

# SabanciofNewGeneration



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# INVESTOR PRESENTATION

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October 2021

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Transforming Our Portfolio for the Future





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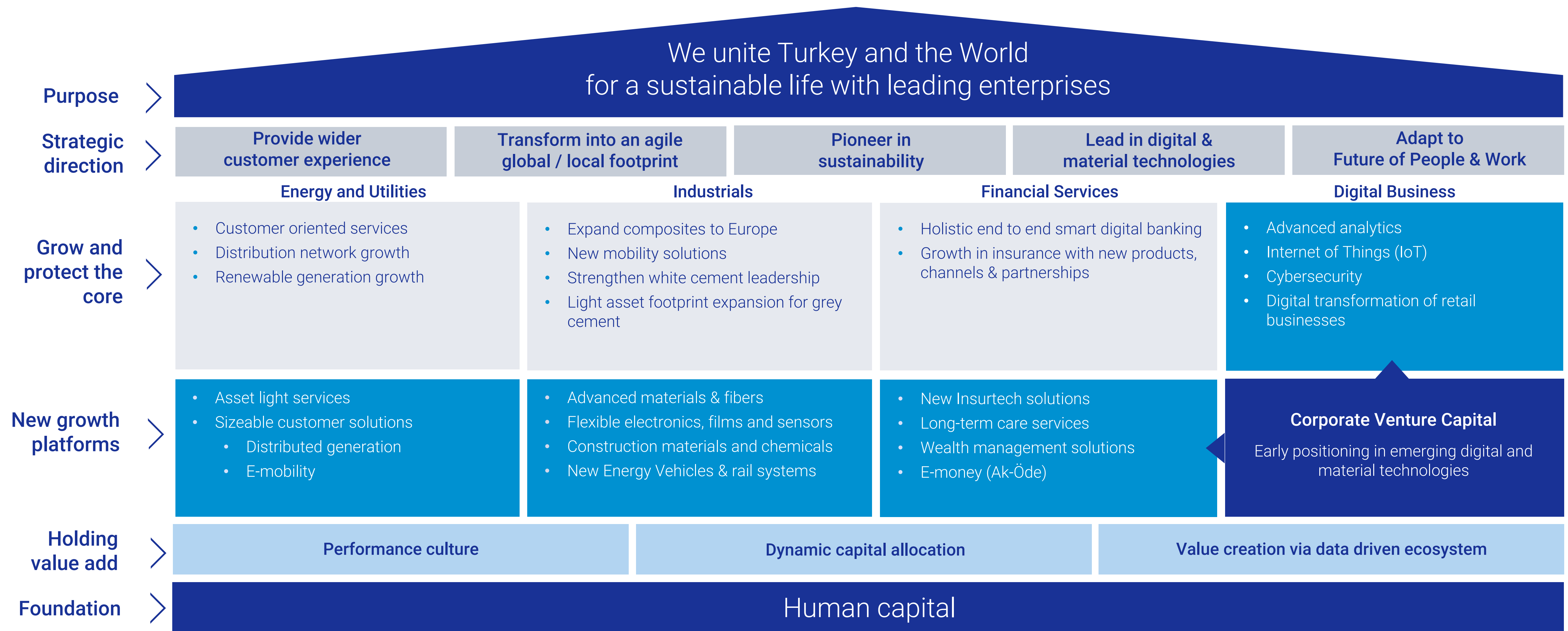




**01** Growth

**02** Capital Return

**03** Sustainability





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# 01 Increased ambition for sustainability

# 02 Performance deep-dive & implementation



MSCI ESG Rating B

2020

MSCI ESG Rating Upgrade to BB



MSCI ESG Rating Upgrade to BBB

2021 Q1-Q3



Increased Ambition Level



- 01 New organizational structure
- 02 Develop in-house ESG expertise
- 03 Peer & Materiality Analysis
- 04 Actions Identification
- 05 Agreement w/ companies

- 01 Roadmap & Targets Launch
- 02 New Performance KPIs
- 03 External Assurance
- 04 Sustainability Report
- 05 Sust. Governance Functioning

