

ECHOES OF _____ HARMONY

Investing with Purpose for Impactful Change

In Zen gardens, plants, such as Bamboo and Bonsai Trees, are used sparingly but their symbolic impact is immense, representing resilience, harmony, patience, and the balance needed in life.

At Sabancı Holding, we consistently invest in sustainable businesses, including energy and climate technologies, material technologies and mobility solutions, and digital technologies, to foster resilience for future generations and drive impactful change towards a sustainable economy.



Transforming Our Portfolio

Sabancı Group reinforces its role as a global player with its contribution for a sustainable future and creates enduring value for its stakeholders.

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

ENERGY & CLIMATE TECHNOLOGIES



MATERIAL TECHNOLOGIES & MOBILITY SOLUTIONS



DIGITAL TECHNOLOGIES



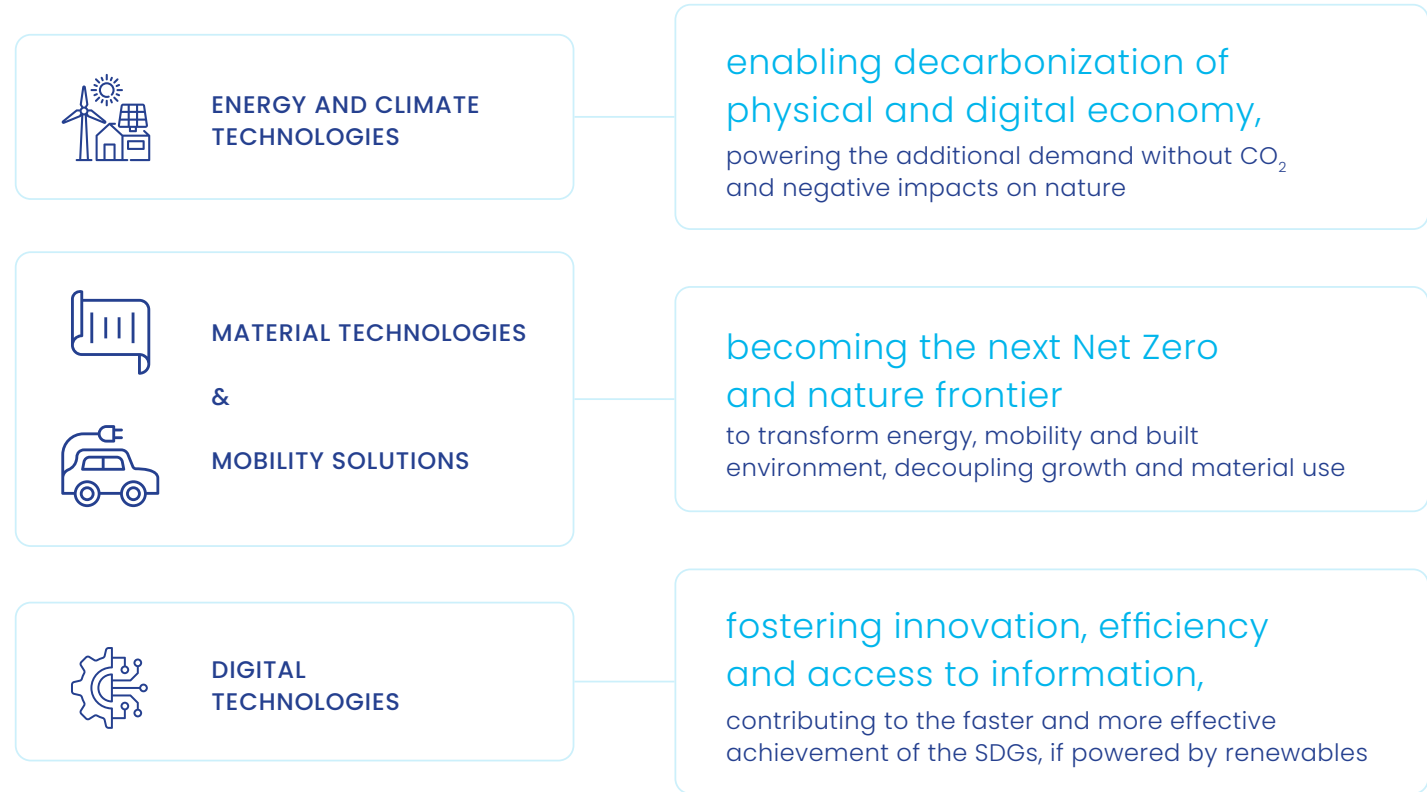
Investing in New Growth Platforms

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

We continuously monitor global trends and align our strategy accordingly for sustainable growth.

