



#Sustainability Route

# Aras Kargo Sustainability Report 2023





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# About the Report



# About the Report

**As Aras Kargo**, we go beyond being simply a cargo company by serving every corner of Türkiye with a workforce of nearly 16,000 employees. We are driven by **our mission to contribute to a sustainable world**. We place great importance on ensuring that **our investments in people, technology and efficiency are sustainable**.

In this context, we are pleased to share our sustainability perspective and the economic, environmental and social values we create with our stakeholders through our 2023 Sustainability Report.

This report we have prepared to share our sustainability journey with our stakeholders in a transparent and comprehensive manner, **covers the period January 1, 2023 - December 31, 2023** and has been prepared in accordance with the **Global Reporting Initiative (GRI) Standards**. Within the scope of our report, our activities, achievements and future goals in the areas of environmental, social and governance (ESG) are presented in detail.

Our report is also guided by international sustainability initiatives such as, **the United Nations Global Compact (UN Global Compact) and the Sustainable Development Goals (SDGs)**.

Our report covers Aras Kargo's operations in Türkiye, Azerbaijan and Turkish Republic of Northern Cyprus. Our activities throughout 2023 are detailed in the report along with sustainability performance indicators. The purpose of the report is to inform our stakeholders while presenting transparently our progress in sustainability and our goals for the future in a transparent manner.



*In order to continuously improve our sustainability performance, we value and carefully evaluate feedback coming from all our stakeholders. Feedback received from our stakeholders played an important role in the preparation of this report and we believe that the views of our stakeholders help us to improve our sustainability strategies and practices. For your questions and comments on the report, please contact us through [surdurulebilirlik@araskargo.com.tr](mailto:surdurulebilirlik@araskargo.com.tr)*





# Strategic Management Office



# Strategic Management Office

**Carsten Wallmann**  
CEO



## **1- Can you provide an overview of the industry in 2023? How did Aras Kargo position itself in this everchanging environment? What were your most significant achievements and challenges?**

The year 2023 was a dynamic year for Aras Kargo, marked by significant achievements and challenges. At the beginning of the year, we faced earthquakes that deeply shook our country and brought great sorrow to all of us. As the Aras Kargo family, we worked with all our strength to stand by our citizens during these difficult times. By quickly delivering emergency aid supplies to the earthquake-affected areas, we provided support to those in need.

Immediately after the earthquake, we reorganized our operational processes and swiftly activated our logistics network. As Aras Kargo, in coordination with AFAD, we transported the aid materials on the needs list to the earthquake zone, free of charge to meet the needs. During this process, through our efforts to heal the wounds of the disaster, we once again witnessed the importance of solidarity and cooperation.

We believed in the strength of overcoming these difficult days together and looking to the future with hope.

The year 2023 was also a year in which we increased our technological investments and accelerated our digital transformation process. In line with the growing demand for e-commerce, we renewed our IT infrastructure and created new platforms to provide faster and more reliable services to our customers.

In 2023, we took a significant step in our strategy to expand into international markets by acquiring 75% of the shares of Starex, one of Azerbaijan's leading cargo companies, under the Aras Global brand. We consider this investment pivotal in our efforts to grow and broaden our service network across the Central Asian market. Moreover, this partnership signifies Aras Kargo's advancement towards becoming an effective player on the international stage.

The year 2023 also marked the successful completion of an important collective bargaining process with our employees, which began with union negotiations in 2019. Through this process, conducted with the participation of our members, we protected our employees' rights and ensured fair working conditions, reaffirming the strength of union organization.

Despite the difficulties posed by earthquakes, we experienced a year filled with growth and innovations. We will continue our efforts with the goal of delivering excellence in customer service. We thank all our stakeholders who supported us during these challenging times and believe that together, we will emerge stronger. We are always by your side.



**Utku Ayyarkın**  
General Manager



## **2- How did the rising climate consciousness and changing habits among consumers impact e-commerce? How did Aras Kargo adapt to this change and how did the sustainability goals were affected?**

In recent years, awareness regarding climate change and environmental sustainability has significantly increased. Consumers have begun reshaping their purchasing habits to minimize environmental impacts. This awareness has brought about a major transformation in the e-commerce sector. Consumers now prioritize not only the quality and price of products but also the environmental impacts of production and delivery processes.

Criteria such as reducing carbon footprint, using recyclable packaging and providing sustainable logistics solutions have become decisive factors in consumer purchasing decisions. At Aras Kargo, we have developed and implemented various sustainability strategies to meet these evolving consumer expectations.

One of our key initiatives has been our focus on green logistics and energy efficiency efforts. This year, we have embraced eco-friendly practices in our logistics operations, taking significant steps towards reducing our carbon footprint.

In 2023, we upgraded our vehicle fleet with environmentally friendly and fuel-efficient vehicles. Additionally, we optimized our operational processes using high-efficiency technologies to enhance energy efficiency.

Another significant step has been taken in the field of digital transformation and innovation. As part of our digital transformation strategy, we've implemented digital monitoring systems and route optimization solutions to increase operational efficiency and reduce environmental impacts. These technological investments have allowed us to streamline our delivery processes and significantly decrease carbon emissions.

Furthermore, we have enhanced our waste management practices through sustainable packaging solutions and recycling programs. By using biodegradable materials in packaging, we have reduced our waste output and increased the percentage of waste recycled. These initiatives have played a crucial role in minimizing our adverse environmental impacts.

Aligned with our sustainability goals, at Aras Kargo, we aim to minimize our environmental footprint and contribute positively to society. To achieve these goals, we will continue to enhance our logistics network for greater efficiency and environmental friendliness, transition to renewable energy sources to reduce energy consumption and increase investments in digital transformation and innovation to optimize our operational processes.

In the future, we will continue to intensify our efforts in sustainability to deliver environmentally conscious and high-quality services. In this context, we are committed to working diligently to meet our customers' expectations and contribute to environmental sustainability.

**3-How do digitalization and technological advancements contribute to your sustainability journey? What major investment projects do you have planned to achieve your sustainability goals?**

Digitalization and technological innovations are at the core of Aras Kargo's sustainability strategy. In every step we take towards building a sustainable future, we aim for operational excellence by leveraging digital transformation and advanced technologies.

Established in 2022, Aras Digital plays a critical role in this transformation. By offering software solutions and technical consultancy services in both domestic and international markets, Aras Digital accelerates our digitalization process and contributes to our sustainability goals. Aras Digital's expertise in developing solutions that enhance efficiency has also enabled us to position Aras Kargo as the R&D center of the Austrian Post.

Particularly, the Aras Routing Platform is designed to make time management and flexibility easier for our employees and customers in the industry. Thanks to this system, our couriers can easily perform all cargo operations from their mobile phones and gain speed with navigation and route planning.

The system automatically determines the route for the cargo, making our operational processes more efficient and sustainable. Additionally, we have begun introducing our end-to-end innovative delivery platform, NESY, which meets all operational and functional needs of courier companies from order integration to delivery, to Europe and neighboring regions. Currently, the technology platform is being utilized by subsidiaries of the Austrian Post in Croatia, Slovakia, and Slovenia. It is planned to be deployed in a total of 8 countries in Central and Eastern Europe by 2026. Additionally, through our "Aras Burası" initiative, we have implemented alternative distribution models such as delivering and sending from local shops. This model integrates local businesses into the cargo processes, thereby contributing to both the income of local businesses and the reduction of environmental impact. This initiative not only makes our logistics processes more efficient but also revitalizes the local economy.

Aras Kargo's digital transformation strategy focuses on increasing operational efficiency and improving customer experience. Automation systems and digital monitoring technologies enhance the speed and accuracy of cargo operations. With our investments in automation, we continue to increase capacity, maintaining our position as the leading player in the industry that operates with automation.

Since 2011 we, at Aras Kargo, have proudly been the first Turkish cargo company to use 100% electric commercial vehicles. By adding electric vehicles to our fleet, we have significantly reduced our carbon footprint.