Implementation

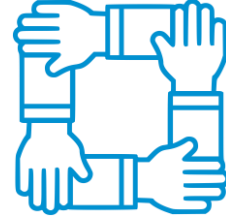






**01 Act on Climate Emergency**

Become 'Net Zero Emissions' and 'Zero Waste' by 2050 at the latest Review and renew our processes from a circular economy perspective



**02 Maximize Positive Impact**

Create shared value for all stakeholders, with social programs and partnerships



**03 Foster Sustainable Business Models**

Develop innovative products, services and business models that help accelerate the transition towards a more sustainable economy



**Accelerators**



**Foundations**

**04 Digitalization**

**05 Technology & Innovation**

- 06 Human Capital**
- Provide development opportunities and experiences that will shape the Future of Work
  - Become a leader in Diversity & Inclusion

- 07 Governance**
- Continuously improve our corporate governance structure
  - Adopt an effective sustainability governance model



Material Issues that **matter most** to us and our stakeholders

...are translated into our Sustainability Roadmap



- 1 Technology and digitalization
- 2 Innovation
- 3 Climate emergency
- 4 Responsible Investments
- 5 Economic performance
- 6 Risk management
- 7 Talent management
- 8 Partnerships and collaborations with stakeholders
- 9 Corporate governance
- 10 Circular economy
- 11 Equal opportunities and diversity

<p><b>01 Act on Climate Emergency</b> Become 'Net Zero Emissions' and 'Zero Waste' by 2050 at the latest Review and renew our processes from a circular economy perspective</p>	<p><b>02 Maximize Positive Impact</b> Create shared value for all stakeholders, with social programs and partnerships</p>	<p><b>03 Foster Sustainable Business Models</b> Develop innovative products, services and business models that help accelerate the transition towards a more sustainable economy</p>
<p><b>Accelerators</b></p>	<p><b>04 Digitalization</b></p> <p><b>06 Human Capital</b>  <ul style="list-style-type: none"> <li>➤ Provide development opportunities and experiences that will shape the Future of Work</li> <li>➤ Become a leader in Diversity &amp; Inclusion</li> </ul> </p>	<p><b>05 Technology &amp; Innovation</b></p> <p><b>07 Governance</b>  <ul style="list-style-type: none"> <li>➤ Continuously improve our corporate governance structure</li> <li>➤ Adopt an effective sustainability governance model</li> </ul> </p>

