

ECHOES OF _____ HARMONY

Empowering Sustainability, Resonating Within, Impacting Beyond

In a Zen garden, every stone and plant harmoniously coexist, symbolizing the interconnectedness and balance found in nature's diverse ecosystems.

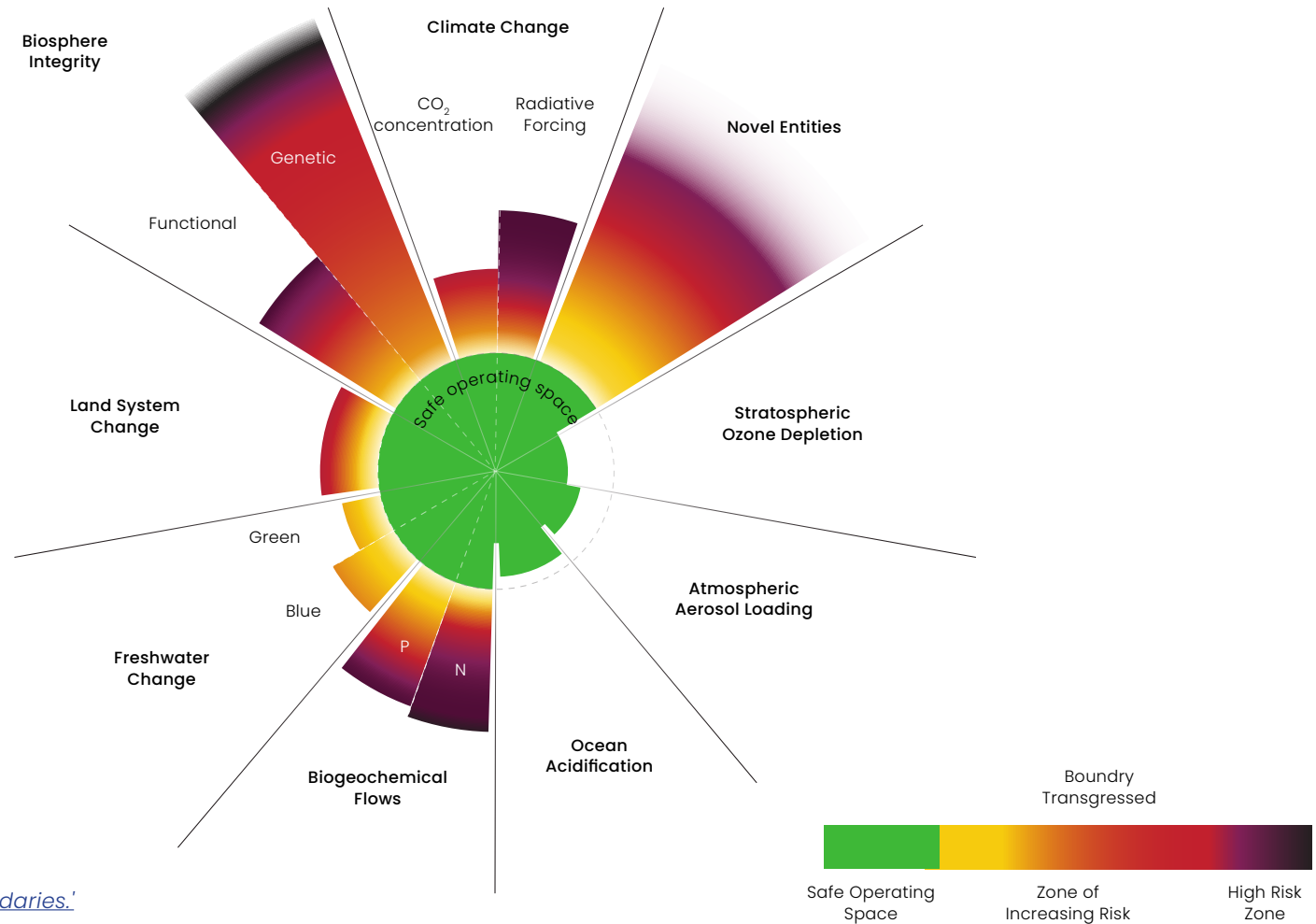
At Sabancı Holding, our Nature Agenda reflects this harmony through ambitious goals and initiatives in decarbonization, water management, biodiversity, and circular economy, fostering a sustainable relationship between business and nature.



Our Nature Agenda

The concept of 'Planetary Boundaries' outlines nine key thresholds that humanity can operate within to sustain development and prosperity for future generations. These are the scientifically defined thresholds representing the safe operating space for humanity within the Earth's systems. The thresholds encompass critical environmental processes and conditions that, if crossed, could lead to abrupt or irreversible environmental changes, endangering both human societies and the planet's ecosystems.

As of now, six of the nine boundaries have transgressed, and the degree of transgression has increased since 2015. In addition, ocean acidification is approaching its planetary boundary.



Source: Stockholm Resilience Centre. 'Planetary Boundaries.'

Our Nature Agenda

The Climate Emergency is just one dimension of the broader picture. It often dominates discussions due to its immediate and tangible impacts on global ecosystems. However, recent studies show that tackling the Climate Emergency alone is not enough; a holistic, Nature-Based approach should be adopted for lasting solutions.

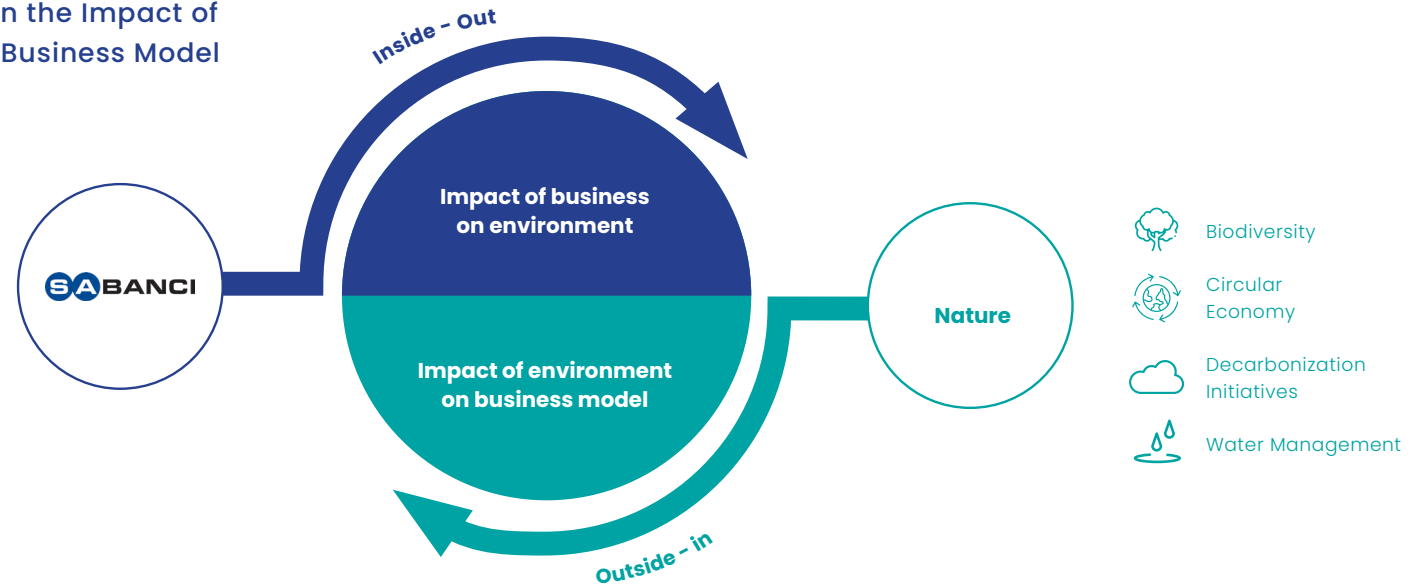
As Sabancı Holding, we recognize the critical role of nature in shaping our sustainable future. Our commitment extends beyond the conventional approach; we aspire to be leaders in championing a Nature-Based approach. By setting ambitious goals to promote biodiversity, conservation, and even regeneration, and to foster

circular business models, our aim is to pave the way for a more harmonious relationship between business and nature.

In this regard, our efforts have expanded from decarbonization to a comprehensive nature program, employing both an outside-in and

inside-out approach in line with the double materiality approach. Sabancı Holding's Nature Agenda includes our efforts in four key areas, namely Decarbonization Initiatives, Water Management, Biodiversity, and Circular Economy.

The Efforts Extended from Focusing on the Impact of the Operations to the Impact on The Business Model



Decarbonization Initiatives

[According to the latest WEF Global Risk Report](#), our world is facing major global challenges that matter to our future both in the short and long-term. In a 10-year period, four of the five major global risks are related to climate and environmental issues: extreme weather events, critical change to Earth systems, biodiversity loss and ecosystem collapse, and natural resource shortages.

In addition, scientific research indicates that the pace of change on our planet exceeds the transition toward a sustainable economy and that certain

geographical regions have been warming faster than the global average. Per [IPCC statements](#), over a fifth of the global population lives in regions where at least one season has already experienced warming greater than 1.5°C above pre-industrial levels.

In parallel with these reports, the climate emergency has also been determined as one of the most material issues for our business.
















To respond to this emergency, we set a course for our decarbonization strategy,

which means growing our business in sustainable areas while reducing our negative impact on the planet.

In alignment with our strategic framework, Sabancı Group has formulated a comprehensive decarbonization strategy to address potential risks for achieving the 1.5°C goal. Embarking on this journey in 2021, we have elevated our commitment by introducing interim GHG (Greenhouse Gas) emissions reduction targets within the scope of our Nature Agenda in 2023.

This effort was vital in identifying key areas for improvement towards our Net Zero Emissions target. Specific measures and actions for both Sabancı Holding and its Group companies were outlined to mitigate their environmental impact. Besides our interim GHG emissions reduction target, Sabancı Holding has determined 15 Decarbonization Levers designed to accelerate the transition process, effectively decarbonizing the various industries in which Sabancı Group is actively engaged.

