

Sustainable Investment Summit Opening Remarks -Aslı Selçuk, TUYID Chairperson

Sustainability is not a corporate department, it is not the name of a report or an exercise that needs to be ticked off on an annual basis. It certainly is not a trend.

Sustainability is becoming mainstream. Having concluded that climate risk was investment risk, the world's largest asset manager, BlackRock, announced In January 2020, that it was placing environmental sustainability at the core of its \$7 trillion investment approach.

Half of the global workforce is now made up of millennials, who are purpose-driven. They align personal and business values as they move into decision-making roles and want to work for and be associated with responsible businesses.

And last but not least the pandemic has shocked the market into realizing that social issues - justice, diversity, safety, labor standards, income and gender inequality, human rights - pose a big threat to their existence.

In a year where our world has been rocked with wildfires, storms, floods, heat waves and the pandemic, we have seen record inflows in sustainable capital markets products.

The switch from shareholder primacy to stakeholder capitalism is transforming the globe. In a world with finite resources, the company should stand for more than creating wealth and maximizing profits at all costs. It should strive to actively create positive impact for multiple stakeholders in as many ways as possible. That is why the best companies are responding to the power of their employees, the power of their customers and the power of the society. Profitability and sustainability are not mutually exclusive. Companies who are able to embrace both as an approach, who can find creative ways of navigating through the challenges and who respond to stakeholder expectations are the best performing companies in the long run.

While sustainability is on everyone's agenda in today's world, we are seeing that asset owners stand out as the main stakeholder driving action. This brings sustainability under the direct responsibility of the management and the Board.

Investor Relations professionals play a key role in embedding sustainability as a strategic focus point within the companies by sharing investor expectations and driving companies to develop an effective strategy that caters multiple stakeholders.

2020 has taken its toll on many companies and sectors. Dealing with the economic, social and environmental problems challenges the way we think and act. Leveraging this disruptive change will take a lot more than responding with the traditional ways of doing business. We need to collaborate more on a broader scale, be creative, use IoT and the 4th industrial revolution to innovate. There is more evidence now than we have ever had to invest in sustainability as a strategic response to accelerating disruptive change.

And change always comes with opportunities. A 2017 study suggests, for example, that meeting the seventeen “sustainable development goals” identified by the UN will create \$12 trillion worth of new business. It must have grown significantly by now.

If handled well, disruption can lead to sustained competitive advantage.

Time is running out on UN's 2030 Agenda. This decade needs to be about action and impact by multiple stakeholders. Meeting the goals is a big challenge and will require collaboration by industry, NGOs, governments and civil society alike. Our companies are at different stages in the learning and reporting curve. TÜYİD is working tirelessly to grow awareness in our community and contribute to accelerating the integrated thinking process of our companies, eventually leading to value creation and supporting the investment case of our companies.

With such a tight agenda and challenging tasks at hand, no step is too small. Let's be part of the solution and take every opportunity to create good for our world.