**Focusing on best & next practices**  
**Making use of existing strengths**

**1.160+**  
Stakeholders surveyed

**%44**  
Response Rate

**4-Factor Impact Analysis**

**19**  
ESG Standards & Ratings used

**Sustainability Trends & Peer Analysis**

**Executive Review**

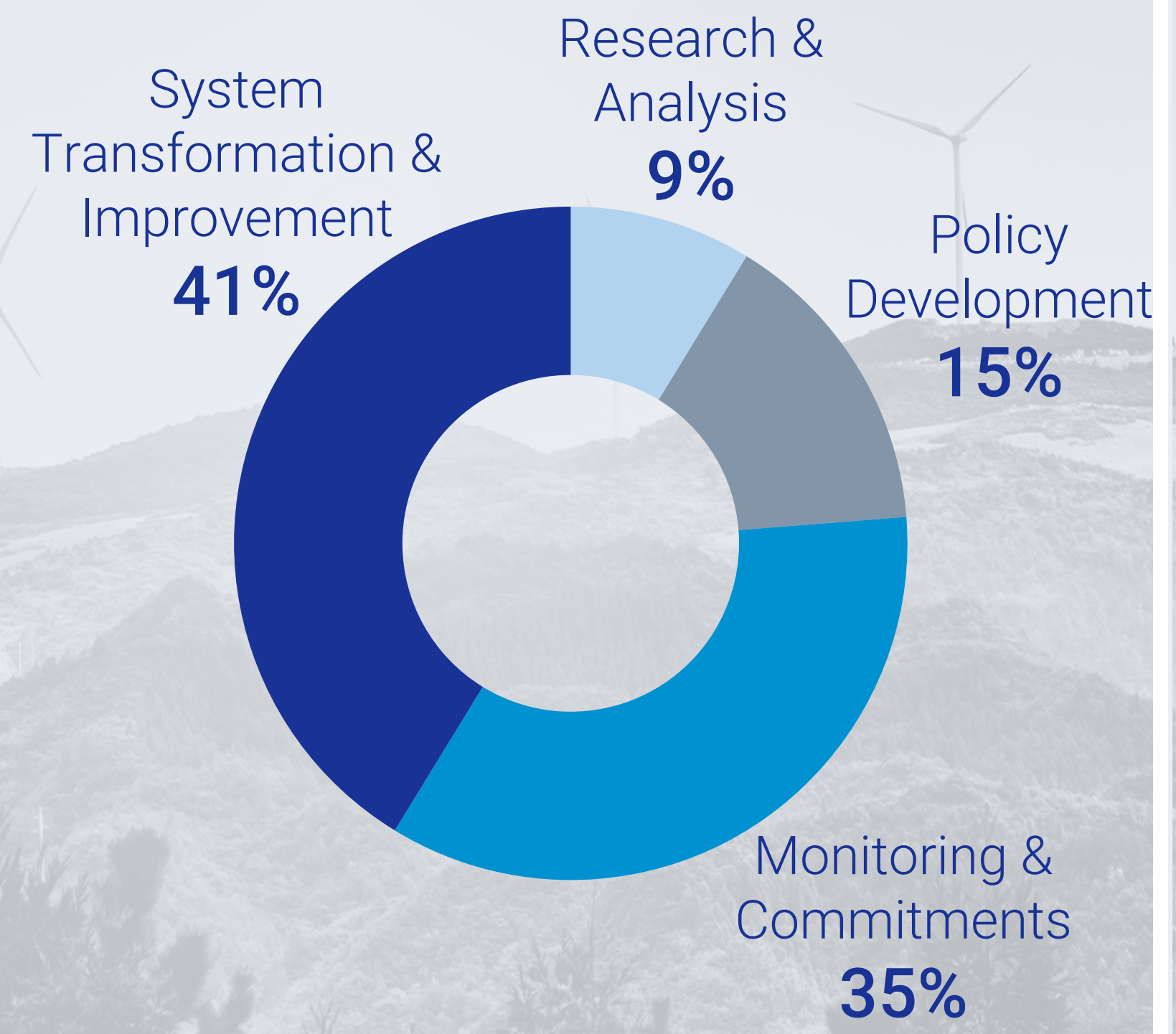


80 Core Actions

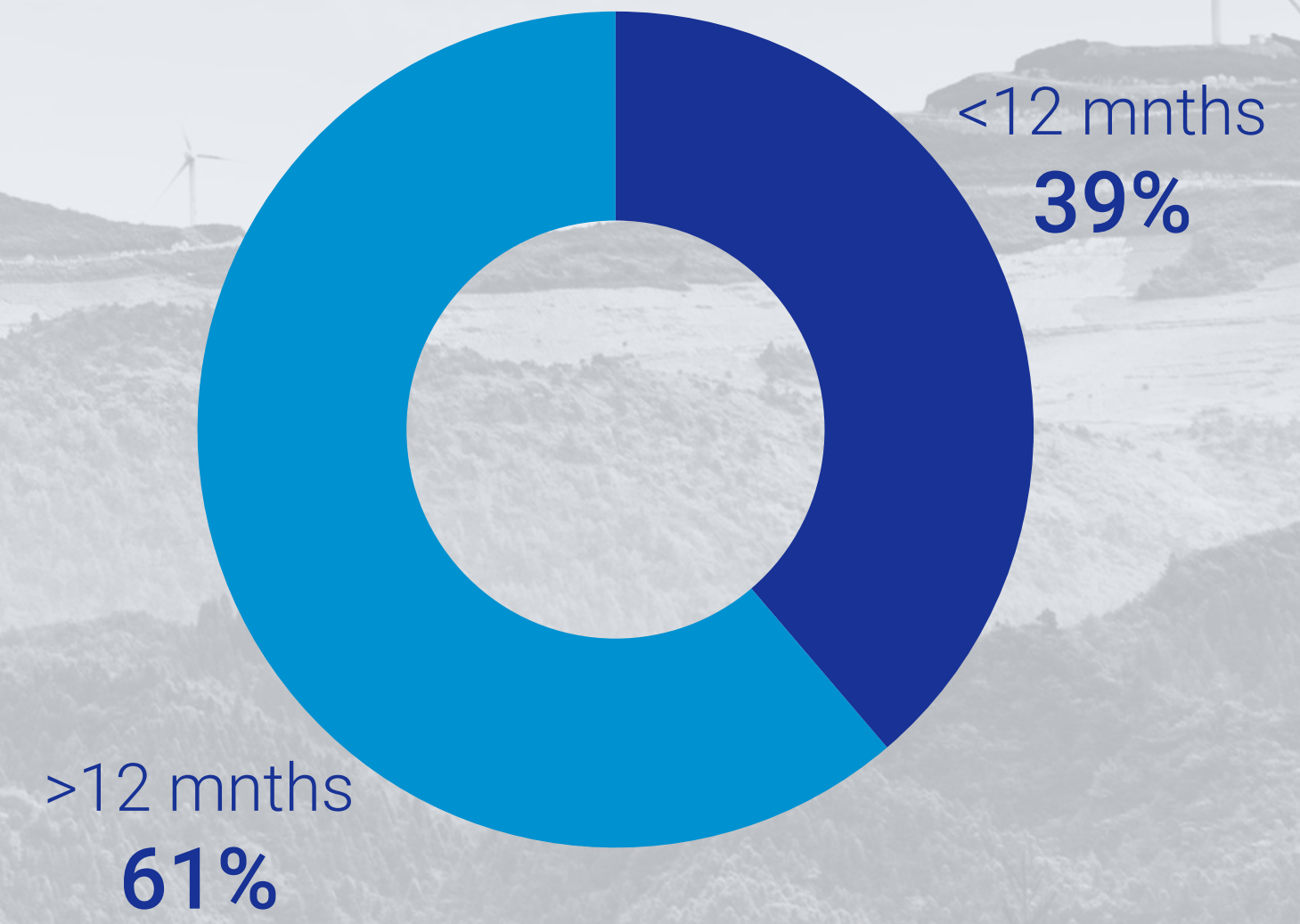
### Contribution to SDGs



### Breakdown of Actions by type



### Breakdown of Actions by timing





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**Pioneering Sustainability**

**01 Climate & Waste**

**02 Business Transformation**

**03 Communities and Human Capital**

**04 Sustainable Finance**

Aim is to be one of the companies that are **taken as an example** and **shown as a role model**