List of Decarbonization Levers

 Renewable Electricity Usage/Generation	 Switching away from CO ₂ Intensive Fuels	 Electrification of Kiln/Boiler	 Theft & Loss Reduction	 Alternative Cooling Gas	 Bio Diesel Blend	 SF6 Recovery	 Blending of Renewable Natural Gas (RNG)
 Grid Decarbonization	 Raw Material Substitution	 Fleet EV Transformation	 Clinker Substitution	 Alternative Fuels	 Heat Pumps	 Product/Network Optimization	

Decarbonization Initiatives

Committed to 2050 Net Zero goals, Sabancı Group has set ambitious science-based targets. As a strategic investment holding, we have committed to a 15% reduction in Scope 1 & 2 GHG emissions by 2025 and a 42% reduction in Scope 1 & 2 GHG emissions by 2030 versus 2021 baseline without using carbon offsets based on equity share approach. Our targets align with 1.5°C pathway of the globally recognized [Science Based Targets initiative \(SBTi\)](#).

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

Group companies have begun establishing their Scope 3 GHG emissions targets and are actively engaging in the SBTi approval process. As of 31 December 2023, 60% of Sabancı Holding's Scope 1

and 2 GHG emissions are either in the process of SBTi evaluation or awaiting approval, underscoring our commitment to this ambitious environmental goal. In addition, Akbank's new commitment to becoming a net-zero bank, in accordance with the [guidelines of the Net-Zero Banking Alliance](#), marks a significant milestone in our Scope 3 decarbonization journey.

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

A member of Net-Zero Banking Alliance, Akbank sets ambitious targets, aiming to become a Net Zero Bank by 2050.

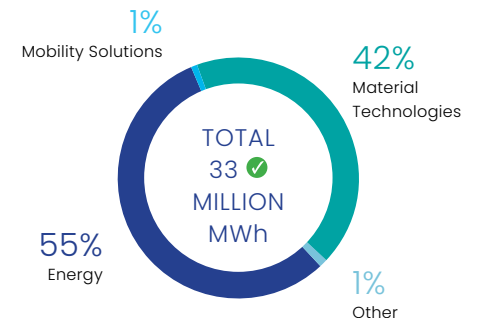
Energy and GHG Emissions Management

We achieved almost 70 thousand MWh of energy savings with efficiency projects implemented.

At Sabancı Group, energy and emission management means reducing the impact of Group companies from different industries by taking various initiatives and innovative actions to support the Group's interim GHG reduction and ultimate Net Zero targets. In parallel with this understanding, our energy intensity decreased by 24% in 2023. Our Scope 1 and 2 GHG emissions decreased by 10% during the reporting year compared to 2022. The reduction was mainly driven by energy efficiency and increased use of renewable electricity across all our

businesses, increased use of alternative raw materials and fuel in material technologies, and the decrease of natural gas use in energy business. Moreover, the ratio of our Scope 1 and 2 GHG emissions to our combined net sales revenue decreased by 21%. We achieved 70 thousand MWh of energy savings³⁶ with efficiency projects implemented. As a result of carbon emission reduction projects, we prevented approximately 300 thousand tons of CO₂ equivalent GHG emissions. In addition, we procured nearly 1.1 million MWh of our electricity from renewable sources.³⁷

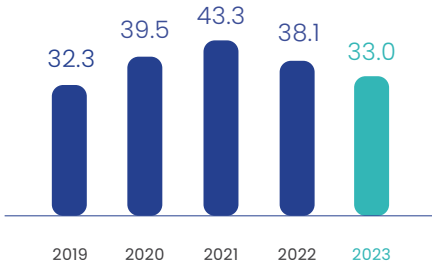
ENERGY CONSUMPTION BY SECTOR



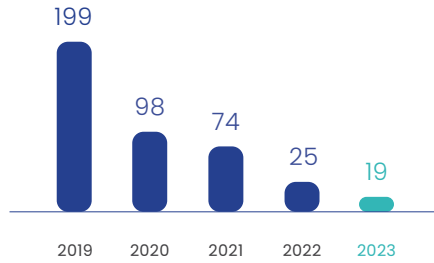
³⁶ Includes Akçansa, Brisa, Carrefoursa, Kordsa, Teknosa, Temsa, Enerjisa Enerji, and SabancıDx.
³⁷ Includes Holding, Aksigorta, Akçansa, Brisa, Çimsa, Kordsa, Teknosa, Temsa, Enerjisa Enerji.

Decarbonization Initiatives

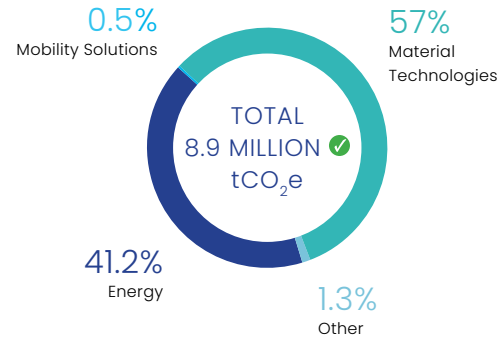
ENERGY CONSUMPTION BY YEAR (MWh, MILLION) ✓



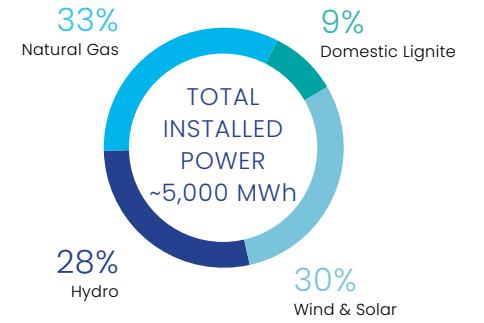
EMISSION INTENSITY BY YEAR (tCO₂e/MILLION TL) ✓



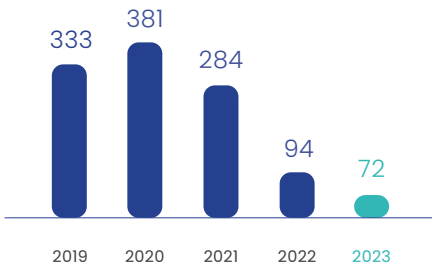
TOTAL SCOPE 1 AND SCOPE 2 GHG EMISSIONS BY SECTOR



ENERJISA ÜRETİM PORTFOLYO⁴⁰

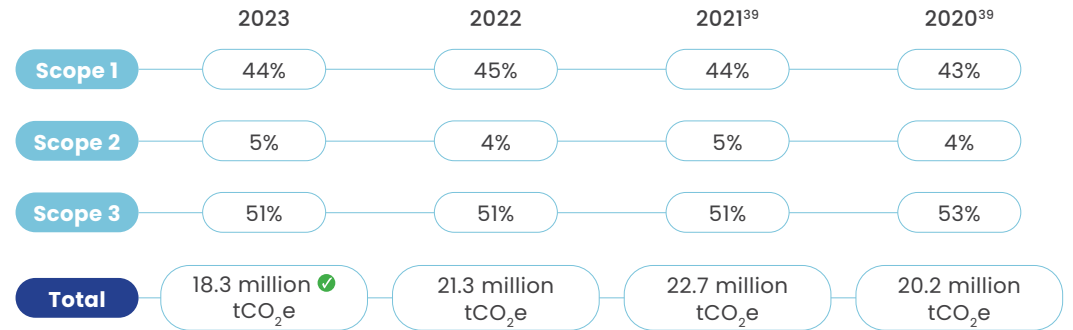


ENERGY INTENSITY BY YEAR (MWh/MILLION TL) ✓



Our Scope 1 & 2 GHG emissions decreased by **10%** during the reporting year compared to 2022.

GHG EMISSIONS BY SCOPE³⁸



³⁸ In accordance with the Equity Share Approach defined in the Greenhouse Gas Protocol, Sabanci Holding accounts for GHG emissions from operations according to its share of equity in the operation.

³⁹ The GHG emissions of the Group for the year 2020 and 2021 have been restated due to the change in consolidation approach.

⁴⁰ YEKA-2 and capacity increase projects under construction have been included in Wind & Solar.

Decarbonization Initiatives

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

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

In our Material Technologies companies, **85%** of cement is manufactured at [CSC Gold certified](#) plants.

[According to the International Energy Agency \(IEA\) data](#), if the Net Zero scenario is applied successfully, renewables' share of power generation is expected to increase by almost 90% by 2050. It is indicated that related activities need to increase rapidly to meet the requirements for the Net Zero scenario to achieve the required percentage. Both wind and Solar PV are expected to play significant roles in renewable power generation by 2030, followed by hydropower, bioenergy, and other sources.

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

Enerjisa Üretim strengthens its commitment to tackle the climate emergency by:

- Investing in renewable energy, thereby pledging to fight against the climate emergency.
- Supporting its existing facilities with renewable technologies.
- Leading the industry in low-carbon alternatives through research and development investments, such as green hydrogen.
- Reducing its carbon footprint by embracing digitalization in its operations as much as possible and directing the sector towards this direction.

Our Group's Transition to Clean Energy

In 2023, our Group companies, including Akbank, Aksigorta, Akçansa, Çimsa, Brisa, Kordsa, Temsa, Enerjisa Enerji, Enerjisa Üretim and Teknosa continued to obtain their electricity from renewable sources. Our Group's renewable energy transition plans include both the purchase of renewable energy certificates and on-site renewable energy installations where technically feasible.



[For the Sabancı Group facilities certified with ISO 50001, please read the ISO Certifications Document available at the Download Center section of the Report's website.](#)

Decarbonization Initiatives

Highlights From Sabanci Group Companies

ÇİMSA

In 2023, Çimsa took strong steps to translate its commitment to combating the climate emergency into actions, aligning its operations and value chain with global developments.

In this context, the Validation process was completed in the second quarter of 2024 after Çimsa committed to the SBTi, which contributes to limiting global warming to 1.5°C and guides companies with a vision to combat climate change to achieve this goal, to set a near-term reduction target for carbon emissions in accordance with climate science. In this context, Çimsa committed to reduce its gross Scope 1 & 2 GHG emissions per ton of cement product by 42.1% by 2033 compared to the base year 2021, and to

reduce its gross Scope 3 GHG emissions from purchased clinker and cement by 43.4% by 2033 compared to the base year 2022.

