods or any information other than Selected Information marked with  in the 2022 Sustainability Report and, any other elements included in the 2022 Sustainability Report and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by the Group to prepare the Selected Information is set out in section “Sabancı Group 2022 Sustainability Report-Reporting Principles” (the “Reporting Principles”) on pages 156-170 of the 2022 Sustainability Report.

The Group’s Responsibility

The Group is responsible for the content of the 2022 Sustainability Report and the preparation of the Selected Information in accordance with the Reporting Principles. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Selected Information that is free from material misstatement, whether due to fraud or error.

Inherent Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw to evaluate and measure non- financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Selected Information in the context of the Reporting Principles

In particular, the conversion of different energy measures to megawatt-hour (MWh) and energy used to carbon emissions is based upon, inter alia, information and factors generated internally and/or derived by independent third parties as explained in the Reporting Principles. Our assurance work has not included examination of the derivation of those factors and other third-party information.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to form a limited assurance, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that the Selected Information has not been properly prepared in all material respects in accordance with the Reporting Principles. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information¹, and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board.

Annex 5: Assurance Statement

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 and ISAE 3410. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of the persons responsible for the Selected Information;
- understood the process for collecting and reporting the Selected Information. This included analysing the key processes and controls for managing and reporting the Selected Information;
- evaluated the source data used to prepare the Selected Information and re-performed selected examples of calculation;
- performed limited substantive testing on a selective basis of the preparation and collation of the Selected Information prepared by the Group and
- undertook analytical procedures over the reported data.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Group's Selected Information for the year ended 31 December 2022, is not properly prepared, in all material respects, in accordance with the Reporting Principles.

Restriction of use

This report, including the conclusion, has been prepared for the Board of Directors of the Group as a body, to assist the Board of Directors in reporting Hacı Ömer Sabancı Holding A.Ş.'s performance and activities related to the Selected Information. We permit the disclosure of this report within the Sabancı Group 2022 Sustainability Report for the year ended 31 December 2022, to enable the Board of Directors to demonstrate they have discharged their governance responsibilities by commissioning a limited assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of Hacı Ömer Sabancı Holding A.Ş. as a body and Hacı Ömer Sabancı Holding A.Ş. for our work or this report save where terms are expressly agreed and with our prior consent in writing.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.



Mehmet Cenk Uslu, SMMM Partner

Istanbul, 25 July 2023

Annex 6: TCFD

Focus Area	Recommendations	References
Governance	a. Describe the board's oversight of climate-related risks and opportunities.	Sustainability Governance, page 40-47 Emerging Sustainability Risks in 2022, page 48-53 Risk Management in Sabancı Group, page 54-57 Creating Opportunities from the Ecosystem, page 58-59 CDP Climate Change 2023 Report CDP Water Security 2023 Report
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long-term.	Our Response to Sustainability Trends, page 31-36 Emerging Sustainability Risks in 2022, page 48-53 Risk Management in Sabancı Group, page 54-57 Creating Opportunities from the Ecosystem, page 58-59 Act on Climate Emergency, page 60-71 CDP Climate Change 2023 Report CDP Water Security 2023 Report
	b. Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning.	Sabancı Holding Strategy House, page 23 Sabancı Holding Value Creation Model, page 24 Risk Management in Sabancı Group, page 54-57 Creating Opportunities from the Ecosystem, page 58-59 Act on Climate Emergency, page 60-71 CDP Climate Change 2023 Report CDP Water Security 2023 Report
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Risk Management in Sabancı Group, page 54-57 Act on Climate Emergency, page 60-71 CDP Climate Change 2023 Report CDP Water Security 2023 Report
Risk Management	a. Describe the organization's processes for identifying and assessing climate-related risks.	Emerging Sustainability Risks in 2022, page 48-53
	b. Describe the organization's processes for managing climate-related risks.	Risk Management in Sabancı Group, page 54-57
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	CDP Climate Change 2023 Report CDP Water Security 2023 Report
Metrics and Targets	a. Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.	Act on Climate Emergency, page 60-71 Environmental Performance Indicators, page 153
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	CDP Climate Change 2023 Report
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Our Sustainability Roadmap, page 27-30 Act on Climate Emergency, page 60-71 CDP Climate Change 2023 Report CDP Water Security 2023 Report