**≤3 yrs**  
in Turkey

**>3 yrs**  
in regions that we operate

**Net Zero Emissions<sup>1</sup>**

by 2050 at the latest

**Zero Waste<sup>2</sup>**

by 2050 at the latest

**Continuous Improvement**

in number & revenue share of SDG-linked products and services

**>70%**  
of total R&D expenditures SDG oriented

by 2025

All key community investment programs

**SROI ≥1**

**70%**  
of SAHOL companies exceeding or reaching global industry best FoW<sup>3</sup> practices

by 2023

**TL 200BN**  
Sustainable loan financing commitment<sup>4</sup>

by 2030

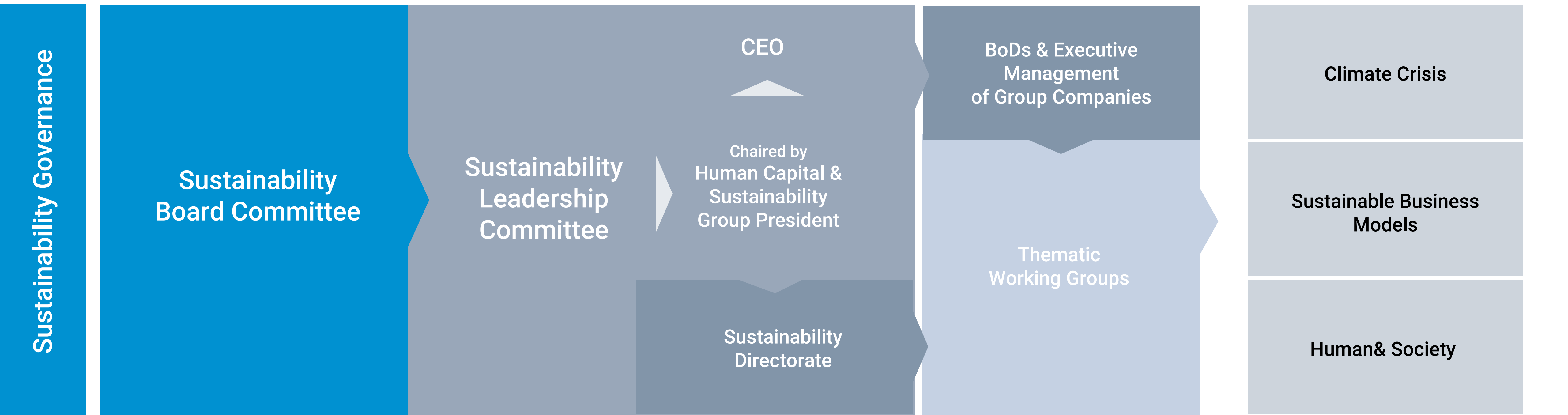
**TL 15BN**  
Sustainable fund size commitment

by 2030

1. Scope 1 and 2 emissions 2. Hazardous and non-hazardous waste. 3. Future of Work project 4. Sustainable finance indicators represent Akbank figures.



<b>Key Initiatives</b>	<p><b>BoD Sustainability Committee</b></p> <p><b>1st</b> In Turkey<sup>1</sup></p> <p>...consisting of independent BoD members with an oversight on Sustainability Leadership Committee</p>	<p><b>Assured Indicators</b></p> <p><b>1st</b> In Turkey in scope<sup>1</sup></p> <p><b>30 core</b> → <b>70 in total</b></p>	<p><b>ESG integration in CEO &amp; SBU Performance</b></p> <p><b>1st</b> In Turkey<sup>1</sup></p> <p>SBU Heads <b>%10</b>      CEOs <b>%15</b></p> <p>  ESG Rating       Diversity   Disclosure       Climate         </p>
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1. Among conglomerates



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Environment

Rate of Recovery

**87%**  
of waste

**19%**  
of water

Emissions Breakdown

21 Million tCO2e

**87%**  
Scope 1

**13%**  
Scope 2

**56%**  
Building  
Materials

**42%**  
Energy

**2%**  
Others

Renewables Ratio

**44%**  
Share of renewables  
in total installed  
capacity

**100%**  
Share of renewables  
in new investment  
plan

CDP Leadership

**2**  
Group companies  
CDP Turkey Climate &  
Water Leaders

Society

Diversity & Equality

**44%**  
Rate of  
women in BoD

**38%**  
Female  
management  
ratio

**30%**  
Female  
employee  
ratio

**1**  
Female-to-male  
pay ratio

Community Investment

**46 thousand+**  
People reached through  
inclusion programs in a year

Sustainable financing

**TL16,4BN**  
The amount of Akbank's  
sustainable financing in 2020

Products / Services

**828**

Number of products and services with  
positive contribution to SDGs (non-bank)

**22%** Mitigation  
**33%** Transition  
**43%** Positive  
Social  
Impact  
**2%** Enablers

**TL5,9BN**

Revenues from SDG-linked Products  
and Services (non-bank)

**42%** Mitigation  
**41%** Transition  
**15%** Positive  
Social  
Impact  
**2%** Enablers

Sector Breakdown

of SDG-linked Revenues  
(non-bank)