Eskişehir Waste Heat Recovery (WHR) Investment

Çimsa, in cooperation with Enerjisa, started the installation of the Waste Heat Recovery (WHR) Plant with an energy generation capacity of approximately 40 million kWh at the Eskişehir Plant within the scope of the 'Energy of My Business' project. The project, which will be completed by the end of 2024, will use new generation waste heat recovery technology to generate electricity without the use of water and meet approximately 25% of the Eskişehir Plant's electricity needs. With this investment, energy equivalent to the annual electricity consumption of 13 thousand households will be obtained annually and 19 thousand tons of CO₂ emissions will be prevented,

making a significant contribution to the fight against the climate crisis.

AKÇANSA

Tackling climate emergency, Akçansa joined the SBTi in 2022 to underpin its emissions reduction targets with scientific data and share them transparently and made its commitment to 2023.

Recognizing that the cement industry in Türkiye has a leading role to play in achieving the Net Zero target by 2053, Akçansa takes important steps to tackle climate emergency with innovative process and product solutions. The company reduced its net specific CO₂ emissions per cement product and achieved a 9% reduction in its net specific CO₂ emissions compared to the 2019 baseline.

Akçansa launched the 'Sustainable Product Movement' for its cement products with its investment and product transformation plan, which was designed in the CO₂ emission reduction roadmap the company prepared as part of its targets. In this context, Akçansa invested in silos and feeding systems and established strategic partnerships for the use of fly ash, a by-product of thermal power plants in its region, in cement production.

BRİSA

Brisa developed its decarbonization roadmap and climate transition plan, on its way to the 2050 Net Zero emissions target. It is the first company in the global tire industry and across all industries in Türkiye to have Scope 1, 2, and 3 emission reductions approved by the SBTi in accordance with the scenario that will limit the rise of the earth's temperature by

Decarbonization Initiatives

1.5°C. Brisa aims to achieve 56% reduction in its direct emissions by 2030 compared to 2020 and to become Net Zero by 2050.

Brisa's sustainability efforts are designed to create value in concert with its entire ecosystem. Through the SUSPRO program for its suppliers, Brisa ensured that suppliers, which are prioritized on a risk basis in terms of financial, climate and water-related risks, make science-based target commitments. The Company prioritized dealers with high environmental and social impact and certified 25 dealers under its Green Dealer program by assessing their store practices.

KORDSA

Kordsa targets to reach Net Zero emission by 2050 at the latest to limit global warming to 1.5°C. The company is

committed to the SBTi, and its mid-term targets are approved.

Kordsa's goal is to achieve a 46.2% reduction in Scope 1 & 2 emissions by 2030 compared to 2019's levels. In Scope 3 emissions, Kordsa commits that 64% of its suppliers' emissions covering Category 1, will have science-based targets that meet the latest SBTi criteria by 2027 and to reduce absolute Scope 3 Category 3 and Category 10 emissions by 25% by 2030 from a 2021 base year. In 2023, Kordsa made significant progress by reducing Scope 1 & 2 emissions by 16.8% compared to the 2019 baseline.

In line with sustainability targets, Kordsa prepared and published a decarbonization roadmap plan in 2023. Kordsa constantly researches new technologies and available options for decarbonization.

TEMSA

TEMSA is dedicated to achieving its 2050 Net Zero emissions goal and 2045 Net Zero waste target by integrating sustainability into every aspect of its business and operations, ensuring the company leaves no one behind. The targets set by TEMSA align with the Science Based Targets initiative (SBTi) for limiting global warming to 1.5°C. Temsa is expecting the announcement of updated guidance for automotive sector to set an absolute emissions reduction target in line with SBTi recommendations.

ENERJİSA ENERJİ

In line with its climate strategy, Enerjisa Enerji set an ambitious target to reduce its Scope 1 and Scope 2 emissions by 30% by 2030, using 2021 as the baseline year, and to align all business operations

with the Net Zero emissions journey by 2050. This target is a key element in the company's comprehensive climate transition plan and in line with the worldwide commitment to limit the increase in global temperature to 1.5°C.

ENERJİSA ÜRETİM

Enerjisa Üretim continuously generates as one of Türkiye's leading players in clean energy with the 46% share in renewable resources in its installed capacity, coupled with its activities in this particular field.

Decarbonization Initiatives

Enerjisa Üretim is implementing the EU-supported project to establish Türkiye's first hydrogen valley at the Bandırma Energy Hub, coordinated by the Southern Marmara Development Agency with 16 local and international stakeholders, including Enerjisa Üretim and Sabancı University, and a budget of €36.8 million.

The 'Southern Marmara Hydrogen Coast' Valley Project aims to generate a minimum of 500 tons of green hydrogen annually.

Enerjisa Üretim will generate hydrogen at its Energy Hub in Balıkesir Bandırma. In 2023, 42% of the hydrogen used for cooling the Bandırma-2 generator came from the hydrogen generation electrolyzer.

In addition, to support electric vehicles used in the Bandırma Power Plant, Enerjisa Üretim is developing smart, environmentally friendly solutions, including inductive charging while in motion and static electricity harnessing while parked, in collaboration with Electreon.

Net Zero Strategy Approach of Enerjisa Üretim

Avoid

- Renewable installed capacity growth strategy

Enerjisa Üretim plans to increase its generation capacity to over 5,000 MW within 5 years with its investments in both

wind and solar power plants, increasing its share of renewable energy to 60%.

- Increasing battery storage capacity
- By initiating storage for its WPP project developments, Enerjisa Üretim have received a pre-license for 500 MW wind energy generation and 500 MWh battery storage capacity for its Malkara Storage WPP, 19 Mayıs Storage WPP and İzmit Storage WPP projects respectively.

Reduce

- Enerjisa Üretim will gradually exit from their natural gas and lignite power plants and become a Net Zero carbon company by 2045 at the latest.
- Optimizing Bandırma 1-2 operating hours to reduce GHG emissions.
- Early phase out from Tufanbeyli and maximize solar capacity in the same area.
- Blending the hydrogen generated as fuel in natural gas power plants (gradually at rates of 5-10-15-20%).

- Researching Carbon Capture Technologies, CSP (Concentrated Solar Power) and Deep Well Technologies.
- Enerjisa Üretim also aims to develop high quality carbon sink project focused on afforestation through a nature-based approach to mitigate its environmental impact.

CARREFOURSA

Carrefoursa aims to reduce Scope 1 and 2 emissions by at least 42% by 2030 and Scope 3 emissions by at least 67% by 2050.

Regarding Scope 3 emissions, which are particularly challenging to calculate due to the complexities of the supply chain, Carrefoursa conducted a comprehensive assessment for the period between 2017 and 2023 and swiftly began reduction efforts. In this regard, the company completed the preparation process

Decarbonization Initiatives

for setting science-based targets and focused on emission reduction. During the SBTi preparation process, in-depth assessments were conducted, especially on emissions related to forests, land use, and agriculture (FLAG), and efforts began to create a supplier map in close collaboration with suppliers. This allows Carrefoursa to implement sustainability principles at every stage of the supply chain and take significant steps to reduce its carbon footprint.

TEKNOSA

For the past two years, Teknosa has been implementing its Scope 1, 2, and 3 emissions reduction plans incorporating 2050 Net Zero emissions target into its strategies. Teknosa recorded a progressive reduction in Scope 1 & 2 emissions of 24.5% in 2022 and a subsequent decrease of 29.8% in 2023 compared to the baseline year of 2021.

Teknosa's initiatives include energy conservation efforts, utilization of alternative fuels, renewable energy generation and procurement. For instance, Teknosa installed 320 solar panels on the roof of one of its stores, generating 175,000 kWh of energy annually. Energy efficiency and transition actions in stores resulted in savings of 3.65 million kWh energy in 2023 alone.

Scope 3 emissions, constituting 98.6% of Teknosa's emissions profile, require intensive efforts due to their indirect nature. To address this, the company offered discounts and promotions to incentivize the preference for high-efficiency products among customers. Additionally, Teknosa engages with its customers in sustainability interaction areas within the stores to raise awareness about sustainability.

Teknosa initiated communication with suppliers to collect sustainability

data and transition to low-carbon products and supplier alternatives. In the near future, the company will provide sustainability scores to suppliers, informing and supporting them in this regard, and integrating sustainability clauses into supplier contracts.

AKBANK

A member of the Net-Zero Banking Alliance, Akbank, works towards its goal of 'becoming a Net Zero Bank by 2050'.

In 2023, Akbank calculated Scope 3 Category 15 emissions in line with [PCAF \(Partnership for Carbon Accounting Financials\) Global Greenhouse Gas Accounting and Reporting Standard for the Financial Sector](#) methodology for various asset classes covering corporate, commercial and SME loan portfolio. Akbank identified the priority sectors that

it will focus on its journey to become a Net Zero Bank and disclosed interim emission reduction targets for four prioritized carbon intensive sectors.

Since 2021, Akbank finances low carbon investments aligned with the criteria stated under its Sustainable Finance Framework. Since 2023, Akbank embedded climate change due diligence process within its lending processes for hard to abate sectors. Location and sector-specific climate risks were analyzed for all Project Finance loans. Akbank will prioritize green and low carbon entities in its lending processes going forward. In addition to climate finance, Akbank also focused more comprehensively on transition finance. The Bank engages and encourages its customers in sectors which have a high environmental footprint and primarily in carbon intensive sectors to make green transformation and offers suggestions for green investments.

Decarbonization Initiatives

Akbank provides Transition Loan to its business partners aiming to reduce their carbon emissions.

The Bank offers low carbon, sustainable agriculture-oriented supply chain finance solutions.

Akbank offers a free of charge digital tool service for calculating client-level carbon footprint & ESG scoring.

In 2023, the Bank organized workshops to raise awareness among its customers about the Border Carbon Adjustment Mechanism.

Working on decarbonization of its operational emissions and its

portfolio emissions by 2050, Akbank recorded advance efforts to mitigate environmental footprint and manage climate risk.

Decarbonization of its operational emissions, Akbank reduced operational emissions by 82% compared to the 2019 baseline in 2023. The Bank set interim emission reduction target in line with 1.5°C scenario to reduce absolute Scope 1 and Scope 2 GHG emissions by 90% by 2030 from 2019 base year. Since the beginning of 2023, 100% of the Bank's electricity is sourced from renewable sources. Akbank also extended capacity building in energy efficiency and waste management.