As of 2023, our fleet includes a total of 97 electric vehicles, 15 of which are mopeds. We aim to expand our fleet further by purchasing 100 additional electric vehicles in 2024. We efficiently use these vehicles in our operations, thanks to the charging stations established in Istanbul and other major cities.

Sustainability will be a topic of even greater discussion in the industry in the upcoming years. Within the framework of the Paris Agreement, countries and companies are committing to the year by which they will become carbon neutral and they are taking steps towards achieving this goal.

As Aras Kargo, in line with our environmentally focused strategic goals, we are working tirelessly to combat climate change and minimize our carbon footprint both at our locations and within our fleet through energy efficiency and clean fleet projects. With our sustainability strategy, we aim to meet not only the needs of today but also those of the future. With this vision, we will continue to lead our industry and provide the best service to our customers.



**Barbara Hagen**  
CFO



#### **4- How would you define the priorities in Aras Kargo's Sustainability Route? What are your strategies in this field?**

Sustainability lies at the heart of Aras Kargo's corporate strategy and forming the foundation of our operational approach. In today's rapidly changing world, sustainability is not merely an option but also the key to long-term success. Our sustainability journey aims to create a fair world for everyone and a livable environment for future generations.

At Aras Kargo, we approached our sustainability strategy with the goal of carrying what is good and valuable today into the future and together with our Sustainability Committee, we identified three main focus areas under the 'Sustainability Route' in 2021. By 2023 and beyond, considering the changing macroeconomic conditions, we comprehensively reviewed and restructured Aras Kargo's sustainability journey to ensure it is both scientifically grounded and broadly encompassing. As part of this effort, we expanded the definitions and scopes of our sustainability focus areas and redefined our categories as "Operational Excellence and Continuous Improvement", "Fighting Against Climate Change", "Strong Corporate and Business Culture".

In 2021, our Company proudly became the first and only company in the sector within our country to publish a sustainability report, marking a significant milestone. With our second sustainability report, we continue to lead the sector.

Throughout 2022 and 2023, in collaboration with both our Sustainability Committee and Sustainability Department, we comprehensively reassessed and refreshed our sustainability strategy. This strategy is structured to align with our Company's vision of responsible and sustainable business practices, encompassing short, medium and long-term perspectives and actions.

In 2023, we strengthened our strategy by reviewing the relevance of our focus areas. Our short-term actions prioritize urgent goals, while our medium-term actions aim to realize our sustainability vision and our long-term actions aim to provide a strategic outlook for sustainable practices aligned with our Company's growth. During this process, we thoroughly address tailored sustainability solutions for Aras Kargo, starting from a broader perspective. We identify material areas in our economic, environmental and social focus areas and shaping our performance indicators accordingly. We are building our sustainability infrastructure with smart objectives and effective governance mechanisms.

In addition to our goals, we are proud to be a signatory of the United Nations Global Compact, the world's largest corporate sustainability initiative. We are committed to developing all our sustainability efforts in alignment with global goals and fulfilling our responsibilities under the UN Global Compact's 10 Principles.

In our journey, which we call the [#sustainabilityroute](#), we are diligently working to achieve all commitments to our stakeholders by prioritizing sustainability aligned with our corporate goals.

We integrate our economic, environmental and social-oriented sustainability approach, which we created in line with our sustainability vision, into our 44 years of cargo experience. We have significantly advanced our journey within the framework of these three main headings through the work we have undertaken and determined our specific performance indicators, targets and actions for each of them.

The goal of minimizing our carbon footprint lies at the core of our environmental sustainability strategy. In this regard, we are expanding our electric vehicle fleet within the scope of our "Route: Fighting Against Climate Change" initiative. This step allow us to reduce our carbon emissions significantly , while also reducing our operational costs and increasing our efficiency. We develop investment projects in renewable energy resources to ensure energy efficiency in our logistics centers and minimize our environmental impact and reinforce the sustainability of our operations with smart energy management systems and green building technologies.

Our commitment to our human resources lies at the core of our social sustainability strategy. As part of our "Route: Strong Corporate and Business Culture" initiative, we support the development of our employees and offer equal opportunities for everyone through our policies that promote diversity and inclusion.

We organize continuous training programs to support the development of our employees. With our equal opportunity policies, we encourage the participation of women and youth in the workforce. By supporting our women's volleyball team, we promote young women's participation in sports and ensure they play a more active role in social life. Through our social responsibility projects in education, health and sports, we touch every segment of society.

In economic sustainability, digitalization and innovation play a key role as part of our "Route: Operational Excellence and Continuous Improvement" strategy. We optimize our operational processes using automation systems and digital monitoring technologies. These technological investments increase our efficiency, enabling us to provide faster and higher-quality service to our customers. By collaborating with local suppliers, we implement sustainable supply chain management. This not only enhances the efficiency of our logistics processes but also contributes to the local economy. We establish strong and sustainable partnerships by adhering to fair trade principles.

Our roadmap for achieving the goals within our sustainability strategies involves working in collaboration with all our stakeholders. With our objectives of reducing carbon emissions, improving energy efficiency, actively participating in community projects and developing innovative business models, we are steadfastly advancing towards a sustainable future.

As Aras Kargo, we recognize that we still have a long way to go on our sustainability journey. However, the strong foundations and determination we have as we embark on this journey encourage us. Our entire organization, from our employees to top management, show a high level of commitment to achieving our sustainability goals. This commitment is evident not only in our Company policies but also in our daily operations and the way we conduct business. Every one of our employees work consciously and with dedication to contribute to our sustainability goals.

In this regard, we tirelessly work to continually improve ourselves by setting trackable and achievable goals. When defining our strategies, we consider not only the current situation but also future trends and needs. As we progress on this path, we constantly enhance ourselves and aim to contribute to a more.



# About Aras Kargo



# About Aras Kargo

## Corporate Profile, Vision, Mission and Corporate Values

In 1989, Aras Kargo was built on the strong foundations of Aras Distribution and Marketing, founded by Celal Aras in 1979. Established with the vision of creating added value for our country, we continue to work without compromising the principle of quality service and unconditional customer satisfaction. From the very beginning, we have continuously raised our service quality by introducing innovations to the sector. Our operations continue through a partnership with Austrian Post, which began with a 25% share of Aras Kargo in 2013 and increased to 80% in 2020. With 14 regional directorates, 28 transfer centers, over 800 branches and agencies and more than 1,000 Aras Burası points, we are proud to reach approximately 1 million doors every day with our workforce of around 16,000 employees.

Since 2016, we have been transforming from an operations company into a technology company, thanks to the extensive technology investments we have realized and we continue our efforts with the aim of designing the cargo experience of the future. With these investments, we have become one of the most important players in the sector that develops business through automation. As Aras Kargo, we serve tens of thousands of corporate customers and stand out as one of the most preferred business partners of the e-commerce sector.

As a company that pioneers transformation, we continue to contribute to the environment, society and economy and generate added value for the Turkish economy. In 2021, we signed the UN Global Compact, the world's largest corporate sustainability initiative. We are on course for a transitioning into a low carbon economy with our roadmap, which we call the Sustainability Route. In September 2022, we proudly published the sector's first sustainability report with the goal of carrying today's valuable elements to tomorrow in all our activities. Through our 2023 Sustainability Report, we transparently share our progress and future plans regarding our sustainable focus areas and relevant targets. The growth momentum we have achieved with our operational experience and capabilities is a result of our technology-oriented investments. In line with our digital transformation strategy, we have made significant investments in transfer centers, information technology infrastructure and operational processes. Thanks to these investments, we have become one of the most important players in the sector that generates business through automation and increased customer satisfaction.

As part of the 2025 Strategic Transformation Program, we are moving forward with firm steps, prioritizing customer satisfaction and embracing technological innovations. With our service approach that aims to keep customer satisfaction at the highest level, we offer a seamless and reliable experience with advanced cargo tracking systems and customer support services. We serve thousands of corporate customers as one of the most important business partners in the e-commerce sector. We continue to stand out in the industry with our innovative solutions.