**46%** Industrials  
**40%** Energy  
**10%** Building  
Materials  
**4%** Others





## Building Materials

**100%**

Waste recycling / recovery

**35%**

SDG-oriented R&D

**36**

Products with transition features

**15%**

Transition revenues in total net sales



## Energy

**100%**

Share of renewables in 565 MW new investment plan

**44%**

Renewable electricity generation

**TL 2.4BN**

SDG-linked net sales revenues

**100%**

Renewable Energy Consumption<sup>1</sup>



## Industrials

**65%**

Waste recycling / recovery

**44%**

SDG-oriented R&D

**-14%**

Annual reduction in Scope 1&2

**28%**

SDG-linked Revenues in Total Net Sales

1.Indicates Enerjisa Enerji



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Future of Work



Smart  
Work



Physical &  
Mental Health



Flexible & High  
Performance  
Workforce



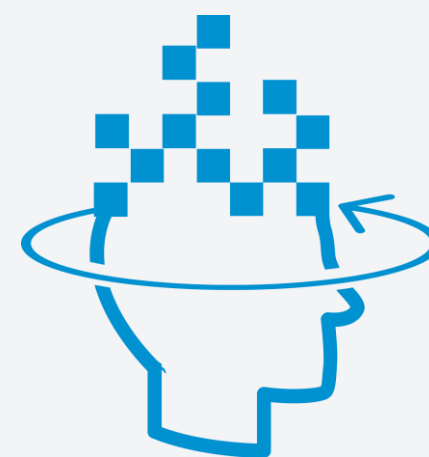
New Talent &  
Skill Paradigm



Leadership



Purpose Driven  
Organization  
Culture



Digital and Agile  
Organization

TL **200** MN

Planned Investment  
Within 2 years

**1,500+**

Planned Actions



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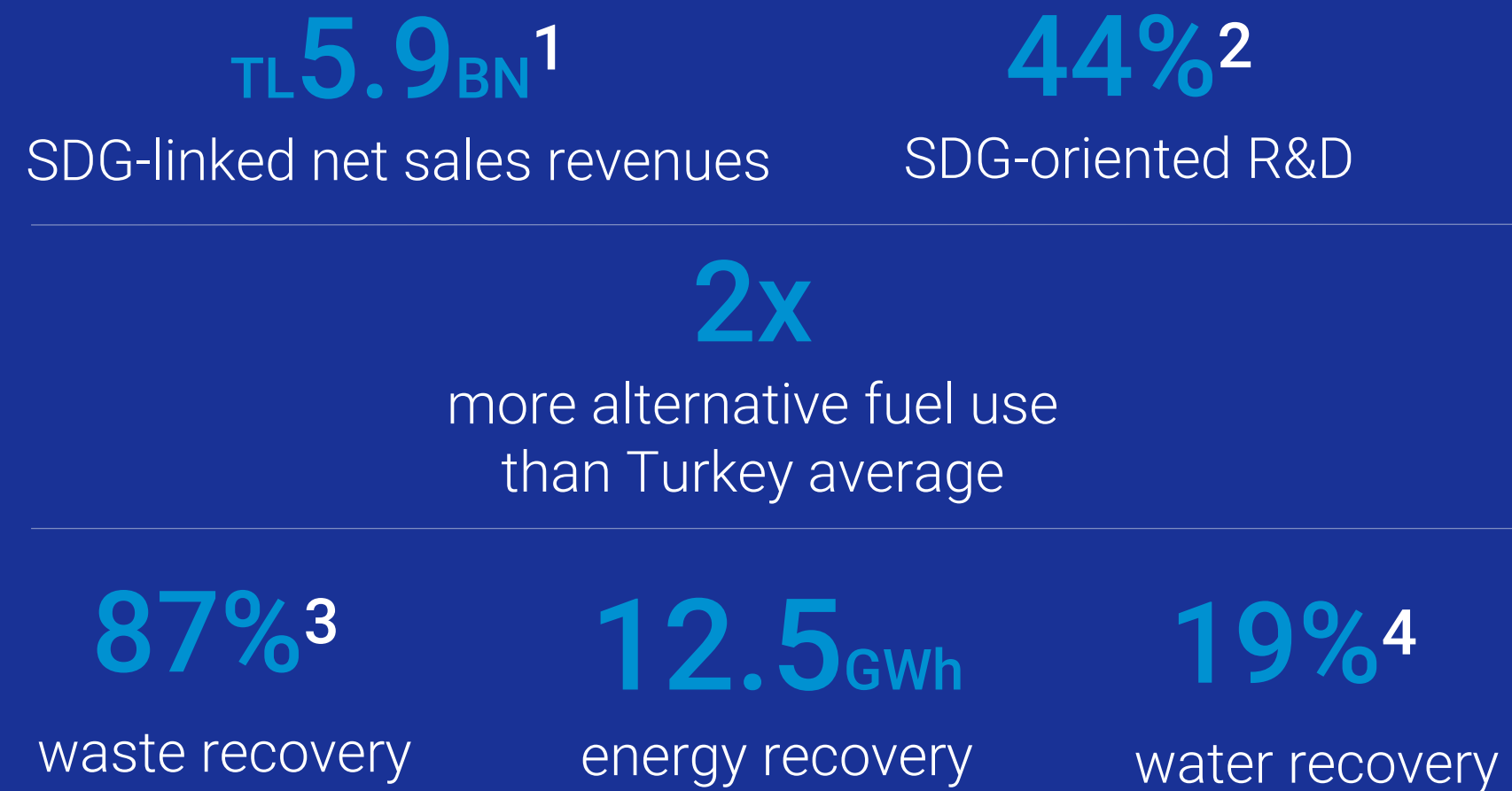
06