Annex 7: UNGC

United Nations Global Compact (UNGC) Index

	Principles	References
HUMAN RIGHTS	Principle 1: Businesses should support, and respect proclaimed human rights.	Human Rights, Diversity, Equity, and Inclusion, page 132-135 Business Ethics, page 150 Corporate Social Responsibility Policy and Principles Sabancı Group Code of Business Ethics
	Principle 2: Businesses should not be complicit in human rights abuses.	Human Capital Sabancı Group Responsible Investment Policy
WORKING STANDARDS	Principle 3: Businesses should support workers' freedom of association and collective bargaining.	Human Rights, Diversity, Equity, and Inclusion, page 132-135 Business Ethics, page 150
	Principle 4: End forced and compulsory labor.	Social Performance Indicators, page 154-155 Corporate Social Responsibility Policy and Principles
	Principle 5: All forms of child labor should be stopped.	Sabancı Group Code of Business Ethics Human Capital
ENVIRONMENT	Principle 6: Eliminate discrimination in recruitment and placement.	Sabancı Group Responsible Investment Policy
	Principle 7: Businesses should support precautionary approaches to environmental problems.	Act on Climate Emergency, page 60-83 Foster Sustainable Business Models, page 105-118
	Principle 8: It should support all kinds of activities and formations that will increase environmental responsibility.	Technology, Digitalization and Innovation, page 120-122 Environmental Policy
ANTI BRIBERY	Principle 9: Support the development and diffusion of environmentally friendly technologies.	Sabancı Group Responsible Investment Policy
	Principle 10: Business should fight all forms of corruption, including bribery and extortion.	Business Ethics, page 150 Anti-Bribery and Anti-Corruption Policy

Annex 8: GRI Content Index



For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report. The service was performed on the English version of the report.

Statement of use	Sabancı Holding has reported in accordance with the GRI Standards for the period of January 1-December 31, 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Since the sector standard for the holdings has not been prepared yet, no sector standard has been used.

GRI STANDARD	DISCLOSURES	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
General Disclosures					
The Organization and Its Reporting Practices					
	2-1 Organizational details	About the Report, page 3 About Sabancı Holding, page 11 Sabancı Group at a Glance, page 12-17	-		
	2-2 Entities included in the organization's sustainability reporting	About the Report, page 3	-		
	2-3 Reporting period, frequency and contact point	About the Report, page 3 sustainability@sabanci.com	-		
	2-4 Restatements of information	In page 64, the GHG emissions of the Group for the year 2020 and 2021 have been restated due to the change in consolidation approach. It is indicated in the 31 st footnote and in the Annex 3 page 153.	-		
	2-5 External assurance	Annex 5: Assurance Statement, page 171-173	-		
Activities and Workers					
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	About Sabancı Holding, page 11 Sustainability Related Highlights from the Group Companies, page 18-21 Strategy House, page 23	-		
	2-7 Employees	Human Capital, page 123-135 Social Performance Indicators, page 154-155	-		
	2-8 Workers who are not employees	Human Capital, page 123-135 Social Performance Indicators, page 154-155	-		
Governance					
	2-9 Governance structure and composition	Sustainability Governance, page 40-47 Board of Directors and Executive Committee, page 140-148 Committees and Their Responsibilities, page 148	-		
	2-10 Nomination and selection of the highest governance body	Board of Directors, page 140-142 Skill Matrix, page 143 Executive Committee, page 144-147 Committees and Their Responsibilities, page 148	-		
	2-11 Chair of the highest governance body	Board of Directors, page 140-142 Executive Committee, page 144-147	-		

Annex 8: GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION	REQUIREMENT(S) OMITTED	OMISSION		
				REASON	EXPLANATION	
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Governance, page 40-47 Committees and Their Responsibilities, page 148	-			
	2-13 Delegation of responsibility for managing impacts	Sustainability Governance, page 40-47 Committees and Their Responsibilities, page 148	-			
	2-14 Role of the highest governance body in sustainability reporting	Material Issues, page 37-38 Sustainability Governance, page 40-47 Committees and Their Responsibilities, page 148	-			
	2-15 Conflicts of interest	https://www.sabanci.com/en/management-approach/sabanci-group-code-of-business-ethics Business Ethics, page 150	-			
	2-16 Communication of critical concerns	Our Sustainability Roadmap, page 27-30 Material Issues, page 37-38 Sustainability Governance, page 40-47 Emerging Sustainability Risks, page 48-53	-			
	2-17 Collective knowledge of the highest governance body	Board of Directors, page 140-142 Skill Matrix, page 143 Executive Committee, page 144-147	-			
	2-18 Evaluation of the performance of the highest governance body	Sustainability Governance, page 40-47	-			
	2-19 Remuneration policies	https://yatirimciiliskileri.sabanci.com/en/sustainability/detail/Wages-Policy/194/493/0 Remuneration, page 127-128	-			
	2-20 Process to determine remuneration	https://yatirimciiliskileri.sabanci.com/en/sustainability/detail/Wages-Policy/194/493/0 Remuneration, page 127-128	-			
	2-21 Annual total compensation ratio	https://yatirimciiliskileri.sabanci.com/en/sustainability/detail/Wages-Policy/194/493/0 Remuneration, page 127-128	-			
	Strategy, Policies and Practices					
	2-22 Statement on sustainable development strategy	Letter from the Chair, page 5 Letter from the CEO, page 6-9 Strategy House, page 23 Value Creation Model, page 24	-			
	2-23 Policy commitments	https://yatirimciiliskileri.sabanci.com/en/sustainability/policies/Policies/184/0/0 Policies, page 149	-			
	2-24 Embedding policy commitments	https://yatirimciiliskileri.sabanci.com/en/sustainability/policies/Policies/184/0/0 Policies, page 149	-			