AKSIGORTA & AGESA

Aksigorta and Agesa completed the analyses of its Scope 1, 2, and 3 emissions and built a climate strategy in the first phase of being a Net Zero company by 2050 in compliance with the 1.5°C degree

scenario of the Paris Climate Agreement. According to this strategy:

Aksigorta set the target of 53% reduction in the total of its Scope 1 and 2 emissions by 2030 compared to 2019 which is in line with Science Based Target Initiative (SBTi) requirements.

Agesa set the target of 69% reduction in the total of its Scope 1 and 2 emissions by 2030 compared to 2019 which is in line with Science Based Target Initiative (SBTi) requirements.

Our insurance companies are working on setting an SBTi aligned target for its Scope 3 emissions, which mainly stem from their investment process. Aksigorta and Agesa follow the Portfolio Coverage methodology to build their implementation plan. Upon completion of the target determination process, they will submit to SBTi to validate the targets.

Of the 11 Sabancı Group companies reporting to the CDP Climate Change Program, 9 rose to the leadership level with A or A- scores. Accordingly, the number of Sabancı Group companies reporting to CDP and at the leadership level tripled compared to last year whereas Sabancı Holding, Temsa, Brisa included in Global A list while Akçansa, Carrefoursa, Enerjisa Üretim, Enerjisa Enerji, Kordsa, and Teknosa, listed in leadership level with A- scores.

Water Management

Water is essential for life and sustainable development, yet its availability is threatened by factors like population growth, climate change, and lack of governance practices.

[According to latest United Nations World Water Development Report](#), roughly half of the world's population currently experiences severe water scarcity for at least part of the year. One quarter of the world's population face 'extremely high' levels of water stress, using over 80% of their annual renewable freshwater supply.

[World Bank research](#) states that approximately 2 billion people around the world do not have safely managed drinking water services, 3.6 billion people do not have safely managed sanitation services, and 2.3 billion lack basic handwashing facilities. [The World](#)

[Economic Forum \(WEF\) predicts that by 2030, global freshwater demand will surpass supply by 40%, with an estimated 1.6 billion people lacking access to safely managed drinking water.](#)

Water is intricately linked to numerous challenges, with none arguably as pressing as climate change. The climate crisis profoundly disrupts the water cycle, which is crucial for both people and the planet. [Water lies at the core of this crisis, with nine out of ten climate-related events being water-related.](#)

At Sabancı Group, we see water as a fundamental natural capital for all sectors in which we operate alongside other stakeholders, including society at large. We are aware that water supply disruption will adversely affect all business processes and our societies.

To mitigate potential risks associated with water scarcity and effectively manage this challenge, we initiated a comprehensive water project across the Group in 2023. With this project, our aim was to establish an alignment on key water-related definitions, calculation methodologies and metrics across all Group companies in accordance with their respective sectors.

As a result of this alignment, we defined a medium-term water consumption target across our Group companies and restated our baseline figures due to changes in boundaries and definitions.

Sabancı Holding considers expanding the practice of quantifying water-related risks to all relevant companies, starting from materials and energy businesses.

Our water project is based on a systematic approach aimed at comprehensively understanding and mitigating our water footprint.

Our first step was defining key water concepts for each company within our Group. By identifying key metrics and methodologies, we established a baseline for water consumption and set ambitious targets for reduction and efficiency improvement.

All the methodologies and definitions we used are aligned with global standards and reporting frameworks, ensuring consistency and comparability across all Group companies.

As a result of such alignment, we realized that the cooling water from sea for natural gas power plants constitutes the

Water Management

majority of our total water withdrawal, although the quality of water is not impacted during the process according to Turkish regulations and the resource water is withdrawn is not a freshwater resource.

After mapping out our water withdrawal breakdown, consumption and freshwater withdrawal, we decided to focus on our water consumption and freshwater withdrawal, in line with the SBTN and similar globally recognized frameworks in the short term.

By consolidating water data and targets at the Holding level, we gained significant insights to inform strategic decision-making in new investments and allocate resources effectively.

Moreover, we recognize the importance of governance in driving performance towards our water targets. We track progress and incentivize action across the organization.

By integrating scenario thinking into our approach, we anticipate and prepare for future challenges and opportunities. Financial quantification of top climate risks, including water, enables us to prioritize investments and allocate resources wisely.

In 2023, our total water consumption decreased to 8 million m³. ✓

Across the Group, the percentage of water recycled and reused in 2023 was 38%. In the future, we will continue to prioritize increasing water efficiency through related projects, especially in water and emission-intensive sectors.

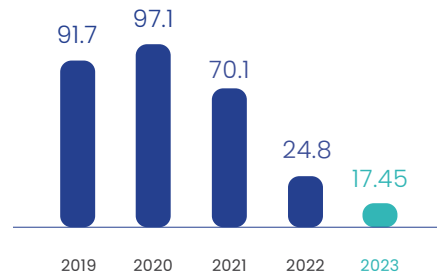
Sabancı Holding is listed in CDP Water Security in the Leadership level with an A- score.

5 out of 8 Sabancı Group companies reporting to the CDP Water Security Program listed among leadership level while Brisa, Carrefoursa and Enerjisa Enerji are on the Global A List whereas Kordsa and Sabancı Holding are among the Water Security Leaders with an A- score. In addition, our cement companies Çimsa and Akçansa have received B scores.

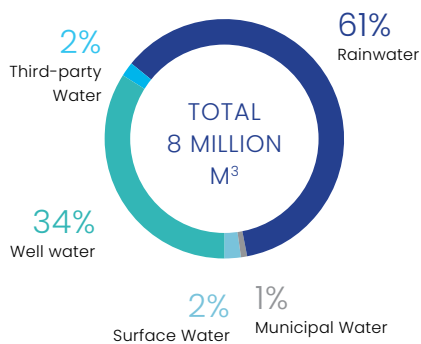
Water Management

38% ✓
Water recycled and reintroduced to the economy.

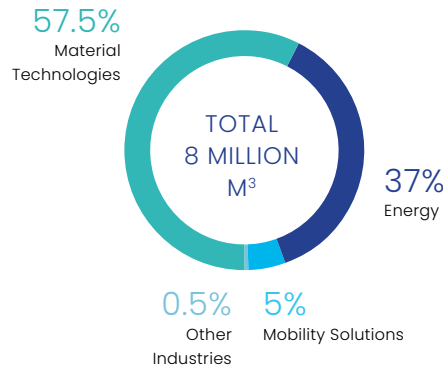
WATER CONSUMPTION INTENSITY BY YEAR (M³/MILLION TL)



WATER CONSUMPTION BY SOURCE⁴¹



WATER CONSUMPTION BY SECTOR⁴¹



⁴¹ SBS BV is not included.

Next Steps

Next, our goal is to strengthen governance on water management across our Group, while our individual companies continue investing in enhancing operational water efficiency. We will also explore the possibility of extending the water pricing and water risks quantification approach to all Group companies.

Highlights From Sabancı Group Companies

ÇİMSA

Çimsa conducted 'Water Management Project' with the focus of minimizing water consumption in 2023, improving water cycle management and identifying technological innovations for water recycling. This initiative acknowledges water as a strategic resource, given its significant position in the ranking of

chronic physical risks determined by climate scenarios.

Since 92% of Çimsa's water withdrawal is consumed by the cement and 8% by the ready-mixed concrete business line, cement plants were evaluated in detail by source and facility, alongside location-based water stress and drought risks. This evaluation was supported by global reporting frameworks (GRI, CDP), industry guidelines (GCCA), and local regulations.

AKÇANSA

In 2023, Akçansa initiated its efforts by defining key water concepts and proceeded to establish water-related targets and recommendations. Analysis from these water management studies highlighted the need to prioritize leakage elimination and process optimization in the short term, with plans for capital upgrades of facilities in the long term.

Water Management

Accordingly, Akçansa updated its water management plans, incorporating projects into its 2030 roadmap. These projects consider wastewater as an alternative resource and address efficient well usage, procurement and network optimization, and the prevention of losses and leaks.

Furthermore, Akçansa assessed the financial impact of top climate risks while managing water scarcity by using the World Resource Institute's (WRI) Aqueduct tool to evaluate potential water scarcity risks at its three cement plants. To further enhance their water risk management, Akçansa conducted stress tests to identify vulnerabilities and ensure the robustness of their water management strategies. This comprehensive approach integrates stress testing into their regular risk assessments, allowing for proactive identification and mitigation of potential water-related disruptions.

BRISA

Brisa is one of the 15 Turkish signatories of the [CEO Water Mandate](#), an initiative of the United Nations Global Compact (UNGC). Committed to follow sustainable water policies and practices, Brisa initiated long-term business plans in line with its environmental approach of effective use of water resources.

Targets have been set to reduce the amount of water drawn from mains by 75% in 2025 compared to 2008 levels in the Izmit Plant, and by 70% in 2030 compared to 2019 levels in the Aksaray Plant. Thanks to activities being carried out since 2008, well water consumption in the Izmit Plant has been reduced by 79% in 2023 compared to 2008.

Brisa ranked among the global leaders in both the CDP Climate Change and Water Security categories and became the first and only company in the global tire industry to achieve this standing.

KORDSA

Kordsa is committed to continuously improving its water withdrawal strategies and fostering new R&D initiatives to enhance sustainability practices.

Some examples of this commitment include the new Izmit facility and the Kordsa Indonesia facility's Zero Discharge project.

These initiatives indicate Kordsa's dedication to minimizing its environmental impact and optimizing water usage.

Kordsa's significant progress in water management has been recognized by the CDP.

Kordsa was awarded an 'A-' score in the CDP Water Security program and an 'A' score in the Supplier Relations Rating, reflecting its excellence in water security and strong relationships with suppliers.

Water Management

TEMSA

Temsa's water management strategy aims to minimize water consumption and use this scarce resource responsibly.

By closely monitoring water management with strong governance mechanisms and a comprehensive water policy, Temsa aims to use water efficiently in production processes and reduce wastewater.

Temsa has set a target to reduce water consumption per vehicle by 42% by 2030 compared to 2022 baseline.

Temsa continues to develop and implement projects in cooperation with its stakeholders to reduce its water footprint.

ENERJİSA ÜRETİM

In 2023, Enerjisa Üretim enhanced its water management methodologies and focused on increasing water reuse and rainwater harvesting, while long-term plans emphasized a shift to clean energy.