Accordingly, Sabanci Holding focuses on specific initiatives under the theme of the “New Economy”, including energy and climate technologies, material technologies and mobility solutions, and digital technologies.

Our Growth Platforms will be key in capturing the demand on Nature and Climate-driven Transformation



Investing in New Growth Platforms

As Sabancı Group, we started to track SDG-linked activities in 2022.

During 2023, TL 0.7 billion have been allocated for investments in these activities.

Our CapEx and OpEx will reach USD 5 billion in SDG-linked activities by 2027,
with climate mitigation and adaptation having a share of 70%.

We are acting through capital allocation criteria targeting high-growth global mega trends in sustainability.

We are doubling non-bank CapEx (Capital Expenditures) to Revenues
to accelerate both organic and inorganic growth, 25/75 split between core & new investments.

75% of non-bank CAPEX is allocated for transformation & adjacencies
focusing on energy and climate technologies, material technologies and mobility solutions, and digital technologies
to achieve higher FX generation, to increase the share of non-regulated business and to reach our Net Zero emissions target.

In our mid-term guidance for 2021 to 2025 period, we announced our target for the share of New Economy, that is revenues generated from energy and climate technologies, material technologies and digital technologies, in combined non-bank revenue at the end of period to reach approximately 13%.

Our performance for the period 2021 to 2023 was on track, as **the share of new economy reached 11% compared to 6.6% in 2021.**

Energy and Climate Technologies

Sabancı Group's energy companies are successfully carrying out their sustainability related activities in line with Sabancı Holding's strategic plan. The Group's energy companies, with a sharp focus on sustainability, lead the industry in operational quality, health and safety measures, and digital transformation. Besides employing the most qualified human resources in the sector, **the Group's energy companies use digital applications at a rate above the European average.**

Over the past few years, Sabancı Group's generation company has invested in digital solutions for power plant management, predictive maintenance, data services, and business transformation.

To commercialize these solutions while securing a competitive advantage,

Senkron Energy Digital Services B.V. was established in Amsterdam.

In November, Senkron Energy announced **a cooperation with Microsoft to develop digital solutions for renewable energy generation development** at the Conference of the Parties of the United Nations Framework Convention on Climate Change (COP 28 UNFCCC).

Sabancı Group's distribution and retail company further improved its sustainability performance and ratings this year, especially in terms of CDP Climate Change, and CDP Water Security.

On the way forward through investments in e-mobility, distributed generation and energy efficiency, **Sabancı Group's distribution and retail company is set to remain a leader of Türkiye's energy transformation.** Grid expansion and

modernization will be the priority in the electricity distribution segment, as Sabancı Group pioneers the application of cutting-edge technologies in this field.

To meet Sabancı Holding's Net Zero emissions goal, the Group's generation company in Türkiye also follows a 4-pillar approach while transforming its generation portfolio until 2045:

- **Commit to 100% low/zero-carbon technologies in new energy investments, targeting 7,500 MW by 2030.**
- **Achieve carbon neutrality by 2045 with a just transition.**
- **Focus on green hydrogen, agrivoltaics, wind turbines, carbon capture, and battery storage.**
- **Conserve local ecosystems, aiming for net positive biodiversity.**

While strengthening its leading position in Türkiye with Enerjisa companies, Sabancı

Group aims to transfer its experience in the energy sector to the global arena and identify early-stage energy and climate technologies for venture capital investments to create new business areas.

