

ECHOES OF _____ HARMONY

Strengthening Responsible Business Model Through Governance

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

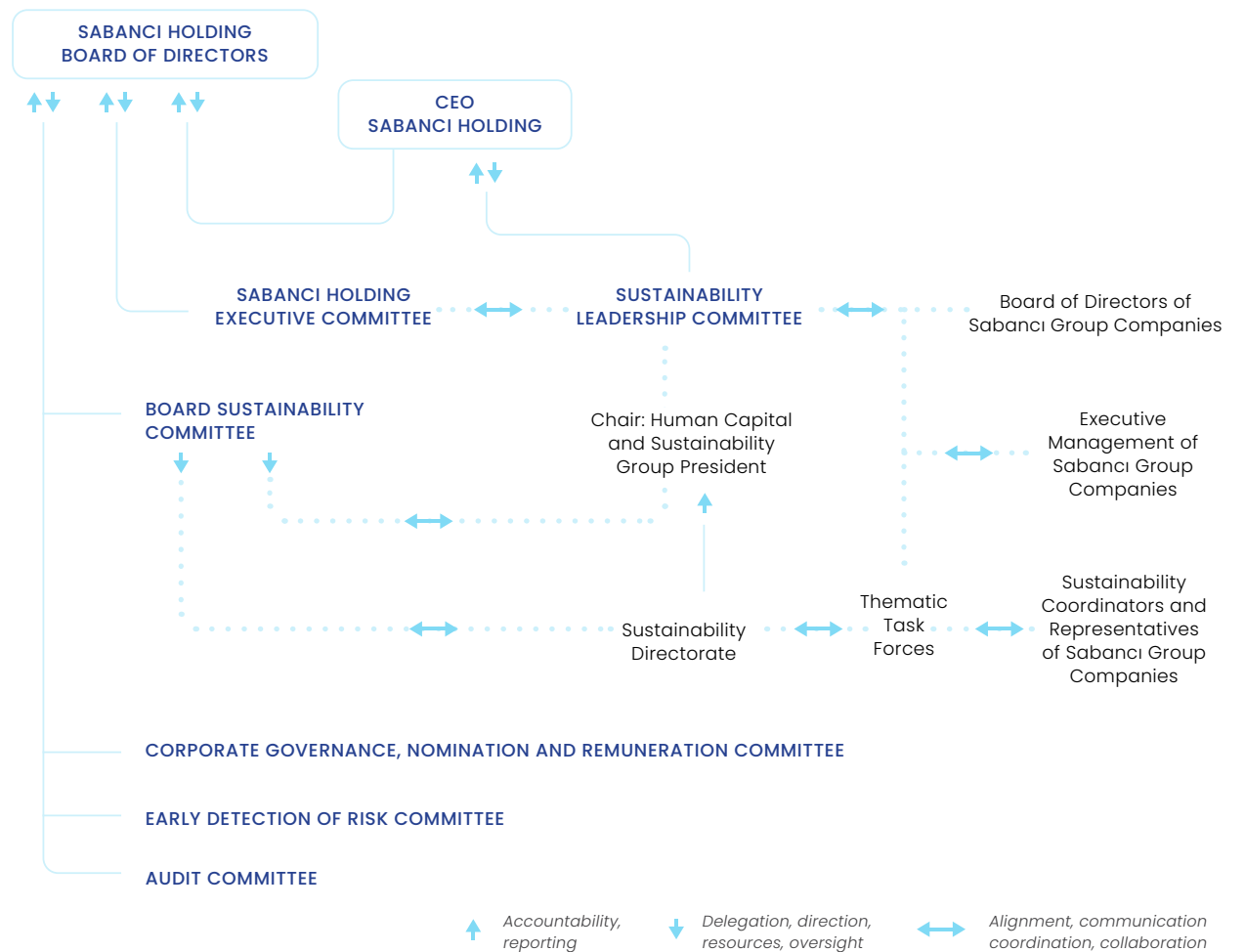
At Sabancı Holding, our corporate governance model reflects these principles by emphasizing accountability, transparency, responsible business conduct, and effective stakeholder management, contributing to the sustainability and resilience of the Sabancı Group.