With 98% of its water use coming from specific power plants, the company aimed to reduce and recycle water in these facilities.

For instance, Bandırma NGPP (Natural Gas Power Plant) operates a 3 MW hydroelectric power plant using cooling water return for internal consumption.

Enerjisa Üretim also uses continuous wastewater monitoring and marine monitoring to prevent pollution.

At Tufanbeyli Power Plant, a dry-type cooling system minimizes water use by reusing withdrawn water for various processes, ensuring no industrial wastewater discharge.

Moreover, Enerjisa Üretim utilized advanced analytics and new technologies for strategic decision-making in hydropower plants.

By leveraging data from European Centre for Medium-Range Weather Forecasts (ECMWF) and Global Forecast System (GFS), the company optimized short-term streamflow forecasting for reservoir management and implemented early warning systems for meteorological and hydrological risks.

Satellite imagery data was used in the Delft FEWS model to support internal optimization algorithms.

Despite early-year drought impacts, efficient maintenance and operations led to a productive year for the company's hydroelectric power plants.

Biodiversity

[According to the World Wildlife Fund's \(WWF\) Living Planet Report](#), the Living Planet Index indicates an average 69% decline in monitored populations between 1970 and 2018.

This decline in biodiversity is alarming, especially considering that more than half of the world's total GDP [is estimated by the World Economic Forum \(WEF\) to be moderately or highly dependent on nature and its services](#).

Additionally, research suggests that natural ecosystems have declined by an average of 47% relative to their earliest estimated states.

These alarming statistics indicate the urgent need for concerted efforts to preserve and restore biodiversity.

From a business perspective, this situation also poses significant risks to operations and finance. This risk arises from both companies' impact on natural resources and their direct or indirect dependency on them.

In this context, Sabancı Group companies are continuing their efforts on integrating biodiversity preservation into their operational frameworks.

In 2023, Sabancı Group launched a comprehensive biodiversity project across the entire organization to address the risks involved and mitigate their potential impact.

Recognizing that the journey to establish biodiversity targets is not a one-size-fits-all approach, Group companies have embarked on a customized process to align their operations with nature-related standards.

The project commenced with comprehensive training and alignment efforts to ensure that all employees in relevant departments understood the critical importance of biodiversity preservation.

Following this, prioritized Group companies systematically identified priority areas and locations where their operations intersect with sensitive ecosystems [in accordance with the Taskforce on Nature-related Financial Disclosures \(TNFD\) Guidance](#) on the assessment of priority locations.

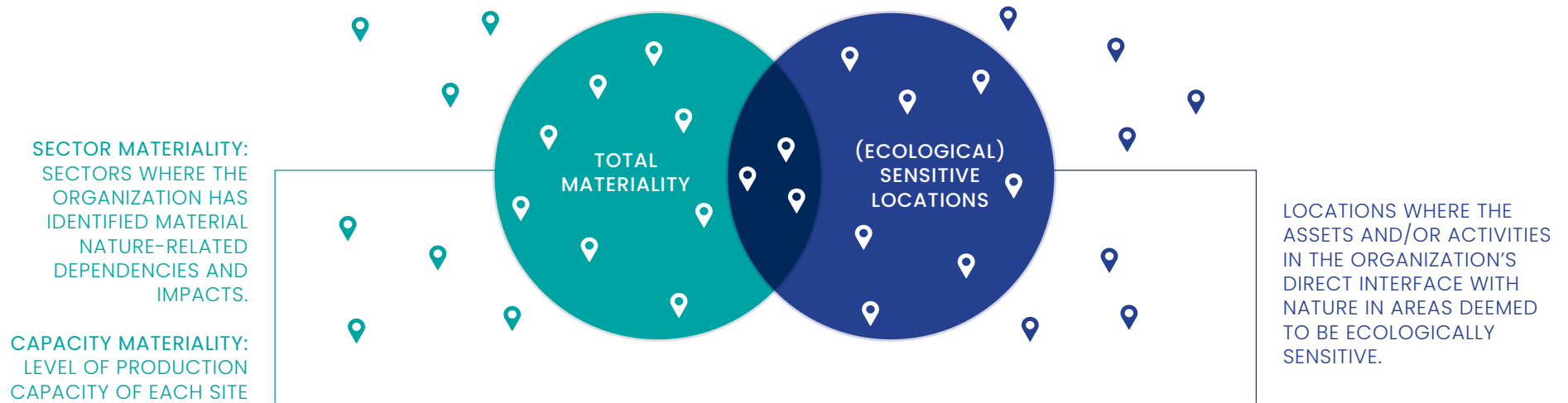
Through this evaluation, we assessed the potential impacts and dependencies of our activities on biodiversity in relevant geographies providing us a clear understanding of the risks and opportunities associated with our operations. In this direction, we have taken the effective management of our priority issue of biodiversity and nature positive actions one level higher.

Biodiversity

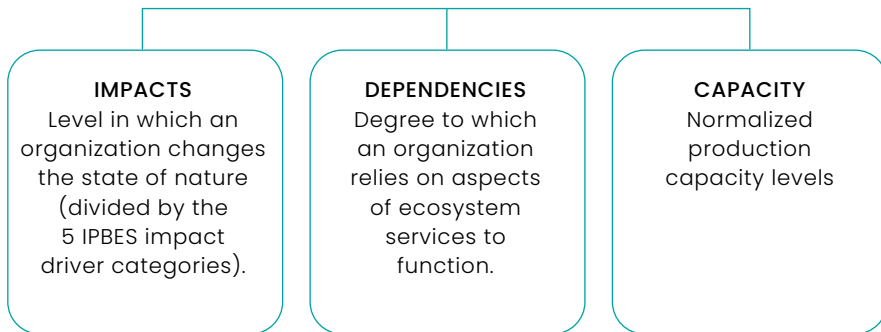
Locations are prioritized according to their materiality and ecological sensitivity

TNFD Guidance on the assessment of priority locations:

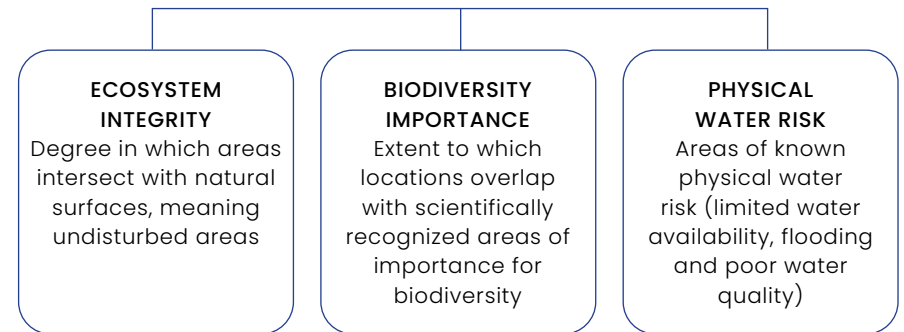
PRIORITY LOCATIONS



TOTAL MATERIALITY IS DEFINED BY SECTOR AND CAPACITY MATERIALITY:



SENSITIVITY IS DEFINED BY:



Biodiversity

We looked into impact and dependencies of biodiversity for Sabancı Holding and its Group companies.

With a comprehensive understanding of their impacts and dependencies on biodiversity, Group companies then mapped out their value chain to identify areas where interventions can be most effective. This holistic approach ensures that efforts to preserve and restore biodiversity are integrated into their operations.



Biodiversity

As these efforts persist, the implementation of our policies focused on biodiversity and nature further enable impactful outcomes. Our Responsible Investment Policy establishes an exclusion list based on various biodiversity standards. These standards apply to all investments, regardless of size. Additionally, in evaluating large-scale investments exceeding USD 10 million, incorporating production activities that could pose significant environmental or social risks if not managed properly, we meticulously consider the IFC Performance Criteria or EBRD Performance Requirements. Moreover, our Policy outlines how ESG due diligence, including biodiversity criteria, will be implemented across the Sabanci Group value chain.

In addition to our ongoing efforts, we actively engage in biodiversity conservation programs and collaborate with local public and non-governmental organizations. Alongside our monitoring

and conservation initiatives, we lead communication campaigns to enhance social awareness of biodiversity.

Next Steps

In the next phase, Sabanci Group companies will take industry-leading steps with flagship biodiversity projects, in collaboration with local consultants. In doing so, we aim to develop a customized action plan that is aligned with our group-level ambitions and serves our nature-positive goals.

Highlights From Sabanci Group Companies

ÇİMSA

Çimsa adopts sustainable practices to minimize the environmental impact of its raw material preparation, cement production, ready-mixed concrete, grinding facilities and terminal operations and to make processes more sensitive in

terms of biodiversity. In 2023, within the scope of determining commitments by assessing the impacts and dependencies of its operations and its value chain, the company adopted the LEAP (Locate-Evaluate-Assess-Prepare) approach to ensure compliance with the requirements of the Task Force on Financial related Natural Disclosures (TNFD) standard.

According to this study, 'Materiality' analysis was conducted by considering sector and capacity importance, and priority locations were identified according to impact, dependencies and capacity factors. With the 'Sensitivity' analysis, ecosystem integrity, biodiversity importance and physical water risks were also evaluated in areas considered to be ecologically sensitive, and 6 locations, which are the combination of significance and sensitivity assessment, were identified. As the next step, Çimsa will prepare and implement 'Biodiversity Management Plans' for these 6 locations.

Çimsa's Biodiversity Commitment

Çimsa's goal is to prevent and reverse biodiversity loss by 2030 based on 2022 and achieve full recovery by 2050 by focusing on high impacts in the value chain within its own operations as well as raw material quarries and supply.

Çimsa will follow a science-based approach to improve its biodiversity performance by developing action-oriented roadmaps in close cooperation with stakeholders, society, sectoral platforms and supplier network. It will structure and communicate these efforts through 'Biodiversity Action Plans' that include location-specific actions.

BRİSA

Brisa is continuing the 'Turnalar Hep Uçsun' (Let the Cranes Fly Forever) project started in 2013 with the partnership of WWF Türkiye (Worldwide Fund for Nature). Approximately 1,000 kg of organic waste generated in the food halls every day

Biodiversity

is turned into 200 kg of fertilizer by composting. Derived fertilizer is used in foresting projects in order to improve the organic composition of the soil.