Transforming Our Portfolio for the Future





## we transform the core



## ...and grow in sustainable platforms

Among our growth platforms...



...because it *makes* business sense.



**Lower**  
cost of debt &  
cost of capital



**Broader**  
investor base



**Lower**  
ESG risks

1. Akbank is not included. 2. Brisa, Kordsa, Temsa, Akçansa, Çimsa, SabancıDx and Teknosa are included. 3. Recovered or reused. Wastes include hazardous and non-hazardous wastes. Avivasa, Carrefoursa and SabancıDx are not included. 4. Recovered, recycled or reused. Akçansa, Çimsa and Kordsa are included.



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





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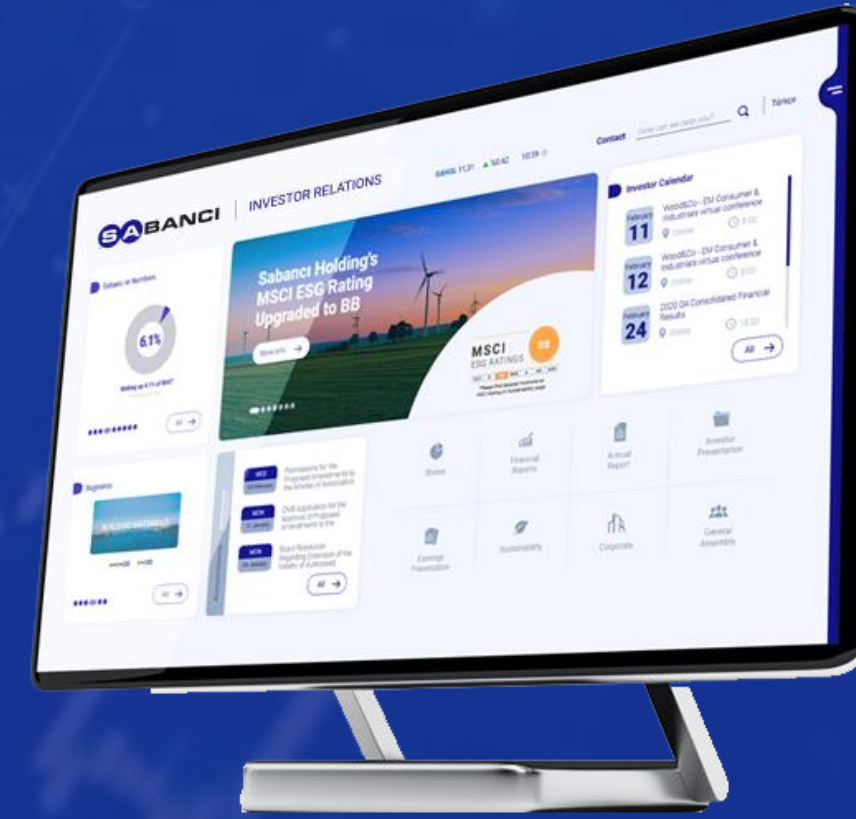
# Q&A



Discover



on Sabancı IR website



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