Risk and Opportunity Management – Our Governance Model

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

Corporate Governance as the Pillar of Success

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



Integration of Sustainability into Strategy

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

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

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

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

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

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

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

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

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

Integration of Sustainability into Strategy

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

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

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

Role of Board Sustainability Committee

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

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

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

The Board Sustainability Committee monitors:

a) Sustainability Governance

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

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

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

b) Sustainability Performance

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

c) Transparency

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

d) Policies

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

Integration of Sustainability into Strategy

Empowering Executive Leadership for Sustainability

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

Sustainability Leadership Committee

The Sustainability Leadership Committee, chaired by the Human Capital and

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

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

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

In 2023, the Committee met four times.

Thematic Task Forces

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

In 2023, the Thematic Task Forces met 13 times.

Role of Sustainability Directorate

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

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

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

Integration of Sustainability into Strategy

Sustainability Directorate plays a major role in the governance model

Sustainability Directorate:

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

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

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

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

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

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

Integration of Sustainability into Strategy

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

Three Lines Model in Sabanci Holding

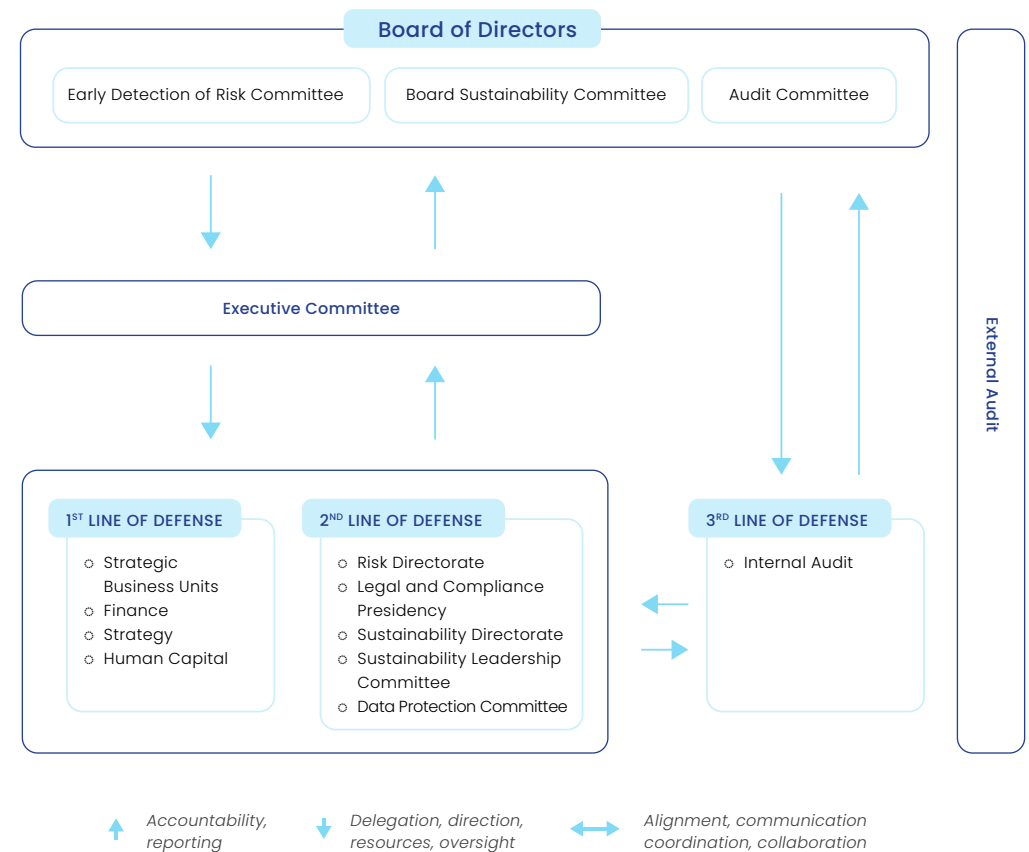
Sabancı Holding adopts the three lines model that identifies clear processes and roles to guide Sabancı Group toward effective governance, risk management and internal controls. To embed sustainability considerations, all roles work in close collaboration to ensure feedback loops and collectively contribute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

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

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

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

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



Enterprise Risk Management at Sabanci Group

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

Key Principles and Framework

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

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

Committee Oversight and Governance

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

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

Risk Management Across Group Entities

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

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

Enterprise Risk Management at Sabanci Group

Key Focus Areas

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

Financial Risks

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

Strategic Risks

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

Operational Risks

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

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

Compliance Risks

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

Business Ethics, Anti-Bribery and Anti-Corruption

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

Enterprise Risk Management at Sabanci Group

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

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

communication with employees.