Toward this objective, Sabancı Climate Technologies was established in 2022 as a 100% Sabancı Holding subsidiary under the energy business unit.

Sabancı Renewables, a subsidiary of Sabancı Climate Technologies, focuses on renewable power plant investments in the US.

In 2023, Sabancı Renewables increased its total obtained project licensed capacity in the US market to 504 MW with two solar power plants. Field operations are ongoing for additional solar power plants in the US, with the first

Energy and Climate Technologies

plant expected to be commissioned by mid-2024.

Sabancı Climate Ventures is structured as the venture capital arm of Sabancı Climate Technologies. Sabancı Climate Ventures aims to invest in venture capital funds and startups while supporting promising technologies by establishing a strong link between emerging and developed markets.

In 2023, Sabancı Climate Ventures continued its investments in a US-based venture capital fund and obtained the right of direct investment in startups in this fund portfolio. **Sabancı Climate Ventures directly invested in five of the world's leading climate and energy technology startups originating from the USA's top universities.**

In the US market, the Group's energy business unit monitors investment opportunities in renewable energy in various scales, locations, and technologies. Primary objective of Sabancı Renewables is to develop a more than 1,000 MW well-diversified renewable portfolio consisting of on-shore wind and utility-scale solar projects, much like its first two investments, within the next three years. The venture capital arm plans to invest further in venture capital funds and startups.

In Türkiye, Sabancı Group aims to bolster its leading position in renewable energy generation. **The goal is to deploy a wind fleet of about 1,500 MW towards the target of 5,000 MW+ total installed capacity.** Some 1,000 MW YEKA is scheduled for implementation with a total

investment of USD 1.2 billion and gradual commissioning by the first quarter 2026. **The generation portfolio is planned to reach installed power of about 5 GW with renewable energy constituting 60% of the portfolio.** More than 150 MW of hybrid solar capacity is scheduled for completion between 2022-2026.

Growth in new geographies in energy trading is a core objective of the Group's generation company in addition to growth in commercialization of its digital products, services, and know-how.

Further technology analyses, feasibility studies, and market research are ongoing for green hydrogen generation on a larger scale. Additional collaborations are planned with local customers for

potential on-site generation facilities for green hydrogen. Relationships with European counterparties are being cultivated to develop ideal logistics and production solutions. **Sabancı Group's energy business unit plans to explore opportunities for green hydrogen export to Europe.**

Material Technologies and Mobility Solutions

In line with its strategic priorities to focus on expanding its core businesses and investing in new growth platforms; Sabancı Holding restructured its Industrials and Building Materials strategic business units into Material Technologies and Mobility Solutions to further strengthen its focus on material technologies and leadership in mobility solutions.

In 2023, Sabancı Holding invested EUR 2.2 million in the Sabancı Global Technology Center (SGTC) located at the Technical University of Munich (TUM). SGTC will facilitate the reintroduction of products developed in Çimsa and Kordsa factories in Türkiye to the European market.

This newly established university-industry collaboration platform between Technical University of Munich and Materials SBU extends the unit's R&D, technology, and

sustainable product development capabilities to the international arena in a major way.

This Center will significantly contribute to Sabancı Holding's vision of being 'Sabancı of the World' and the promise of 'Uniting Türkiye and the World.'

Material Technologies

In advanced materials, the Group's material technologies business took the first step of its journey to transform its reinforcement unit with composites.

Demand to transition from traditional materials to composites grows every day in a wide range of usage areas, expanding out from aerospace to automotive, motorsport, sports equipment, marine and wind turbines.

In the aerospace industry, Kordsa offers AX180 flame retardant epoxy resin for aircraft cabin interiors and seats instead of solutions that release harmful gases during the production process.

The company signed an agreement to supply epoxy-based products to a leading global aerospace parts manufacturer.

In automotives, innovative KCF650 carbon fabrics provide lightening, hardness, and chemical sealing in the event of explosion malfunction of electric vehicle battery boxes.

The Kratos® product line, designed to serve reinforcement applications in construction was enhanced with carbon fiber wrappings and strips, used for earthquake resistance.