**Our Vision**

To be the first brand preferred in the sector

**Our Mission**

Toprovide a cargo service that is beneficial to the community and the environment

**Our Values**

- We always seek the innovative
- We become stronger when we stand together
  - We work for you with all our strength
  - We take responsibility
- We believe in the abundance of simplicity
- We are committed to our work with passion
- We spread to the world, we carry the world



## Our Products and Services

Since our establishment, we have been continuously improving our service quality with the innovations we bring to the sector. We add value by making a difference with many innovative and enabling services we offer to our customers. With an extensive distribution network covering both domestic and international locations, we provide our customers with the convenience of delivery at the desired time.

**At Aras Kargo, we have a solution for everyone.**

Our Services	Service Description
Our Individual Services	
<i>Domestic</i>	
<b>Aras Nasıl İstersen</b>	We ensure that our individual customers receive their shipments wherever and whenever they want. We make a difference in the sector with digital solutions that allow our customers to track their shipment stop-by-stop, redirect it to Aras Burası pop-up stores and lockers, or change the delivery time with our Next-Day Delivery option. Thanks to our new notification feature, we enable our customers to view who will deliver the shipment and to request the location of the shipment and a photo of the location in case we cannot find our customer at home.
<b>Aras Burası Pop-up Stores</b>	We enable our individual customers to change their delivery address and pick up their cargo from the nearest pop-up stores, send their cargo from these stores, or easily return their online purchases from these stores.
<b>Aras Burası Pudo Lockers</b>	We enable our individual customers to change their delivery address and pick up their cargo from the nearest lockers, which are available 24/7.
<b>Aras Standard</b>	We deliver all domestic shipments to the recipient in 24 hours to distances between 0-600 km and in 48 hours to distances of 600 km and above.
<b>Aras Günaydın</b>	We offer a special service to our customers for urgent cargo shipments that are important to be delivered early the following morning. Thanks to our "Aras Günaydın" service, which is the only time-committed service in the industry, we deliver inner-city and inter-city shipments to the recipients no later than 10:00 in the next morning.

Our Services	Service Description
Our Individual Services	
<i>Domestic</i>	
<b>Aras Uçak</b>	We offer a special service to our customers for the fast delivery of their urgent shipments to another city. In provinces suitable for air transportation, where delivery times for documents and packages are 48 hours, we offer Aras Uçak Cargo service to reduce this time to 24 hours for our customers.
<b>Aras Tahsilatlı</b>	For our commercial clients, we ensure that the payment for their products is collected from the recipient at the time of delivery and transferred to our client's bank account. We offer the convenience of cash on delivery, providing special services that secure the delivery of the product sold by our client, the collection of the product payment from the customer and the transfer of the payment to the client's bank account, all under the assurance of Aras Kargo. We are particularly preferred by clients who sell products via e-commerce, wish to offer the 'Pay on Delivery' option and aim to reach a wide consumer base regardless of their location.
<i>International</i>	
<b>Aras Yurt Dışı</b>	We deliver the shipments of our customers with our global solution partners across 5 continents with "Standard, Express, Air Cargo, Road and Sea Transport" service options according to the preference of our customers. For our time-sensitive customers, we deliver to their addresses as fast as possible within the commitment periods with our Express Aras Yurt Dışı service. We also offer services in the relevant areas for our customers who want to deliver their shipment by different means such as road, sea and air.



Our Services	Service Description
Our Corporate Services	
<i>Domestic</i>	
<b>Aras Routing Platform</b>	With this platform, where customers can choose how and where to pick up their shipments regardless of time and location, we are able to make our cargo processes more flexible and customer-oriented.
<b>Customer Information System</b>	We enable our Company and our customers to manage their cargo operations more efficiently with this corporate system, which offers the opportunity to process shipment registration, tracking, payment and reporting in a fast and secure manner.
<b>Integration Services</b>	With B2B, B2C and C2C integration solutions, we have the opportunity to provide a better service by using our constantly developing services. We also facilitate the operations of our stakeholders by integrating with their in-house systems.
<b>Aras E-Payment</b>	We offer the opportunity to make invoice payments in a fast and secure manner with this solution, which enables corporate shipping invoices to be paid 24/7 over the internet via credit card or virtual card.
<i>International</i>	
<b>International Services</b>	Benefiting from the expertise of the Austrian Post in Europe, we deliver to many parts of the world through integration partnerships. We make cargo shipments worldwide with a wide global network.
<b>Services in TRNC</b>	We offer fast and convenient product delivery service to customers in TRNC. We provide reliable and fast service for shipments to the Turkish Republic of Northern Cyprus.
<b>Azerbaijan</b>	By acquiring Starex in Azerbaijan, an e-export market, we have taken an important step towards our goal of globalizing Turkish e-exports. By establishing a strong presence in Azerbaijan, we are increasing the e-export potential of Türkiye.





## Our Sustainable Products and Services

As Aras Kargo, we continuously develop innovative solutions to minimize our environmental impact. To this end, we offer our customers more efficient and eco-friendly delivery options through the **Aras Routing Platform**. Our customers can choose how and where to pick up their cargo regardless of time and location, thus preventing unnecessary travel and carbon emissions. Our couriers can easily perform all cargo operations from their mobile phones and thanks to navigation and route planning, we accelerate delivery times and reduce fuel consumption. The ability to document the arrival at the address allows us to track customer interaction in more detail.

With our **Aras Nasıl İstersen** service, we increase customer satisfaction by offering flexible delivery options to our customers. Shipments can be directed to Aras Burası points, address changes can be made until the delivery time or the delivery time can be postponed. This flexibility not only increases customer satisfaction but also enables us to take an eco-friendly approach by preventing unnecessary mobility in logistics processes. With the Stop-by-Stop Tracking feature, our customers can make their plans by knowing when their package will arrive, thus we save time and energy in delivery processes. Thanks to our Easy Returns feature, we aim to keep our customer satisfaction at the highest level by realizing returns of online purchases in a fast and convenient way.

Our **Aras E-Payment** system reduces paper consumption and saves energy by migrating cargo payments to digital platforms. Our corporate customers can realize their collection transactions 24/7 over the internet via credit card or virtual card. By doing so, we offer an eco-friendly payment process by minimizing cash transactions and the use of intermediaries. Especially in our B2C and C2C services, we provide delivery using Digital HSIB (Service Delivery Verification Document) with SMS or digital signature. With our **Integration Services** we maximize customer satisfaction and make business processes more efficient with B2B, B2C and C2C integration solutions. We inform and support our business partners through our Customer Integration Specialists and deploy green practices throughout our entire supply chain.

We also offer our customers a wide range of delivery options with **Aras Burası Pop-up Stores and Lockers**. When our customers shop on e-commerce platforms, they can choose from Aras Burası pop-up stores or lockers that can be used 24/7. As a result, they can receive their packages at the place and time of their choice, making their lives easier and increasing the efficiency of our logistics processes. With our **Aras Günaydın** and **Aras Uçak** hservices, we provide fast and reliable solutions to urgent delivery needs, ensuring customer satisfaction and time management with a customizable logistics option. With our **Aras Tahsilatlı** delivery service, we provide flexibility to our customers by offering ease of payment at the door.

All these innovative practices and services reflect our commitment to reducing our environmental impact, increasing customer satisfaction and improving our business processes. In order to leave a more livable world for the future, we will continue to be a pioneer in the sector with our sustainable products and services.



**Aras Kargo'nun yenilikleri herkesin çok işine gelecek. Aras Kargo'da merkez sensin, kargon nasıl istiyorsan öyle gelsin.**

Aras Kargo'nun tüm yenilikleri telefonunuza gelen link'te **sizi bekliyor!**





## Milestones



*As Aras Kargo, we act with the vision of being the first preferred brand in the sector without compromising our values and high quality service understanding. In the 44 years that we have been a partner in the “journey of cargo”, we have left behind important milestones and achieved the first ones.*



- For the first time in the sector, we started to provide customer support service on the website in a virtual environment.