ENERJISA ENERJİ

Enerjisa Enerji places immense importance on the protection of biodiversity, consistently striving to minimize the potential negative impacts of its operations on natural life.

Enerjisa Enerji has conducted the following projects for the protection of biodiversity:

High Voltage Aerial Line Insulator Project:

In 2023, insulation was applied to 100 poles in the Toroslar region through a collaboration with its stakeholder, the Nature Association.

Bird Deterrents:

To prevent bird deaths, the installation of

insulators on lines deemed risky or along the migration routes has begun. A line in Adana was selected for the installation of isolators, and monitoring of the line has commenced. This project aims to protect bird populations in the region as well as avifauna biodiversity.

Bird Deflectors:

To minimize bird deaths due to electric shock, Bird Deflectors were installed on selected aerial line sections. In 2023, more than 12,000 isolators were insulated, and over 10,000 bird deflectors were installed to protect biodiversity.

ENERJISA ÜRETİM

Wildlife studies

With its 'Regeneration' vision inspired by nature, Enerjisa Üretim does not consider it sufficient to reduce the negative impacts on biodiversity and aims to contribute to the self-renewing transformation of the ecosystem.

Within the scope of the Arkun Dam Wildlife Project, Enerjisa Üretim carries out ecosystem and wildlife protection studies in cooperation with Nature Conservation and National Parks.

Enerjisa Üretim monitors the ecosystem with the naked eye and motion-sensing camera traps in an area of more than 62 thousand hectares.

With the help of transmitters attached to the animals and satellite technical methods, 21 wild goats (*Capra aegagrus*) have been monitored for 1 year and currently 2 hooked horned mountain goats (*Rupicapra rupicapra*) are being monitored.

Türkiye's first agrivoltaic agriculture project from Komşuköy and Enerjisa Üretim

Enerjisa Üretim and Komsuköy are pioneering Türkiye's first agrivoltaic agriculture project, combining solar

energy generation with sustainable agriculture by installing raised solar panels on agricultural fields. This symbiotic relationship protects crops from extreme weather, enhancing agricultural efficiency and productivity.

Located in Komşuköy, Beykoz, Istanbul, the facility has a power of 20 kW and a storage capacity of 24 kWh. It supports the growth of certain plants like blueberries, spinach, and cabbage, while contributing to local electricity needs. The second phase began with soil preparation at Enerjisa Üretim's Bandırma Energy Base, planting 9,000 winter seedlings on a 4.5-acre area.

Enerjisa Üretim's agrivoltaic initiative, which earned I-REC (International Renewable Energy Certificate) certification, maximizes land use by reducing solar panel density and improving crop performance. Observations indicate a significant

Biodiversity

increase in vegetative growth and product volumes. The project is set to expand to other regions, with results shared with stakeholders on an academic level.

At its Bandırma Energy Hub, Enerjisa Üretim implemented the second phase of its Agrivoltaic project. Within the scope of the project, Enerjisa Üretim planted 9,000 winter seedlings on a 4.5-acre area located within its existing SPP (Solar Power Plant) fields. Enerjisa Üretim shared the first harvest of 2023 with its plant employees. In the upcoming period, Enerjisa Üretim plans to expand its Agrivoltaic project to different power plant regions and share their outcomes with all its stakeholders on an academic level.

CARREFOURSA

Carrefoursa became the first retail company in Türkiye to participate in the TNFD (Taskforce on Nature-related Financial Disclosures) Forum, established

to understand nature-related risks and opportunities in the financial world, enhance transparency, and develop nature-friendly financial strategies.

Acting in accordance with its publicly disclosed biodiversity policy and as part of deforestation efforts, Carrefoursa educates its suppliers on commodities contributing to deforestation and has established a digital interface system to track the sustainability certification of related commodities.

Farming practices that involve the use of pesticides are known to be harmful to health and biodiversity. Therefore, Carrefoursa embraces the ecological and healthy approaches of organic farming and continuously expands its organic product offering. All organic private label products hold [Ecocert certification](#), which is recognized in Türkiye and the European Union. Carrefoursa transparently submitted its anticipated risks and consumption values related to forest-

risk commodities through the CDP forest module for the first time in 2022, resulting in a B score (Management) across all forest modules based on the evaluation results. In 2023, its reporting on the use of palm, soy, and timber earned an A rating, while reporting on the use of cattle products earned a B rating.

AKBANK

Akbank evaluates projects with the aim of minimizing the impacts on wildlife, animal welfare and biodiversity. The Bank checks whether the proposed project is carried out in areas of critical importance for endangered species before making a financing decision and does not finance activities such as the trade of endangered species. In the cases where it is understood that there are impacts on biodiversity in the projects the Bank finances, Akbank questions the existence of a biodiversity action plan. In the cases where the biodiversity action plan does not exist, the Bank demands

it to be prepared and implemented by experts. Through these reports, Akbank determines the possible impacts of the project on aquatic, terrestrial and avionic species, determines the mitigation measures to be taken to reduce the impact, monitors the success level of the mitigation measures and ensures that regular monitoring is carried out with key performance indicators.

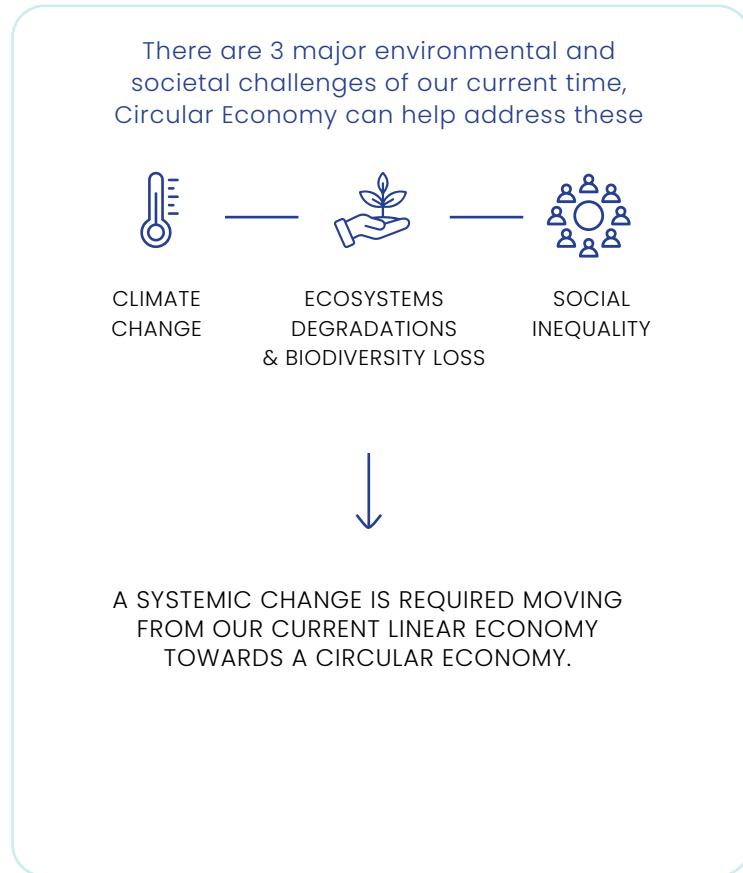
In addition to collecting data on biodiversity impacts in [ESIA \(Environmental Social Impact Assessment\)](#) of the assessed projects, Akbank implements various management plans for clients to manage high-risk impacts. For instance, [The Alliance for Zero Extinction \(AZE\)](#) included in Akbank's Environmental and Social Framework, limits financing of new investments in designated areas but proposes measures to address biodiversity impacts.

Circular Economy

Circular practices are essential to future-proof business as they address major environmental and societal challenges.

According to the recent Circularity Gap Report (CGR), the global economy has seen an increase in material consumption exceeding half a trillion tonnes over the past six years. Encouragingly, the circular economy has reached megatrend status. The number of discussions, debates and articles related to the circular economy has almost tripled over the past five years.

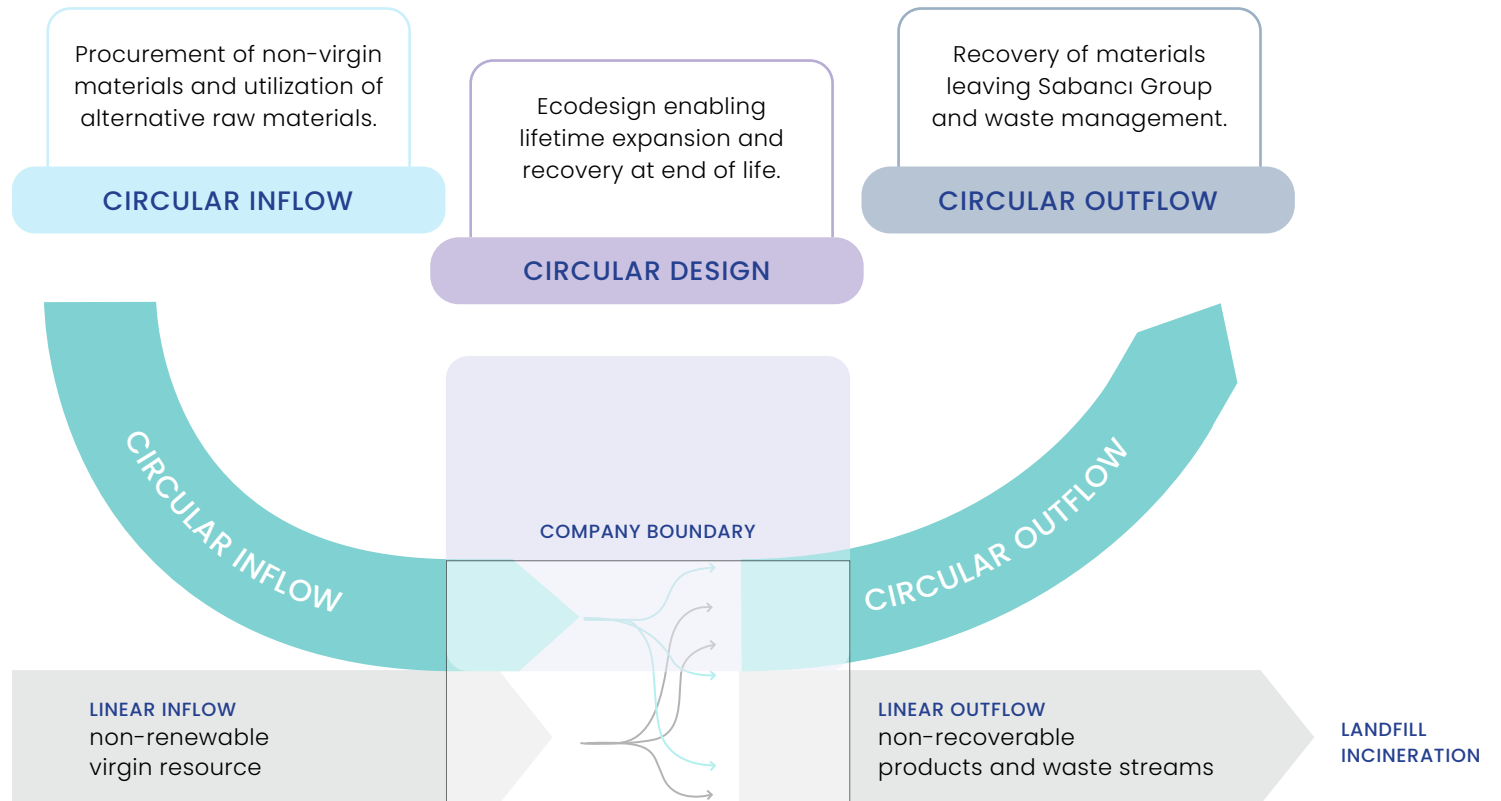
At Sabancı Holding, we are committed to strategically investing in a sustainable future strengthened by our circular economy framework. Recognizing the urgent need to address material scarcity, we focus on enhancing resource productivity across both our existing operations and new investments. Our goal is to minimize reliance on landfills and incineration, aiming for Zero Waste by 2050.