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GRI STANDARD	DISCLOSURES	LOCATION	OMISSION			
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	Sustainability Governance, page 40-47 Annex 1: Stakeholder Relations and Communication, page 151	-			
	2-26 Mechanisms for seeking advice and raising concerns	https://www.sabanci.com/en/management-approach/sabanci-group-code-of-business-ethics Business Ethics, page 150	-			
	2-27 Compliance with laws and regulations	Within the scope of Sabancı Holding, there are no lawsuits filed and/or concluded against ESG issues, which are important in terms of ESG policies and/or which will significantly affect the activities, for the 2022 fiscal year.	-			
	2-28 Membership associations	Annex 2: Corporate Memberships and Initiatives, page 152	-			
	Stakeholder Engagement					
	2-29 Approach to stakeholder engagement	Annex 1: Stakeholder Relations and Communication, page 151	-			
	2-30 Collective bargaining agreements	Labor Relations Management and Legal Compliance, page 132 Social Performance Indicators, page 154-155	-			
Material Topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Our Sustainability Roadmap, page 27-30 Material Issues, page 37-38	-			
	3-2 List of material topics	Material Issues, page 37-38	-			
Economic Performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	Sabancı Group at a Glance, page 12-17	-			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Sabancı Group at a Glance, page 12-17	-			
	201-2 Financial implications and other risks and opportunities due to climate change	Emerging Sustainability Risks, page 48-53 Climate Emergency, page 61-73 Annex 6: TCFD, page 174	-			
Responsible Investments						
GRI 3: Material Topics 2021	3-3 Management of material topics	https://yatirimciliskileri.sabanci.com/en/images/pdf/SAHOL-Policy-ENG.pdf Financial Inclusion, page 85-89 Community Investments, page 90-104 Responsible Investments, Products and Expenditures, page 106-110 New Growth Platforms, page 111-116 Impact Investment, page 117-118	-			
	203-1 Infrastructure investments and services supported	Responsible Investments, Products and Expenditures, page 106-110 New Growth Platforms, page 111-116 Impact Investment, page 117-118	-			
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	Financial Inclusion, page 85-89 Responsible Investments, Products and Expenditures, page 106-110 New Growth Platforms, page 111-116 Impact Investment, page 117-118	-			

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GRI STANDARD	DISCLOSURES	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community Investments, page 90-104	-		
	413-2 Operations with significant actual and potential negative impacts on local communities	Community Investments, page 90-104	-		
Corporate Governance					
GRI 3: Material Topics 2021	3-3 Management of material topics	https://yatirimciiliskileri.sabanci.com/en/sustainability/detail/Anti-Bribery-and-Anti-Corruption-Policy/475/1709/0	-		
		https://yatirimciiliskileri.sabanci.com/en/sustainability/detail/Tax-Policy/455/1582/0	-		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Learning and Development, page 129 Policies, page 149 Business Ethics, page 150	-		
	205-2 Communication and training about anti-corruption policies and procedures	Policies, page 149 Business Ethics, page 150 Social Performance Indicators, page 154-155	-		
GRI 207: Tax 2019	207-1 Approach to tax	https://yatirimciiliskileri.sabanci.com/en/sustainability/detail/Tax-Policy/455/1582/0	-		
Climate Emergency					
GRI 3: Material Topics 2021	3-3 Management of material topics	https://yatirimciiliskileri.sabanci.com/en/sustainability/detail/Environmental-Policy/164/460/0	-		
		Decarbonization Strategy, page 61-62 Energy and GHG Emissions Management, page 63-71 Water Management, page 72-73 Biodiversity, page 74-76	-		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy and GHG Emissions Management, page 63-71 Environmental Performance Indicators, page 153	-		
	302-3 Energy intensity	Energy and GHG Emissions Management, page 63-71 Environmental Performance Indicators, page 153	-		
	302-4 Reduction of energy consumption	Energy and GHG Emissions Management, page 63-71 Environmental Performance Indicators, page 153	-		