- We started corporate identity studies and published the first advertising campaigns of the sector.
- We became the cargo company that started to use first cargo mobile branch vehicle in the field in Türkiye.



- With Aras Academy, we became the first company to establish the education platform in the sector. We have gained a modern perspective focused on education and organizational development.



- We added the first 100% electric, environmentally friendly vehicles to the Aras Kargo fleet.



- We became the first cargo company to be awarded the “Turkish Excellence Award” by the Turkish Quality Association (KALDER).



- We became the first cargo company to be entitled to receive ISO 10002 Customer Satisfaction, ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management Systems Certificates after TSE’s audits.
- We became the first cargo company in Türkiye to sign the United Nations Women’s Empowerment Principles.



- We have implemented the “Where Is My Cargo” application, which is the first in the cargo sector in Türkiye.
- As a first in the sector and in the world, we started a process to manage all of the operational processes through ERP (Enterprise Resource Planning).



- We started infrastructure works for comprehensive monitoring of our sustainability data.
- We have signed our first agreement with our partner TÜMTİS (All Transport Workers' Union of Turkey) to maintain workplace harmony and enhance our competitive strength.



- We made our Aras Academy training platform available online to all our stakeholders.



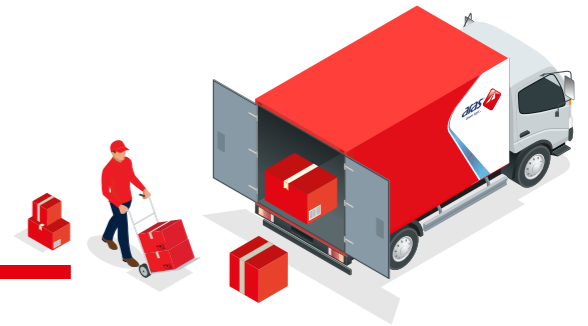
- We took steps to create our first Sustainability Report.
- In May, we broke a record by processing 2 million cargos in one day.
- We signed the United Nations Global Compact.



- With Aras Digital, established in September 2022 as the first subsidiary of Aras Kargo, we started to work on technology exports in the technopark office.
- We published the first sustainability report in the sector.



- As part of our strategy to expand into international markets, , we have acquired 75% of the shares of Star Express, one of Azerbaijan's leading cargo companies, operating under the Starex brand.
- We have increased the number of our Locker/Aras Burası Esnaf locations to make the processes of receiving and sending parcels more accessible and flexible for our customers.
- We identified our Sustainability Ambassadors in all our regions.
- As Aras Kargo, we took a big step to support sports and raise young talents by establishing Aras Kargo Sports Club.





## Aras Kargo in 2023



### International Growth

As Aras Kargo, we have expanded into new markets in Central Asia by investing in Azerbaijan in line with our international growth target.



#### Strong Economic Performance

- Capacity to process over **288 thousand** cargos per hour
- Daily average of **1 million** deliveries
- High shipment volume with **186 million** cargo deliveries
- **2.2% growth** in shipment volume
- Over **30 thousand** corporate customers
- **220** international delivery points
- A satisfaction level of **99%, 92% and 98% in corporate**, inbound individual and outbound individual customers, respectively
- Strong financial performance with **9,415 million TL** revenue
- A total of **11 awards** in many areas from customer satisfaction to brand reputation



#### People and Society

- Nearly **16 thousand** people working under the Aras Kargo brand
- Employee overall satisfaction score of **79.3%**
- Employee engagement score of **80.1%**
- **74 employees received coaching** training through the coaching program and **91 employees received mentoring support**
- A total of **26,971 hours** of environmental and sustainability training
- A total of **19,380 hours** of Occupational Health and Safety (OHS) training
- Coastal Cleanup Activities organized by **Turkish Marine Environment Protection Association (TURMEPA)**
- **Aras Kargo Sports Club** was established with the aim of becoming one of the leading clubs in Turkish volleyball
- Volleyball National Teams Official Sponsorship in cooperation with the **Turkish Volleyball Federation**



#### Climate and Environment

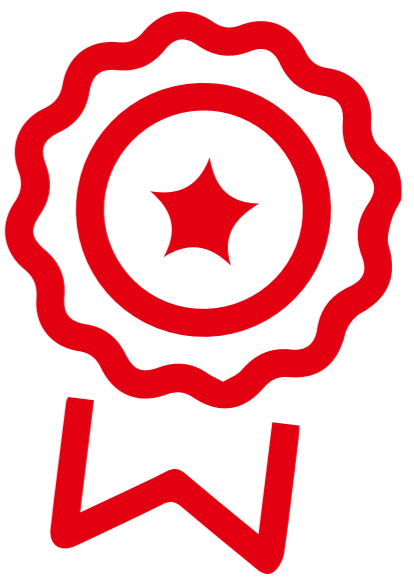
- **100% carbon neutral** transfer target through emission reduction projects and carbon offsetting initiatives
- Target to increase in the number of **electric vehicles** in our fleet
- **16,000 seedlings donation** every year
- **14,806 MWh** green electric supply
- Use of recyclable and environmentally friendly packaging materials
- **14% reduction** in paper use by digitalizing our business processes compared to previous year

Operational Locations



Awards

As Aras Kargo, we stand out in the sector with our achievements in different fields. As in previous years, we were honored with various awards by reputable organizations in 2023 in return for our efforts. We see these awards as an indicator of our team's devoted work and our commitment to quality.



Listed below are the important awards we received in 2023.

Program	Award
The One Awards	► Most Reputable Brand of the Year
Echo Awards	► Company Offering the Best E-Commerce Experience
Golden Leaders	► Most Admired CEO of the Year
Golden Leaders	► Most Admired CFO of the Year
Golden Leaders	► Most Admired CMO of the Year
Golden Leaders	► Most Admired CHRO of the Year
Golden Leaders	► Turkish Golden Leaders Award
Marketing Türkiye	► Cargo Company of the Year
BMI - C Summit	► 50 Most Effective CMOs
Toptalent.co	► Top CHRO 2023
General Counsel Power List	► The Legal 500 (Legalease) Powerlist



# Corporate Governance at Aras Kargo



# Corporate Governance at Aras Kargo

## Our Corporate Governance Approach

As Aras Kargo, we continuously improve our corporate governance structure in order to strengthen our position as Türkiye's leading cargo company and to improve our performance in every field. Our corporate governance approach is based on effectiveness, efficiency and transparency. As in previous years, we continued to work in line with these principles also in 2023.

Under the leadership of our Board of Directors, our Strategic Management Office, which includes our General Manager, CEO and CFO, serves as a platform that shapes and manages our Company's strategic decisions. Our Strategic Management Office works together with Senior Management to ensure that all operations of the Company are carried out in harmony and effectively.

As part of our commitment to the protection of personal data, our company established the Data Protection Organization in 2021, integrating it into our corporate governance processes. The Data Protection Organization consists of a Data Protection Officer, a Data Protection Center, and a Data Protection Committee with representatives from each business unit. In 2023, the Data Protection Organization continued its efforts to ensure compliance with personal data protection legislation, implement administrative and technical measures, and protect the privacy and rights of all individuals whose personal data is processed, including employees and customers. In this regard, the Data Protection Organization, as a crucial part of our corporate governance structure, plays a significant role in maintaining the trust and reputation of our company.

As of 2023, our Board of Directors has 8 members and we continue to work with determination to realize our goals of increasing the diversity of our Board of Directors.



Sustainability Committee and Activities

We address sustainability as an integral part of our corporate strategy. This approach is reinforced by the efforts of our Sustainability Committee, which tracks sectoral and global changes, recommends necessary strategic adjustments to senior management and ensures essential coordination.

The Committee is also responsible all aspects of sustainability, such as human rights, environment, employee rights, decent work and anti-corruption. They ensure all relevant issues are examined and operate as a cross-functional committee with a formal structure. Tasks are allocated to the relevant departments in accordance with decisions made collaboratively with senior management during the monthly meetings chaired by the CFO.