Circular Economy

At Sabancı Group, embedding the circular economy principles is one of the core ambitions for each Group company based on their specific stage of circularity maturity. Three circular economy pillars; Circular Inflow, Circular Design and Circular Outflow, based on the [Circular Transition Indicators \(CTI\) framework](#) helped us to dive into circularity at Sabancı Holding.

Circular Economy pillars based on the CTI framework with definitions



Circular Economy

In 2023, Sabancı Holding and our Group companies have actively explored and implemented strategies to support the circular economy effectively, aiming for tangible and long-lasting impacts. We began by exploring circular opportunities within our industries, including material technologies and mobility solutions, energy sectors and other industries. Intensive workshops trained and encouraged our Group companies on developing circular strategies tailored to their specific industry requirements.

This journey paved the way for establishing Sabancı Holding’s Circular Economy Strategy, defining our ambition, identifying our pillars, and setting our targets. Throughout the year, several Group companies set quantitative targets aligned with Sabancı Holding’s circular objectives, while some of them searched to enhance their circular practices through supplier engagement. This comprehensive approach shapes our strategy built around three primary pillars of circularity which will guide our efforts moving forward:

- I. Circular Materials & Partnerships
- II. Circular Design Principles
- III. Enhanced Recovery Routes

AMBITION

Sabancı Holding’s Circular Ambition

'At Sabancı Holding, we strategically invest into a circular future, anchored by our pillars of the circular economy. Acknowledging the pressing need to address material scarcity, we emphasize enhancing resource productivity in our existing operations and new investments, while transitioning away from landfills and incineration on our path to Zero Waste by 2050.'

To succeed in our ambition we will focus on our 3 pillars '**Circular Materials and Partnerships**', '**Circular Design Principles**' and '**Enhanced Recovery Routes**' to improve our circularity performance and grasp new opportunities.

PILLARS

CIRCULAR MATERIALS & PARTNERSHIPS



CIRCULAR DESIGN PRINCIPLES



ENHANCED RECOVERY ROUTES



TARGETS

By 2030, Sabancı Holding aims to achieve the Circular Inflow⁴³ targets and milestones for relevant Group companies⁴².

By 2050, Sabancı Holding aspires for relevant Group companies⁴² to design all key products⁴⁴ with the Circular Principles.

By 2050, Sabancı Holding aspires to eliminate landfill and incineration⁴⁵, across relevant Group companies.⁴²

⁴² Relevant Group companies refer to Akçansa, Çimsa, Temsa, Teknosa, Enerjisa Enerji and Enerjisa Üretim which are in scope of the Circular Economy Project.

⁴³ Further analysis needed to understand current % circular inflow.

⁴⁴ Key products are identified at the company level. Principles are durability, reparability and circular composition.

⁴⁵ Incineration of hazardous waste is out of scope.

Circular Economy

Circular Materials & Partnership

The primary objective under this pillar is to achieve circular inflow targets and milestones, which will increase the percentage of circular inputs such as recycled or reused inputs rather than virgin resources. This ambition is crucial, as it demonstrates companies' efficiency in resource utilization and their commitment to mitigating the negative impact on nature by reducing the demand for extracting raw materials. For this pillar, Sabancı Group will focus on analyzing the weight of material flows sourced from recycled or other types of circular content and reused from other processes, seeking ways to increase overall consumption through this approach. **By 2030, Sabancı Holding aims to achieve the Circular Inflow targets and milestones which were set in 2024 by relevant Group companies.** Some of these targets are quantitative whereas

the others are qualitative milestones since some of our Group companies' value chains are extensive and more complex to transform. We expect to increase the maturity of our supply chain on circular economy practices as we engage with them in the coming years.

Circular Design Principles

Circular design principles are fundamental to creating products, services and systems that support the requirements of circular economy. During the implementation of circular design principles, specific pillars such as longevity and durability, safe and circular material choices, modularity and flexibility, and designs with circular end-of-life cycles will be considered in production facilities of Sabancı Group companies. Circular design principles deliver tangible benefits for nature by maximizing resource use and product

quality, while simultaneously generating economic benefits through optimizations. Sabancı Group will analyze the entire lifecycle of products from beginning to the end-of-life processing to improve the circularity of design. **By 2050, Sabancı Holding aspires for relevant Group companies to design all key products with Circular Principles.** Group companies will implement their interim targets and milestones towards 2050 with different speeds based on their level of maturity and the nature of their industries, while working with suppliers and other stakeholders to enhance the mapping and circular performance of their supply chains.

Enhanced Recovery Routes

Enhanced recovery routes aim to implement advanced strategies in improving the efficiency and effectiveness of resource recovery at

the end of product lifecycles. Through improved recovery routes, it is possible to maximize the value retained from products at the end of their life cycle, transforming them back to valuable materials or energy through innovative and efficient recycling and reuse processes. The goal is to recover high-value materials from waste materials such as plastics at the end of the process. Through these recovered routes, it is possible to close the loop on material use and ensure sustainable resource management by integrating advanced technological and process innovations. **By 2050, Sabancı Holding aspires to eliminate landfill and incineration across relevant Group companies.**

Circular Economy

Classification of Group Companies Based on the Nature of Their Operations⁴⁶

With Production Facilities



Bigger influence to implement the circular pillars

In service, Utility or Retail Sectors



Lower influence on the circular pillars and need for supplier engagement



Mature Value Chain in implementing circular pillars into their processes



Less Mature Value Chain in implementing circular pillars on inflow and design into their processes



Quantitative targets



Qualitative actions and milestones

GROUP COMPANIES WITH PRODUCTION FACILITIES

	AKÇANSA	ÇİMSA				
Targets ⁴⁶	2030	<ul style="list-style-type: none"> ○ 10% Alternative Raw Material use in cement (Inflow) ○ 10% Alternative Raw Material use in concrete (Inflow) 	2025	<ul style="list-style-type: none"> ○ Innovate on CDW (Design) ○ in concrete ○ powder as cementitious material. 	2030	<ul style="list-style-type: none"> ○ Design all key products with the Circular Principles (Design)
	2050	<ul style="list-style-type: none"> ○ Become a Zero Waste company⁴⁷ (Outflow) 	2030	<ul style="list-style-type: none"> ○ 10-15% Alternative Raw Material use Grey cement (Inflow) ○ 10% Alternative Raw Material use White cement (Inflow) 	2045	<ul style="list-style-type: none"> ○ Become a Zero Waste company⁴⁷ (Outflow)
			2050	<ul style="list-style-type: none"> ○ Become a Zero Waste company⁴⁷ (Outflow) 	2050	<ul style="list-style-type: none"> ○ Achieve 50% circular inflow (Inflow)

GROUP COMPANIES IN SERVICE, UTILITY OR RETAIL SECTORS

ENERJİSA ÜRETİM	Key Actions & Targets ⁴⁶	2025	<ul style="list-style-type: none"> ○ Engage with suppliers to gather data on circular inflow. ○ Explore opportunities to increase circular inflow and design. ○ Calculate quantitative Circular Economy baselines for business units.
		2030	<ul style="list-style-type: none"> ○ Set quantitative Circular Economy target for 2050. ○ Start tracking performance improvement on Circular Economy KPIs towards the 2050 targets.
TEKNO SA		2050	<ul style="list-style-type: none"> ○ Be a Zero Waste company.⁴⁷

⁴⁶ The targets have been abbreviated, a summary of key actions and milestones have been provided.
⁴⁷ Incineration of hazardous waste is not part of the Zero Waste target scope.

Circular Economy

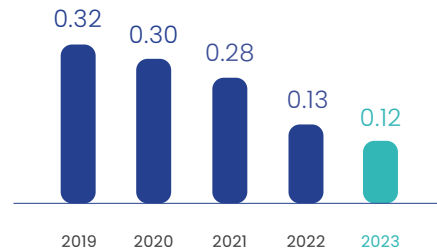
Waste Management (Material Outflow)

For Sabancı Group, waste management means treating the materials outflow as an opportunity in terms of a new resource of materials. Decreasing the number of single-use materials and providing innovative and unique solutions to materials outflow as a new alternative resource like energy are among our enhanced recovery route initiatives.

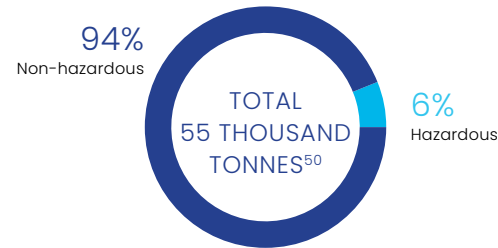
In addition to these measures, we aim to reduce our customers' waste generation through effective maintenance and repair services and by offering sustainable, resource-efficient, and durable products.