Furthermore, Kordsa is currently focused on offering green products developed jointly with global tire manufacturers to replace those manufactured with conventional chemicals.

Kordsa has applied for **44 patents** developed at the Composite Technology Excellence Center (CTCE).

By acquiring the Italian composite company Microtex, Sabancı Group's material technologies operations are expanding beyond the US to Europe.

Combined with the R&D capabilities of CTCE, Microtex is diversifying its composites product portfolio to strategic segments such as motorsport and luxury vehicles.

Material Technologies and Mobility Solutions

Kordsa's highlights of the year included growth in the composite business line, the opening of new technical centers and the introduction of 100% recycled polyester cord fabric products to consumers.

Further research and development activities conducted in **partnership with Sabancı University, focusing on recycling polypropylene products and bio-based resins, were merged with the company's polymerization capabilities to lay a solid groundwork for the future of sustainable plastics.**

In 2023, Material Technologies Strategic Business Unit (SBU) made significant strides in decarbonization, transitioning from a conventional cement producer to an **electricity self-sufficient cement player with best alternative fuel ratio in Türkiye** while strengthening also its global position.

Calcium Aluminate Cement (CAC) is a major component in the transformational strategy of Material Technologies SBU.

This specialized product holds significant value in the construction industry, bridging the gap between cement and construction chemicals for the Group.

Çimsa announced a USD 45 million investment to double its calcium aluminate production capacity at its Mersin plant last year.

The capacity expansion investment became operational in the last quarter of 2023.

As Türkiye's one and only CAC producer, Çimsa became the third largest producer globally with this major capacity increase investment.

The expanded production capacity will be primarily dedicated to exports, targeting the US and European markets.

This significant investment aligns with Sabancı Group's commitment to sustainable investments, aiming to deliver high value while maintaining low CO₂ intensity.

Material Technologies companies are continuously searching for innovative technologies and solutions in the construction and building materials industries.

In November 2023, the Material Technologies SBU hosted the first Innovation and Inspiration Day at Sabancı Technology Center with the participation of academics from Europe's leading universities as well as Sabancı Group's building materials customers.

Furthermore, through a partnership with Zacua Ventures, the Group has invested in 10+ start-ups indirectly while making a direct investment in FenX, a Zürich based waste-derived sustainable insulation material producer. With FenX, portfolio of direct start-up investments increased to three: Ecolocked, Ecoworks, and FenX.

In alignment with Sabancı Holding's 2050 sustainability targets, the Group's Material Technologies companies have formulated a comprehensive CO₂ reduction roadmap.

This roadmap encompasses a wide spectrum of action items, including **further reducing the clinker usage ratio, integrating more alternative raw materials, and aggressively expanding alternative fuel use.**

Material Technologies and Mobility Solutions

Additionally, the CO₂ reduction roadmap aims to diversify the portfolio towards sustainable building materials beyond cement through potential acquisitions.

The way forward for the Material Technologies companies is to continue investing in sustainable material technology solutions. These strategic investments will not only enhance global strategic positioning but also contribute significantly to achieving the Group's 2050 sustainability targets, thereby offering long-term value for investors.

Mobility Solutions

Sabancı Group's bus manufacturer **Temsa** is diversifying its revenue in the Mobility Solutions and Equipment for Climate Technology sector by adding

battery packs and battery management systems to its portfolio, alongside producing electric buses, to explore new market opportunities.

Developed internally by the R&D center, these products have a wide range of usage areas, from storage to marine, farming to refrigeration.

Temsa signed a joint development agreement with the European company CaetonaBus to produce hydrogen buses; Türkiye's first inter-city hydrogen bus prototype is scheduled to roll off the assembly line at the Adana facility in 2025.

The E-quad last and first miles micro mobility vehicle has also commenced mass production, reflecting the Group's commitment to sustainable mobility.