In addition, our Sustainability Ambassadors, selected from 14 different regions, carry out subcommittee work and raise sustainability awareness throughout the Company. This structure, which was implemented in 2023, plays a crucial role in achieving our Company's sustainability goals.



Integrated Management System Policy

Within the scope of our Integrated Management System Policy, we act with the awareness of continuously improving our performance by evaluating the risks and opportunities in our operational processes. We promote continuous development through the adoption of technology, training and creativity, aiming to enhance our competitive edge through efficient resource utilization. Quality remains our top priority at every stage of our processes.

Our corporate governance model is supported by our existing integrated management system policy and procedures. We work intensively to achieve the corporate goals we have set within the framework of quality, environment, occupational health and safety, customer satisfaction and information security management systems.

Environment

We strive to achieve full compliance with environmental regulations and actively encourage the participation of all our stakeholders to raise environmental awareness. Considering the direct and indirect environmental impacts of our company, we carry out our processes to prevent environmental pollution. We work for a sustainable future by using our resources in the most efficient way.

Occupational Health and Safety

We act in full compliance with legislation and obligations to ensure safe and healthy working conditions in all our workplaces. One of our priorities is to raise the occupational health and safety awareness of our employees and to prevent potential accidents and injuries. We are committed to providing a safe working environment by eliminating hazards at their source and minimizing environmental risks.

Customer Satisfaction

We develop open and customer-oriented communication processes to understand and meet customer expectations. We emphasize the importance of being accessible in all communication channels. We attach importance to transparency and confidentiality in complaint processes and handle customer feedback in an objective and impartial manner. We aim for continuous improvement with the information obtained from these processes.



## Ethics and Human Rights



### Ethical Business Conduct and Code of Ethics

At Aras Kargo, we have established our Code of Conduct and Ethics with the goal of achieving successful and high-quality results in all our endeavors. These guidelines define the ethical principles that must be followed in our work and provide a framework for compliance. Our **Code of Conduct and Ethics** is available on our website and is also detailed in our Business Compliance Policy, which is based on our Code of Conduct and Ethics.

Our Code of Conduct and Ethics is based on Aras Kargo's mission and is compulsory for all managers, employees and business units. Based on international treaties and ethical standards, these rules reflect our commitment to the United Nations Global Compact. We are aware of the fact that failure to comply with the Code of Conduct and Ethics may damage our Company's reputation thus may result in disciplinary action. Our employees are provided with guidance in complying with the law and internal policies. Any breaches are encouraged to be reported to managers or the Compliance Office. We expect all our business partners to act in accordance with these rules.



*In order to report ethical concerns, our employees and customers can inform our Compliance Office by calling **(0 541) 667 44 45** or by sending an e-mail to **bildirim@araskargo.com.tr** In 2023, 38 incidents were reported to our ethics hotline, all of which were resolved.*

We also provide training to our employees on anti-bribery and anti-corruption, ethics and compliance, which are the key elements of our corporate governance approach. These trainings also include awareness raising activities.



## Anti-Bribery and Anti-Corruption

Anti-bribery and anti-corruption are major cornerstones of our transparent and reliable corporate governance approach. Our approach to this issue is discussed in detail in the **Code of Conduct and Ethics Booklet.**

As we have stated in this Booklet, we do not tolerate corruption and bribery in any way and we make our business decisions from an objective point of view. When doing business with third parties, we absolutely refuse to offer, promise or accept improper benefits, directly or indirectly.

The criteria we set within the framework of combating corruption and bribery are effectively followed through the Ethics Hotline we have established. Reports received through this hotline is meticulously examined and finalized in cooperation with the Internal Audit Unit.

Our processes are explained thoroughly in our Business Compliance Policy, from the definition of issues that may and may not provide benefits up to the actions to be taken when such situations are encountered. Additionally, separate policies regarding gifts, invitations, donations, sponsorships, corruption and bribery, reporting, prevention of retaliation, harassment, violence and discrimination, human rights, and diversity and inclusion will be published in 2024.

We inform all Aras Kargo employees and suppliers about these policies.

### Anti-Corruption and Anti-Bribery Mechanisms

1

**Training and Awareness Activities:**

We provide regular trainings to all our employees on anti-corruption and anti-bribery. These trainings are designed to raise employee awareness and aim to prevent unethical behavior.

2

**Ethical Reporting Channels:**

Our employees, customers and suppliers can use various reporting channels to report any suspicious situations related to corruption and bribery. Reports made via e-mail address and telephone are kept confidential and carefully investigated.

3

**Internal Audit and Control Mechanisms:**

Through the collaboration of risk management, internal control, and internal audit, preventive and detective controls and audits are effectively conducted, and the Disciplinary Committee processes are implemented when necessary.

In 2023, there were no cases of corruption detected. No disciplinary action has been taken on corruption and no public case has been filed in relation to corruption.

At Aras Kargo, we regularly assess the risks of corruption. In 2023, three main activities were evaluated for corruption-related risks. Among the activities with a high risk of corruption were deemed as donations, gifts and sponsorships.

Our employees are informed about suspicious situations and/or situations that may constitute a conflict of interest within the scope of the Business Compliance Policy. This Policy also provides clear guidance on gifts, hospitality, donations, sponsorships and interaction with public officials.

*Disciplinary sanctions are applied in case of breach of the anti-bribery and anti-corruption procedures in our Policy. We refrain from doing business with organizations and/or supplier candidates who are known to pay bribes.*





# Stakeholder Rights and Engagement



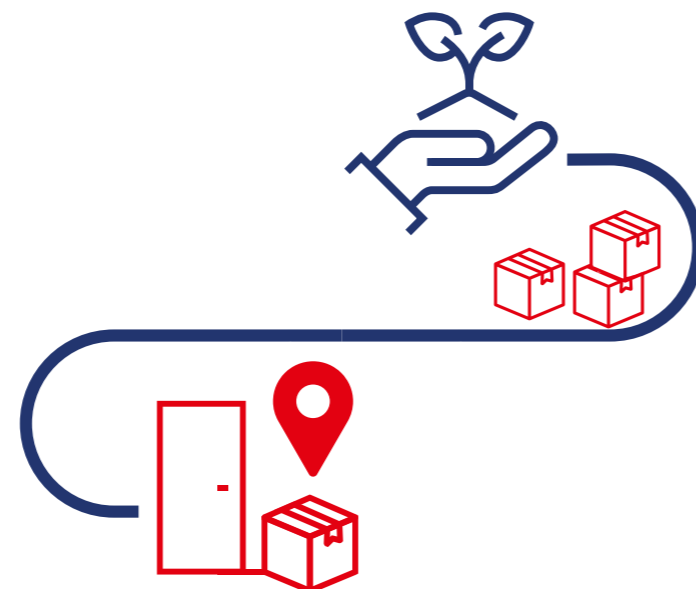
## Stakeholder Interaction & Engagement Activities

We use various channels and methods to communicate effectively with our stakeholders and to achieve our sustainability goals. Understanding stakeholder expectations and priorities and taking strategic steps accordingly, are among our fundamental principles.

We identify our strategic goals and develop our practices by collaborating closely and maintaining positive relationships, with our stakeholders. This approach is critical in achieving our sustainability objectives and fulfilling our stakeholder's expectations. We believe that it further strengthens our relationships with them.



*At Aras Kargo, our diverse stakeholders come from various segments of society. They expect high standards of transparency and sustainability from our Company. To meet these expectations, we categorize our stakeholders into different groups and strive to address their needs and demands in the most appropriate way.*



### We Engage in Dialogue with Stakeholder Groups

As Aras Kargo, we use various methods and communication channels to achieve our sustainability goals and address our stakeholders' expectations in the most effective way. We shape our communication with our stakeholders according to the needs and expectations of each group and create a continuous flow of feedback to guide our strategic decisions.