94% waste recycled and reintroduced to the economy.⁴⁸

MATERIALS OUTFLOW INTENSITY BY YEAR⁵¹ (TON)



MATERIALS OUTFLOW BY TYPE⁴⁹ ✓



Next Steps

In our upcoming initiatives, we are dedicated to fostering close collaboration among our Group companies and with our value chain partners to facilitate the implementation of circular economy principles. As Sabancı Holding, we will start tracking new circularity KPIs to monitor the performance of our Group against the targets and milestones set by our companies in 2024. Through enhanced knowledge sharing and the cultivation of a culture of accountability, our aim is to ensure all relevant functions seek ways to improve at this front, as we did on decarbonization. As part of our goal to invest in a circular future, we will actively seek ways to embed circularity in our due diligence activities in new investments.

⁴⁸ 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.

⁴⁹ SBS BV is not included.

⁵⁰ Total waste without Enerjisa Üretim ash waste.

⁵¹ Total materials outflow intensity without Enerjisa Üretim ash waste.

Circular Economy

Highlights From Sabancı Group Companies

ÇİMSA

Circular Materials & Partnerships

To increase the use of secondary materials that can be used in clinker production and play a cementitious role in cement grinding processes, instead of raw materials such as limestone, clay, and iron ore of natural origin, which are traditionally used for cement production, Çimsa continues to conduct market research and secure agreements to ensure supply continuity. Purchases of alternative raw materials increased by 35% from 260 thousand tons in 2022 to 350 thousand tons in 2023.

By replacing carbon-intensive fossil fuels with low-carbon biomass, tires, household waste and waste-derived fuels for thermal energy in the clinker production

process, Çimsa not only contributes to the decarbonization journey but also supports the waste management processes of various industries in the absence of another alternative to recycle or reuse these materials. It develops alternative fuel storage and feeding systems in its production facilities in parallel with technological advances.

The rate of alternative fuel use, which stood at 7.8% in 2020, surged to 29% in 2023, with targets set to reach 35% by 2025 and 40% by 2030.

Enhanced Recovery Routes

Çimsa's circularity framework was established in 2023. Within the scope of the circularity principles of circular inputs, circular design and circular outputs, the

targets were set to increase the ratio of alternative raw materials in gray and white cement production to 10% by 2030, to develop an innovation project based on the use of Construction and Demolition Waste (CDW) by 2025 and to eliminate landfill and incineration of non-hazardous waste by 2050.

Furthermore, Çimsa embraces the increased utilization of alternative resources as part of its decarbonization roadmap, demonstrating a commitment to responsible resource management.

AKÇANSA

Circular Materials & Partnerships

In 2023, Akçansa raised the substitution rate of fossil fuels with alternative fuels in its factories to 23.3%, marking a 7.4% increase compared to the previous year.

As part of its efforts to increase the use of alternative raw materials, Akçansa uses materials such as casting sand, grid sand, marble crumb, concrete waste, industrial sludge, excavation soil, gypsum waste, fly ash, pyrite ash, and copper flotation waste in clinker and cement production processes, thus contributing to the circular economy.

Akçansa targets to increase the use of alternative raw materials in cement and concrete to 10% by 2030, according to the Global Cement and Concrete Association (GCCA) calculation methodology.

Circular Economy

BRISA

Circular Materials & Partnerships

By developing new compounds for inner liners, treads, and sidewalls, Brisa has transitioned to environmentally friendly tire compounds with lower rolling resistance, significantly saving fuel for trucks and buses. The tire industry's reliance on fossil fuels makes it a major waste producer, but Brisa adopts a sustainable recycling management approach to address this issue.

Circular Design Principles

Brisa's circular design principles contribute to natural resource preservation and the national economy.

Brisa offers tire retreading services through its Bandag brand, saving fleet costs by up to 40% and extending tire life threefold.

This reduces tire waste and promotes environmental protection.

Enhanced Recovery Routes

Enhanced recovery routes are central to Brisa's circular economy strategy. The company aims to minimize waste by controlling pollution sources during production. Waste prevention, reuse, recovery, and recycling are prioritized. Elements like dust and gas, which could negatively impact indoor air quality, are collected, recovered, and reused in the system, protecting both air quality and natural resources.

Since implementing the 'Zero Landfill' practice at its Izmit Plant in 2015, Brisa has achieved 100% waste recycling.

The plant's recycling unit separates pulp and metal, which are then

repurposed as raw materials in different sectors. Additionally, Brisa has recycled polyethylene material since 2008, preventing the generation of 300 tons of polyethylene waste annually. The company also procures boiler chemicals in reusable containers and uses metal cases instead of stretch film for raw material packaging, further reducing plastic waste.

KORDSA

Kordsa has developed tire reinforcement products with 100% recycled polyester raw material content through an R&D project.

This innovation has reduced the product carbon footprint by manufacturing recycled polyester (rPET) tire cord fabric for sustainable tires. The Izmit

Facility of Kordsa has received the ISCC (International Sustainability Carbon Certification) Plus Certificate, a prestigious certification in sustainability, for its recycled polyester production process. Kordsa also transforms production and technological nylon scraps into recycled raw materials through a recycling machine, using these materials as input for producing new products. An R&D project led to the production of nylon tire reinforcement products with 40% recycled nylon raw material content. In 2023, Kordsa made a significant investment in its compound business line, using mechanically recycled polyamide material to support its mission of sustainable resources and emission reduction.

Circular Materials & Partnerships

Kordsa joined the WhiteCycle Project, a European initiative to process and recycle polyester from complex waste. This consortium of 16 public and private

Circular Economy

European organizations aims to create a more circular economy by recycling polyester waste using innovative sorting, enzymatic recycling technologies, and manufacturing new products from recycled plastics. The project targets complex waste, such as textiles from end-of-life tires, hoses, and multilayer clothes, aiming to make these materials recyclable. The primary objective is to reduce greenhouse gas emissions by approximately 2 million tons.

Circular Design Principles

Kordsa has developed flame-retardant bio-based resin systems as alternatives to petroleum-based phenolic resins.

These new resins comply with aviation industry standards (FAR 25.853) and

railway standards (EN 45,545). This sustainable honeycomb project ranked first in the sustainability category at the Sabancı Holding 14th Golden Collar Awards.

Enhanced Recovery Routes

Kordsa reuses packaging materials such as tubes, separators, steel shells, and wooden pallets. In 2023, the average reuse rate across all plants was 23%. Kordsa plans to extend this project to its other sites in the coming years.

ENERJİSA ENERJİ

Enerjisa Enerji recognizes that Circular Economy supports its Zero Waste and decarbonization efforts towards 2050. To improve its circularity performance, Enerjisa Enerji will act in line with circular pillars to minimize waste, maximize the lifespan of goods through promoting reusing, refurbishing, and recycling.

Circular Materials & Partnerships

Enerjisa Enerji will explore circular materials and partnerships, by engaging with suppliers of its key assets for energy distribution and E-chargers to extend the use of circular and recycled materials while minimizing the dependencies on finite resources.

Circular Design Principles

Enerjisa Enerji will determine circular design principles to guide procurement together with its suppliers. The principles will support innovative solutions and ensure the company to repair its assets to extend lifetime and easily recover materials at the end of life.

Enhanced Recovery Routes

Enerjisa Enerji will work on enhancing recovery routes towards a future with no waste. This is possible through deeper collaboration with its value chain partners on methods to close the material loop efficiently for its most used materials such as copper.

ENERJİSA ÜRETİM

Enerjisa Üretim will actively engage with their suppliers to gather comprehensive data on circular inflow, ensuring transparency and collaboration throughout its supply chain. By exploring innovative opportunities, Enerjisa Üretim aims to increase the circular inflow of materials and resources, integrating circular design principles into their operations.

By 2030, Enerjisa Üretim will have calculated quantitative circular economy baselines for each business unit. This detailed analysis will provide a clear understanding of their current impact and identify areas for improvement. Building on these insights, the business units will set ambitious yet achievable quantitative circular economy targets for 2050.

Circular Economy

Enerjisa Üretim's goal is to eliminate landfill land incineration of non-hazardous waste by 2050. To track the progress, the company will implement performance monitoring to the circular economy KPIs. By minimizing waste and maximizing resource efficiency, Enerjisa Üretim aspires to lead the energy sector in sustainability.

CARREFOURSA

In 2023, Carrefoursa collected approximately 10 tons of used vegetable oils from customers, converting them into biodiesel and preventing the pollution of 10 thousand tons of drinking water.

Moreover, Carrefoursa's partnership with 'FAZLA' and the Food Rescue Association exemplifies its commitment to addressing food waste. By redistributing surplus food and non-food products to those in need, the company saved and donated 718 tons of products by the end of 2023. This initiative not only aids in food security but also aligns with the principles of responsible consumption.

The 'Bring Your Own Container' project further highlights Carrefoursa's innovative approach to reducing single-use plastic waste. By encouraging customers to use their own containers for purchases, the company promotes sustainable consumer habits and sets a benchmark for the sector.

TEKNOSA

Teknosa offers five distinct sustainable services to reduce waste and support the circular economy:

- **Refurbished Phone Sales:** Customers receive a one-year warranty on refurbished phones purchased through teknosa.com.

- **Repair and Maintenance Services:** Damaged electronic devices are repaired and reintegrated into the value chain, either as spare parts or resold products.

- **Leasing Service:** Leasing options are available for 200 electronic products via teknosa.com or select stores.

- **Buyback Program:** Customers receive discounts for returning old devices, contributing to electronic device recycling. The goal is to collect 500,000 devices by 2031.

- **TeknoGaranti:** Extended warranties ensure product efficiency for up to three years.

Maintenance and repair services have enhanced the performance of approximately 246 thousand products, preventing obsolescence. In 2023, 93% of repaired products were returned to the same consumers.

Through the Buyback and Refurbished Phone service, 58,000 old phones were acquired in 2023, with 77.6% refurbished and resold through teknosa.com. Refurbished products accounted for 11.3% of total products sold on teknosa.com in 2023. Customers can now access refurbished phone sales services in stores as well, starting from 2024.