Brisa's Otopratik and Propratik service points, the best-known domestic brands in the fast-service category servicing more than 1 million vehicles, **expanded to 154 locations in 58 cities in Türkiye.** E-vehicle charging services were delivered via **68 charging stations in 35 cities.**

Brisa signed an agreement with an American-based, electric light commercial vehicle brand to provide authorized services under Otopratik. A comprehensive training program was carried out to boost the competencies of Otopratik's technicians on hybrid and electrical vehicles. **Efforts are underway to expand the Pratik service point network to over 500 locations by 2028.**

In the field of mobility solutions and equipment for climate technologies, Temsa has introduced vehicles operating with new types of energy to new markets in Europe and America, while Brisa has managed to extend Arvento's digital telematics services to 750 thousand vehicles.

Digital Technologies

SabancıDx solidified its position as a provider of multi and hybrid cloud solutions and technologies, in line with the Digital SBU's strategy in the digital market.

The strategic partnership with Microsoft has expanded Sabancı's cloud value proposition, enabling Azure capabilities within Türkiye. **The cooperation agreement with Microsoft focuses on offering hybrid cloud solutions to respond to both local and global customer needs.**

The collaboration extends to the Cloud Solution Center, providing hybrid cloud and artificial intelligence competencies to Türkiye's digital ecosystem.

The agreement also presents potential expansion opportunities for SabancıDx in Southeast Europe, Central and Eastern

Europe, and the Middle East and Africa, enabling market access and foreign currency revenue generation.

In addition to the Microsoft partnership, SabancıDx initiated cloud and cloud infrastructure partnerships with major brands, leveraging the expertise of digital native talent to implement and manage cloud solutions, thereby better serving its growing customer base.

Since 2022, Teknosa's digital-first strategy has positioned the company as a leader in industry innovation and the digital economy. Teknosa, aiming to deliver an optimal omnichannel customer experience, introduced **Türkiye's first specialized electronics marketplace** and bolstered its digital channels, contributing to Sabancı Holding's overarching goals in digital business.

In 2023, Sabancı Group's tech retailer made a record TL 582 million investments in technology and digitalization, with plans to make TL 1 billion investment in 2024. This strategic move aims to enhance both the digital platform and physical stores, ensuring sustainable profitability and market growth.

Teknosa Marketplace, now in its second year, outperformed global benchmarks, contributing 38% to the online channel Gross Merchandise Value (GMV), which surged by 68% to TL 10.1 billion. **Teknosa online channel saw traffic increase by 1.3 times, boosting service quality, and performing a higher Net Promoter Score (NPS) resulting in a satisfying level.**

Teknosa strategically expanded its customer satisfaction efforts, adopting a comprehensive NPS measurement across

all touchpoints, including store, online, services, and returns – a significant evolution from the 2019 approach that focused solely on in-store experiences.

Additionally, **Teknosa launched the Digital-First Company program this year, investing in digital and technological advancements to foster a data-driven culture and AI adoption.** This program aims to boost Teknosa's customer service and efficiency, while strengthening its market position through digital transformation.

Impact Investment

Sabancı Ventures (“SV”) is the corporate venture capital arm of Sabancı Holding. SV adopts global best practices and creates value for both parties with solid commercial partnership plans, leveraging the know-how, operational excellence, and global network of Sabancı Group companies.

Sabancı Holding incorporates SDG-linked metrics into its investment analysis and decision-making processes in line with the Holding’s Strategy House direction. To this end, those investments deemed acceptable by Sabancı Ventures must support the sustainability values of Sabancı Holding.

SV accepts the UN Principles for Responsible Investment (PRI)’s six principles as a guide for evaluating investment decisions. With the six Principles of PRI, Sabancı Ventures

strives to create a positive impact with its investments besides implementing a portfolio-wide ESG-related risk assessment.

SV establishes whether a potential investment meets the requirements of ESG risk management, the ethical principles of participation, and legal requirements or regulations such as those on anti-corruption. Then, SV aims to identify & eliminate the potential negative social and/or environmental impact of the new investment while incentivizing the other party to adopt a positive social and/or environmental stance.