- Employees:** Through regular surveys with our employees, OHS boards, regular meetings with Union Representatives, Suggestion & Complaint Notification systems, Ethics Hotline reporting systems, and other established and systematic channels, we gather feedback and suggestions on topics such as the work environment, overall satisfaction, and innovative ideas. All these efforts support continuous improvement in our human-related processes, leading to positive progress in employee-related outcomes and the creation of more inclusive and safer workspaces.
- Senior Management:** We hold regular and structured meetings with senior management and take decisions in line with our strategic goals. These meetings, which take place with the participation of our management team, enable us to create a common vision on sustainability and efficiency.
- Non-Governmental Organizations (NGOs):** Periodic meetings with NGOs increase the effectiveness of our social responsibility projects and contribute to our environmental sustainability goals. These collaborations reinforce our responsibility towards the society.
- Customers:** Our continuous communication with our customers is critical in improving our service quality and ensuring customer satisfaction. We regularly analyze customer feedback and aim to improve our service processes.
- Contractors:** The strong communication we establish with our contractors ensures the maintenance of safe working environment standards and meets our flexible workforce needs. This way, we ensure the continuity and security of our supply chain.
- Suppliers:** Regular meetings with suppliers strengthen our cooperation on data security and customer satisfaction and contribute to our sustainable supply chain management.
- Public Institutions:** Our communication with public institutions is important in terms of complying with regulations and maintaining data security standards. These collaborations play a critical role in fulfilling our Company's legal responsibilities.
- Community:** Our communication with the community increases the effectiveness of our environmental and social responsibility projects and contributes to the general welfare of the community. These interactions are of great importance for Aras Kargo to fulfill its social responsibilities.
- Unions:** Our communication with trade unions enables us to develop a common understanding on occupational health and safety, equal opportunities and employee rights. These collaborations help us take important steps towards improving the working environment.

Our detailed communication methods and channels are presented below.

Stakeholder	Communication Channel	Frequency of Communication	Stakeholder Expectation / Stakeholder Priorities	Section of Report for Actions Taken
 <b>Employees</b>	Telephone, Internal Messaging, Teleconference, Mail, Website, Social Media, Coffee Break Magazine, Suggestion System, Ethical Reporting Hotline Aras Academy	Continuously	<ul style="list-style-type: none"><li>• Operational Excellence and Safety</li><li>• Digitalization &amp; Innovation</li><li>• Sustainable / Responsible Product Range</li><li>• Customer Satisfaction</li></ul>	Route: Operational Excellence and Continuous Improvement Route: Strong Corporate and Business Culture
	Employee Engagement Survey	Annual		
	Periodic HR and Employee Conversations, Employee Engagement Focus Group Studies, Management Chats with Employees, First Month HR Interviews, Exit Interviews, and Manager-Employee Feedback & Performance Reviews.	Periodically		
 <b>Senior Management</b>	Meetings, Mail, Website, Telephone, Internal Messaging, Teleconference	Continuously	<ul style="list-style-type: none"><li>• Green and Efficient Transport</li><li>• Operational Excellence and Safety</li><li>• Customer Satisfaction</li><li>• Energy / Resource Management and Efficiency</li></ul>	Route: Operational Excellence and Continuous Improvement Route: Fighting Against Climate Change
	Online Publications	Periodically		
 <b>Non-Governmental Organizations (NGOs)</b>	Telephone, Teleconference, Mail, Website, Social Media, Meetings	Continuously	<ul style="list-style-type: none"><li>• Sustainable / Responsible Product Range</li><li>• Customer Satisfaction</li><li>• Emission Management regarding Location Based Occupational Health and Safety</li><li>• Circular Economy and Waste Management</li></ul>	Route: Operational Excellence and Continuous Improvement Route: Fighting Against Climate Change
	Field Work	Periodically		
 <b>Customers</b>	Telephone, Teleconference, Mail, Website, Social Media, Ethical Reporting Hotline, Call Center, Aras Kargo Mobile App	Continuously	<ul style="list-style-type: none"><li>• Customer Satisfaction</li><li>• Operational Excellence and Safety</li><li>• Digitalization &amp; Innovation</li><li>• Equal Opportunity and Diversity</li><li>• Data Security and Privacy</li></ul>	Route: Operational Excellence and Continuous Improvement Route: Strong Corporate and Business Culture
	Field Visits	Periodically		
	Customer Satisfaction Survey	Annual		
 <b>Contractors</b>	Telephone, Internal Messaging, Teleconference, Mail, Website, Social Media, Coffee Break Magazine, Suggestion System, Ethical Reporting Hotline	Continuously	<ul style="list-style-type: none"><li>• Equal Opportunity and Diversity</li><li>• Ethics, Human Rights, Anti-Bribery and Anti-Corruption</li><li>• Customer Satisfaction</li><li>• Occupational Health and Safety</li></ul>	Route: Operational Excellence and Continuous Improvement Route: Strong Corporate and Business Culture
 <b>Suppliers</b>	Meeting, Telephone, Teleconference, Mail, Ethical Reporting Hotline	Continuously	<ul style="list-style-type: none"><li>• Operational Excellence and Safety</li><li>• Data Security and Privacy</li><li>• Customer Satisfaction</li><li>• Emissions Management regarding Location Based Occupational Health and Safety</li></ul>	Route: Operational Excellence and Continuous Improvement
	Supplier Evaluation Route: Fighting Against Climate Change Survey	Annual		Route: Fighting Against Climate Change
 <b>Public Institutions</b>	Meeting, Telephone, Teleconference, Mail, Official Correspondence	Periodically	<ul style="list-style-type: none"><li>• Operational Excellence and Safety</li><li>• Data Security and Privacy</li><li>• Full Compliance with Postal Regulations</li></ul>	Route: Operational Excellence and Continuous Improvement
	Audits, University, Events	Continuously		
 <b>Society</b>			<ul style="list-style-type: none"><li>• Customer Satisfaction</li></ul>	Route: Operational Excellence and Continuous Improvement
 <b>Union</b>	Telephone, Internal Messaging, Teleconference, Mail, Website, Social Media, Coffee Break Magazine, Suggestion System, Ethical Reporting Hotline Aras Academy, Meeting, Official Correspondence	Continuously	<ul style="list-style-type: none"><li>• Equal Opportunity and Diversity</li><li>• Sustainable Supply Chain / Superior Supplier Management</li><li>• Sustainable / Responsible Product Range</li><li>• Data Security and Privacy</li></ul>	Route: Operational Excellence and Continuous Improvement Route: Strong Corporate and Business Culture
	Employee Engagement Survey	Annual		

Corporate Memberships

Aras Kargo is a Member of Major Organizations	Membership Status/Level of Representation
Association of Turkish Cargo, Courier and Logistics Operators (KARID)	▶ Member / Senior Management
International Investors Association (YASED)	▶ Member / Senior Management
Turkish Quality Association (KALDER)	▶ Member / Senior Management
Ethics and Reputation Association (TEID)	▶ Member / Senior Management
Information Technologies and Communication Authority (BTK)	▶ Member / Senior Management (Authorization Certificate)
Financial Crimes Investigation Board (MASAK)	▶ Member / Senior Management
Istanbul Chamber of Commerce (ITO)	▶ Member / Senior Management
UN Global Compact Türkiye	▶ Member / Senior Management
Customer Experience Management and Technologies Association (MDYD)	▶ Member / Senior Management
The Union of Chambers and Commodity Exchanges of Türkiye (TOBB)	▶ Member / Senior Management
Foreign Economic Relations Board (DEİK)	▶ Member / Senior Management
E-Commerce Operators Association (ETİD)	▶ Member / Senior Management



Risk & Crisis Management

At Aras Kargo, we aim to increase our sustainability and operational efficiency by adopting effective and systematic approaches to risk and crisis management. In this direction, our risk management process, which serves under the leadership of the Strategy Committee, is managed by the Audit Department. Throughout 2023, we maintained our existing risk management practices and implemented innovations in reporting requested by the parent company. Thanks to these innovations, we evaluated sustainability interactions in our reporting processes and included them in our reports, thus promoting a holistic approach.