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GRI STANDARD	DISCLOSURES	LOCATION	REQUIREMENT(S) OMITTED	OMISSION	
				REASON	EXPLANATION
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management, page 72-73	-		
	303-2 Management of water discharge-related impacts	Water Management, page 72-73	-		
	303-3 Water withdrawal	Water Management, page 72-73 Environmental Performance Indicators, page 153	-		
	303-4 Water discharge	Water Management, page 72-73 Environmental Performance Indicators, page 153	-		
	303-5 Water consumption	Water Management, page 72-73 Environmental Performance Indicators, page 153	-		
GRI 304: Biodiversity 2016	304-3 Habitats protected or restored	Biodiversity, page 74-76	-		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy and GHG Emissions Management, page 63-71 Environmental Performance Indicators, page 153	-		
	305-2 Energy indirect (Scope 2) GHG emissions	Energy and GHG Emissions Management, page 63-71 Environmental Performance Indicators, page 153	-		
	305-3 Other indirect (Scope 3) GHG emissions	Energy and GHG Emissions Management, page 63-71 Environmental Performance Indicators, page 153	-		
	305-4 GHG emissions intensity	Energy and GHG Emissions Management, page 63-71 Environmental Performance Indicators, page 153	-		
	305-5 Reduction of GHG emissions	Energy and GHG Emissions Management, page 63-71 Environmental Performance Indicators, page 153	-		
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environmental Performance Indicators, page 153	-		
Circular Economy					
GRI 3: Material Topics 2021	3-3 Management of material topics	https://yatirimciliskileri.sabanci.com/en/sustainability/detail/Environmental-Policy/164/460/0 The Circular Economy, page 77-83	-		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	The Circular Economy, page 77-83	-		
	306-2 Management of significant waste-related impacts	The Circular Economy, page 77-83	-		
	306-3 Waste generated	The Circular Economy, page 77-83 Environmental Performance Indicators, page 153	-		

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GRI STANDARD	DISCLOSURES	LOCATION	REQUIREMENT(S) OMITTED	OMISSION	
				REASON	EXPLANATION
Talent Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	https://yatirimciiliskileri.sabanci.com/en/sustainability/detail/Health-and-Safety-Policy/415/1430/0 Talent Attraction, Retention, and Remuneration, page 125-128 Human Capital Development, page 129-131 Occupational Health and Safety Management, page 136	-		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Social Performance Indicators, page 154-155	-		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent Attraction, Retention, and Remuneration, page 125-128	-		
	401-3 Parental leave	Social Performance Indicators, page 154-155	-		
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Minimum notice periods regarding operational changes are respected.	-		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety Management, page 136	-		
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety Management, page 136	-		
	403-3 Occupational health services	Occupational Health and Safety Management, page 136	-		
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety Management, page 136	-		
	403-5 Worker training on occupational health and safety	Occupational Health and Safety Management, page 136 Social Performance Indicators, page 154-155	-		
	403-9 Work-related injuries	Occupational Health and Safety Management, page 136 Social Performance Indicators, page 154-155	-		
	403-10 Work-related ill health	Occupational Health and Safety Management, page 136 Social Performance Indicators, page 154-155	-		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Capital Development, page 129-131 Social Performance Indicators, page 154-155	-		
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital Development, page 129-131	-		
	404-3 Percentage of employees receiving regular performance and career development reviews	Human Capital Development, page 129-131 Social Performance Indicators, page 154-155	-		

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GRI STANDARD	DISCLOSURES	LOCATION	REQUIREMENT(S) OMITTED	OMISSION	
				REASON	EXPLANATION
Equal Opportunities and Diversity					
GRI 3: Material Topics 2021	3-3 Management of material topics	Remuneration, page 127-128 Human Rights, Diversity, Equity, and Inclusion, page 132-135 Skill Matrix, page 143	-		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Rights, Diversity, Equity, and Inclusion, page 132-135 Skill Matrix, page 143	-		
	405-2 Ratio of basic salary and remuneration of women to men	Remuneration, page 127-128	-		
Technology and Digitalization					
GRI 3: Material Topics 2021	3-3 Management of material topics	Technology and Innovation, page 120 Digitalization, page 121-122	-		
Innovation					
GRI 3: Material Topics 2021	3-3 Management of material topics	Technology and Innovation, page 120	-		
Risk Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	Emerging Sustainability Risks in 2022, page 48-53 Risk Management in Sabancı Group, page 54-57	-		
Partnerships and Collaborations with Stakeholders					
GRI 3: Material Topics 2021	3-3 Management of material topics	Annex 1: Stakeholder Relations and Communication, page 151 Annex 2: Corporate Memberships and Initiatives, page 152	-		



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