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

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

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

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

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

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

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

Enterprise Risk Management at Sabancı Group

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

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

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

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

Training on Ethics, Anti-Bribery and Anti-Corruption

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

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

Enterprise Risk Management at Sabanci Group

Compliance

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

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

Competition and Anti-trust

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

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

Sanctions and Export Controls

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

Third Parties

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

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

Cybersecurity and Data Privacy

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

Intersection of Sustainability with Strategic Risk Management

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

Mitigating Physical Risks

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

Enterprise Risk Management at Sabanci Group

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

Navigating Compliance Risks

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

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

Managing Transition Risks

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

Embracing Emerging Sustainability Risks

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

Sustainable Value Creation

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

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

Future Outlook

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

Board of Directors

1 GÜLER SABANCI

Chair

2 EROL SABANCI

Vice Chair

3 SUZAN SABANCI

CBE Board Member

4 E. MELİSA SABANCI TAPAN

Board Member

5 SERRA SABANCI

Board Member

6 CENK ALPER

Board Member and CEO

7 HAYRİ ÇULHACI

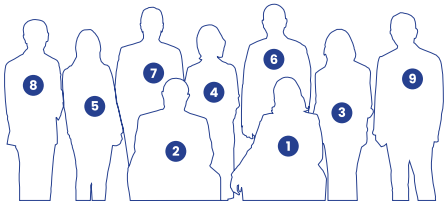
Independent Board Member

8 HÜSEYİN GELİS

Independent Board Member

9 MEHMET KAHYA

Independent Board Member



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

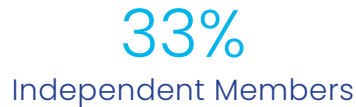
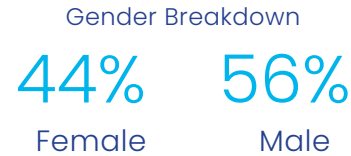
Skill Matrix

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

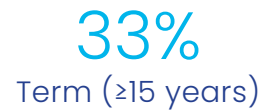
Our nomination process for the Board of Directors goes beyond merely ensuring gender equality in diversity and inclusion. We meticulously assess candidates' competencies, considering a wide array of factors, including industry expertise, management experience, proficiency in ESG matters, crisis management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

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

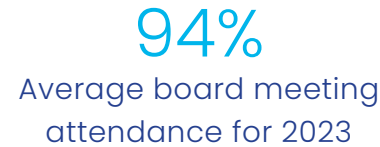
BOARD MEMBERS COMPOSITION



TERM AND TENURE OF BOARD MEMBERS



BOARD MEETING ATTENDANCE



BOARD OF DIRECTORS EXPERIENCE COMPOSITION



Executive Committee

1 CENK ALPER

Board Member and CEO

2 BURAK ORHUN

Material Technologies

3 CEVDET ALEMDAR

Mobility Solutions

4 FİLİZ KARAGÜL TÜZÜN

Corporate Brand Management and Communications

5 FUAT ÖKSÜZ

Audit and Secretary General

6 GÖKHAN EYİĞÜN

Strategy and Business Development

7 HAKAN BİNBAŞGİL

Banking

8 HALUK DİNÇER

Financial Services

9 KIVANÇ ZAIMLER

Energy

10 MAX SPEUR

Digital

11 N. ORHUN KÖSTEM

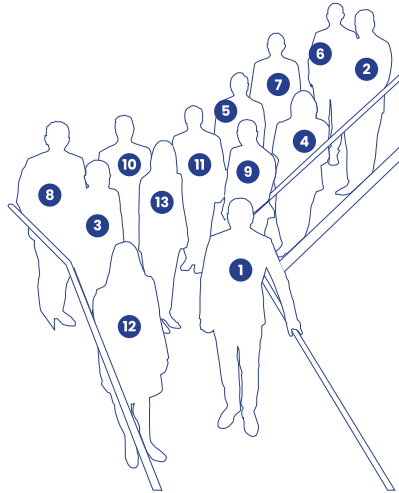
Finance

12 ŞEBNEM ÖNDER

Legal and Compliance

13 YEŞİM ÖZLALE ÖNEN

Human Capital and Sustainability



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

Committees and Policies

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

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

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

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

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

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

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

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

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

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

Committees and Policies

BOARD OF DIRECTORS

Board Committees

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

Executive Committees

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

Policies and Principles

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



[For detailed information about each policy, please click on the headline of the relevant policy.](#)