We conduct regular training programs to improve our Company’s risk culture. In 2023, we started by providing trainings for managers and we continue the process by sharing information with those concerned as needed at the risk management evaluation meetings held every 6 months.

Identification and Management of Risks

Steps such as assessing risks every six months, requesting updates from business units regarding their risks and consolidating the information received constitute the cornerstones of our risk management process. Risks to be reported are divided into predictable and event risks. Scenario studies are conducted for predictable risks and submitted for management approval. This structure ensures that risks are managed effectively and their potential impacts are minimized.

For event risks, rapid and effective response plans are established. Continuous monitoring allows for early threat detection and swift action. Teams are regularly trained and prepared through drills.

As Aras Kargo Data Protection Committee, we annually assess the compliance of personal data processing activities within the company with the relevant legislation and report any high-risk findings to the Strategy Committee. In this way, we ensure a transparent flow of information to top management regarding company-wide risks related to personal data protection and contribute to the development of control points to manage and minimize these risks.

In 2023, we have reviewed and updated the risks related to climate and sustainability considering new regulations and changing megatrends and ensured alignment with our strategy.

We identified areas that may pose risks for our Company in the future and defined the actions to be taken against these risks. We evaluated issues such as natural disasters, climate risks and rising exchange rates and developed strategic plans against these risks. As a result, we adopted a proactive risk management approach.

**“** We categorize our risks into reputation risk, financial risk, and legal risk. To enhance the sustainability and operational efficiency of our company, we implement various controls and strategies. By thoroughly addressing these risks and opportunities, we are taking decisive steps towards achieving our sustainability goals. **”**



# The Sustainability Journey of Aras Kargo

*In our sustainability journey, we aim for an equitable world for all and a livable, balanced planet for future generations. We are diligently working to maximize our sustainability performance.*

# The Sustainability Journey of Aras Kargo

## Our Sustainability Approach

In line with Aras Kargo's Sustainability Vision, we address sustainability in the areas of economic, environmental, social and governance focus. While keeping customer satisfaction and operational excellence at the highest level, we aim to provide a prosperous working environment for our employees, prioritize operational safety, encourage efficient fuel consumption and green transportation, ensure the separation of recyclable waste at source, support employee development and communication and increase employee engagement.

*With the mission of providing cargo services that contribute to the community and environment, we continue our sustainability journey together with all our stakeholders as an innovative, growth-oriented and future-oriented company that cares about future generations and is mindful of humans and the environment.*

While laying the foundations of this journey, we defined our general and specific strategies in three main steps.

### Strategic Steps



**Identification of Risks and Opportunities:**

- We assessed global and sectoral megatrends and identified the risks and opportunities that they pose to our Company. In line with these assessments, we mapped our preventive and strengthening activities.
- We combined our corporate identity with our sustainability perspective and worked in cooperation with our relevant departments. We increased our internal awareness by organizing mini workshops and evaluated the relationship between our current projects and sustainability.



**Identification of Strategic Focus Areas:**

- We organized strategy workshops to transform our work into strategic focus areas and material issues. With the active support of our senior management, we received internal and external stakeholder contributions and reviewed our KPIs for our sustainability activities through a materiality analysis process.
- In line with the updated performance indicators, we set our short and medium-term goals and programs.



**Building the Governance Process:**

- We structured the governance process of our sustainability journey with a mechanism extending from our senior management to the relevant units.

As Aras Kargo, we are committed to pursue our vision of being an innovative and thriving company that is sensitive to people and the environment in our sustainability journey. In this journey, we adhere to the 10 principles of the United Nations Global Compact and actively work on respect for human rights, improvement of labor standards, environmental responsibility and anti-corruption.



## Mega Trends and Aras Kargo's Strategic Alignment

Today, megatrends such as climate change, energy supply, circular economy and ESG regulations are transforming the business world. These trends play a critical role for companies to minimize their environmental impact and achieve their long-term sustainability goals by reshaping their business models and strategies.



*As Aras Kargo, we develop our sustainability strategies to adapt to these trends. In order to reduce our carbon footprint and increase our energy efficiency in climate change and energy supply issues, we are renewing our vehicle fleet, using vehicles that produce less emissions and investing in renewable energy sources. In line with circular economy principles, we reduce the amount of waste by using recyclable packaging materials and minimize our energy consumption with our logistics. In addition, we regularly report our sustainability performance by adopting the principles of transparency and accountability in line with sustainable business practices and ESG regulations. By offering environmentally friendly services to our customers, we develop sustainable logistics solutions and meet consumers' expectations on sustainability. In this way, we aim to contribute to a sustainable future and create long-term value.*

# 2023 Sustainability Trends



## Energy Security and Renewable Energy

### Trend Review

Energy supply and renewable energy are at the forefront of the global sustainability agenda. Particularly in Europe, the eightfold increase in natural gas prices has increased the need for energy security and encouraged investments in renewable sources such as solar and wind energy. New incentive packages, such as the European Union's REPowerEU and the US Inflation Reduction Act, aim to increase clean energy adoption and energy efficiency. These developments are considered critical steps to both enhance energy supply and ensure a sustainable energy future.

### Sectoral Impact

Increasing investments in renewable energy sources and ensuring energy supply help to reduce operational costs and achieve sustainability goals in the cargo sector. By adopting renewable energy investments, cargo companies both increase their environmental sustainability and minimize energy security risks. These strategies enhance the long-term resilience and competitiveness of the cargo sector.

### How Aras Kargo Is Aligned

We are aligned with the Austrian Post 's commitment to achieve carbon net zero by 2050.

To achieve this goal, we are increasing the share of electric vehicles in our fleet. In addition, we continue our efforts to increase the share of energy from renewable sources in the electricity we use.



## Mitigation, Adaptation and Resilience to Climate Change

### Trend Review

Mitigation, adaptation and resilience to climate change have become a key elements of companies' sustainability strategies. Therefore, companies are taking steps to not only reduce their environmental impact, but also to increase their operational resilience. In particular, building supply chains that are resilient to floods, droughts and extreme weather phenomena is critical to reduce costs and ensure business continuity. According to the World Meteorological Organization, the number of climate-related disasters has increased five-fold in the last 50 years and is projected to reach 560 disasters per year by 2030 if the trend continues. In this context, investments in adaptation and resilience need to be accelerated. Low- and middle-income countries are particularly vulnerable to climate change, with adaptation and resilience financing needs reaching up to USD 340 billion annually. Climate change adaptation and resilience strategies are vital not only for environmental sustainability, but also for long-term economic resilience and social stability.

### Sectoral Impact

Climate change is increasing the frequency and severity of extreme weather events, resulting in supply chain disruptions. This could lead to delays in cargo deliveries, cost increases and customer dissatisfaction. Furthermore, extreme temperatures and storms may cause damage to cargo vehicles and infrastructure, increasing operational costs. In this context, cargo companies need to develop climate change mitigation strategies and increase their resilience. These strategies include creating resilient supply chain networks, investing in renewable energy sources and integrating practices for climate risk management.

### How Aras Kargo Is Aligned

At Aras Kargo, we prioritize mitigation, adaptation and resilience to climate change in terms of business continuity and customer satisfaction.

We analyze the potential risks and impacts of climate change and prepare risk reduction and action plans to proactively take precautions against these risks. We also work together with other stakeholders in the sector in the fight against climate change. In this way, we aim to produce more effective solutions and increase resilience across the sector through exchange of information and experience.



## Sustainable Business Practices

### Trend Review

Sustainable business practices have become a critical strategy for companies to improve both their environmental and economic performance. By developing innovative products and green supply chains, companies are not only reducing their environmental impact, but also meeting the expectations of consumers and investors. Increasing regulatory pressures and consumer awareness around the world are encouraging companies to adopt more sustainable business models and these changes are vital for long-term economic resilience and social stability.

### Sectoral Impact

By adopting sustainable business strategies, cargo companies increase their operational efficiency and reduce their costs. Sustainable business practices increase customer satisfaction and provide a competitive advantage in the cargo industry. This increases long-term economic resilience and social responsibility in the sector.