As a corporate VC fund, Sabancı Ventures invests in post-revenue scale-ups and seeks solid synergies and value creation opportunities between its future portfolio companies and Sabancı Group companies. SV strives to

find exceptional founders with scalable business models and help them realize their global expansion potential. Typically, SV invests in post-seed to Series A stage companies, though it can also invest in later stage companies.

Sabancı Ventures acts as a “sensor” for Group companies to identify new growth areas, actively evaluating investment opportunities with innovative business models and/or cutting-edge technologies.

SV focuses on burgeoning areas such as fintech, martech, cybersecurity, climate tech, Internet of Things (IoT) & wearable, insurtech, cloudtech, healthtech, AI (Artificial Intelligence) and mobility.

Vertical Invested



Fintech



Insurtech



Martech



Cloudtech



Cybersecurity



Healthtech



Climate Tech



AI



IoT & Wearable

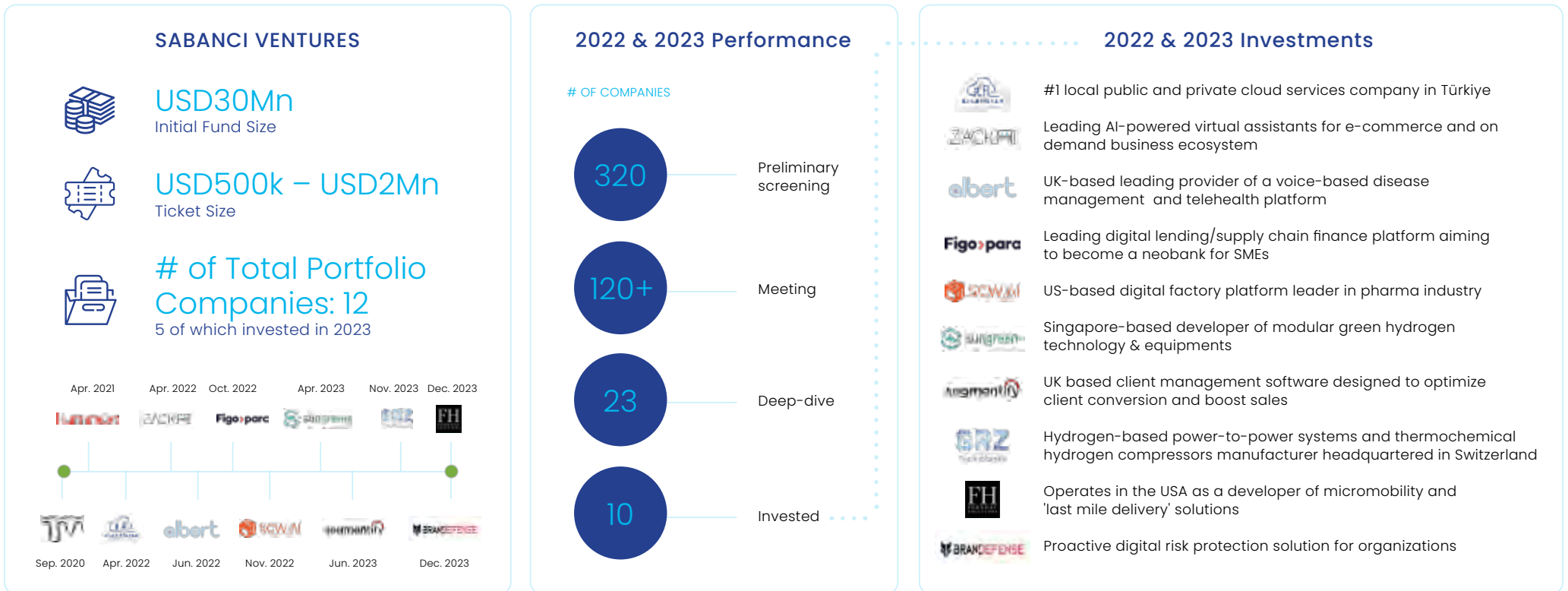


Mobility

Impact Investment

Sabancı Ventures has made direct corporate venture capital investments in 12 companies in five countries and has deployed over USD 12 million to date. Five of these investments were completed in 2023. As a part of its overall corporate venture capital strategy, Sabancı Group uses several investment vehicles where the total number of direct investments reached more than 17 companies and total investments exceeded USD 45 million between 2020 and 2023.

Investing in Tech-based Start-ups via Sabancı Ventures

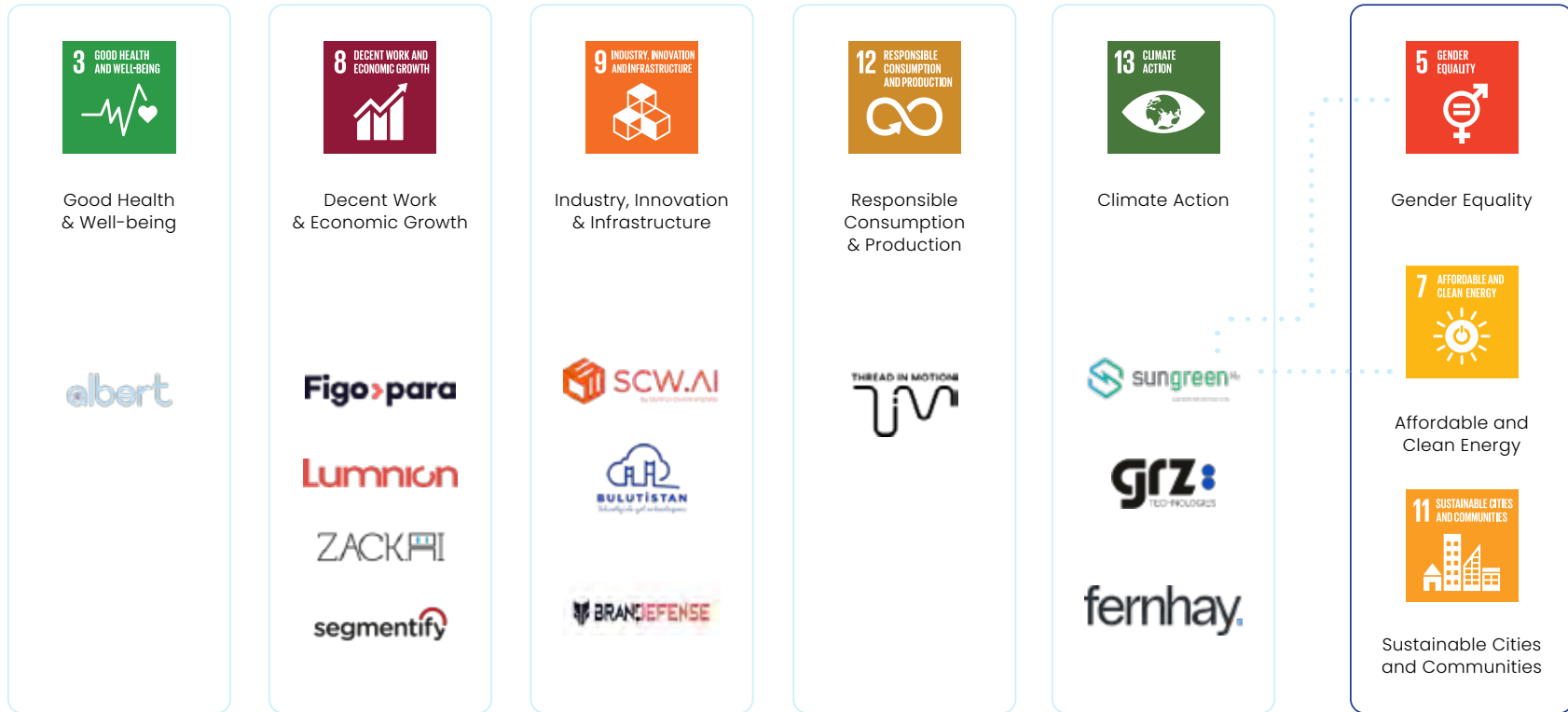


Impact Investment

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

UN SDGs

SV PORTFOLIO



FUTURE FOCUSED UN SDGs