### How Aras Kargo Is Aligned

At Aras Kargo, we are committed to minimizing our environmental impact through our sustainable business practices. To this end, we optimize our operations with innovative solutions and digital technologies. Thanks to the Aras Routing Platform, we reduce carbon emissions by offering our customers greener delivery options. With our flexible delivery and return services, we minimize unnecessary movements in logistics processes and thus save energy. With the Aras e-Payment System, we offer a more environmentally friendly payment process by reducing paper consumption. We expand environmentally friendly practices throughout our supply chain and continuously develop innovations to increase customer satisfaction. This commitment enables us to take firm steps towards our goal of preserving a more livable world for the future.



## Circular Economy

### Trend Review

Circular economy stands out as an important sustainability trend that aims to minimize waste output by increasing resource efficiency. The circular economy is recognized as an important strategy that not only enhances environmental sustainability, but also promotes innovative business models and economic growth. Circular economy practices are projected to potentially create an economic value of US\$4.5 trillion worldwide by 2030.<sup>1</sup>

By transitioning to a circular economy, companies have the potential to not only use resources more efficiently but also to create new job opportunities and support sustainable growth.

### Sectoral Impact

Cargo companies that adopt circular economy principles reduce waste generation and lower operational costs by using recyclable packaging materials. For example, the use of biodegradable materials instead of plastic packaging contributes to minimizing environmental impacts. In addition, the use of recyclable parts in the maintenance and repair processes of cargo vehicles provides cost savings by extending the life of the vehicle. These are practices that both increase sustainability and improve operational efficiency in the cargo sector.

### How Aras Kargo Is Aligned

Adopting a circular economy approach, we are taking concrete steps to realize our sustainability vision. We reduce the amount of waste by using recyclable cargo bags and materials, thus providing reusable solutions instead of disposable products. In this way, we both minimize our environmental impact and provide long-term economic benefits.

<sup>1</sup><https://www.weforum.org/impact/helping-the-circular-economy-become-a-reality/>



# Changing Consumer Demands

## Trend Review

Consumer demand for sustainability has become a powerful trend that is reshaping corporate business strategies. Changing demands are pushing companies to offer more sustainable products and services, while also encouraging them to adopt higher standards of transparency and accountability. Major retail chains are establishing sustainability commitments to reduce the carbon footprint of their supply chains and minimize their environmental impact. This trend allows companies to accelerate sustainability initiatives, create new business opportunities and gain competitive advantage.

## Sectoral Impact

Sustainability-driven consumer demands are forcing the cargo industry to minimize its environmental impact and make its operations more sustainable. Innovative approaches such as incorporating electric vehicles into fleets and using recyclable packaging are part of the efforts of carriers to reduce their carbon footprint. In addition, transparency in supply chains and increased use of renewable energy play a critical role in achieving sustainability goals. This trend allows companies to accelerate sustainability initiatives and thus create new business opportunities and gain competitive advantage.

## How Aras Kargo Is Aligned

As Aras Kargo, we continuously improve our services by developing innovative solutions as part of our efforts to keep pace with evolving consumer demands. By offering flexible delivery options such as Aras Routing Platform and Aras Nasil İstersen, we produce environmentally friendly and efficient solutions to address the needs of our customers. We ensure that our customers can receive their deliveries regardless of time and place and we increase their satisfaction with our Stop-by-Stop Tracking and Easy Return features.

We publish our sustainability reports to share our sustainability activities and performance with the public.

In addition, Aras Kargo organizes training and awareness raising activities on sustainability. In this way, we aim to contribute to the development of sustainability awareness of all stakeholders.



# ESG Requirements and Regulations

## Trend Review

ESG (Environmental, Social and Governance) requirements and regulations play an important role in the sustainability strategies of businesses. As the European Union's Corporate Sustainability Reporting Directive (CSRD) will come into force in 2024, ESG reporting will be mandatory, affecting approximately 50,000 companies. In addition, the US Securities and Exchange Commission (SEC) introduced new rules for the disclosure of climate-related risks in 2023. Such regulatory pressures are encouraging companies to not only comply with legal requirements, but also to take proactive steps to improve their ESG performance. These developments enable companies to report their environmental and social impacts more transparently and realize their sustainability commitments.

## Sectoral Impact

New climate-related disclosures from regulators such as the European Union's Corporate Sustainability Reporting Directive (CSRD) and the International Financial Reporting Standards (IFRS) Board are challenging carriers to reduce their carbon footprint and report on their environmental impact. These regulations ensure both environmental and social sustainability in the cargo industry, while increasing customer confidence and supporting long-term business success.

## How Aras Kargo Is Aligned

We prove our efforts to comply with ESG requirements and regulations with our sustainability reports. We prepare our reports in accordance with GRI Standards, formulate our work within the scope of the UN Global Compact and explain how we contribute to the Sustainable Development Goals (SDGs). We closely follow sustainability agendas in order to align ourselves with changing regulations. Accordingly, we continuously improve our business processes.

# Our Sustainability Strategy

As Aras Kargo, we carry out our activities passionately with our innovative approaches and aim to keep customer satisfaction at the highest level. We offer cargo services with an understanding that always considers the future, which we call the "Sustainability Journey". In this journey, we advance our vision of being a company that contributes to society and the environment together with all our stakeholders. From our branch manager to our senior management, we pay attention to ensure the highest service quality and efficient use of our resources in all our operations.

We have combined our 44 years of experience in cargo transportation with our ESG-based sustainability approach. In 2023, we further refined our development journey under these three main pillars and determined our performance indicators specific to each pillar and our actions in line with our targets.

Within the scope of our 2023 strategy effort, our environment-focused strategic goals include emission reduction and management, as well as circular economy and sustainable packaging. Within the scope of our strategic goals with a social focus, we aim to improve both our people and corporate culture. In our governance focused strategic goals, we aim to raise our corporate behavior standards by focusing on operational excellence and customer satisfaction.

## Our Strategic Objectives Focusing on Environment;

### Emission Reduction and Management:

- **Green and Efficient Transportation:** We minimize our environmental impact through route optimization algorithms, green delivery and fleet transformation.
- **Green Efficient Buildings:** We increase the efficiency of our buildings through energy management systems, optimization and infrastructure investments.
- **Emission Reduction:** We reduce our carbon footprint through the use of renewable energy.
- **Emission Management:** We effectively monitor and report our emissions with data collection systems. In this way, we develop effective strategies to reduce our emissions.

### Circular Economy and Sustainable Packaging:

- **Circular Economy:** We contribute to the circular economy through concrete steps such as increasing recycling rates, preferring reusable materials over single-use plastics and raising environmental awareness.
- **Waste Management:** We work on the management of paper and plastic waste.
- **Sustainable Packaging:** We develop environmentally friendly packaging solutions.

## Our Strategic Goals Focusing on the Social Aspects;

### People and Corporate Culture:

- **Employee Engagement:** We increase the motivation and engagement of our employees through engagement surveys, trainings and activities.
- **Employee Communication:** We ensure the participation of our employees through effective communication channels.
- **Social Responsibility:** We carry out social responsibility projects that contribute to the society.

## Our Strategic Goals Focusing on Governance;

### Operational Excellence & Customer Satisfaction:

- **Customer Satisfaction:** We continuously improve our service quality in line with customer feedback.
- **Sustainable Mail & Parcel Products:** We offer environmentally friendly products and services.
- **Continuous Improvement for Operational Excellence:** We continuously review our processes and make them more efficient.

### Corporate Behaviour:

- **Ethics:** We act on the basis of business ethics and respect for human rights.
- **Anti-Bribery and Anti-Corruption:** We work with the principles of transparency and integrity.
- **Transparency and Stakeholders:** We communicate and collaborate openly with our stakeholders.
- **Disaster and Pandemic Response:** We are prepared for emergencies and respond effectively.
- **Sustainability Governance and Compliance:** We shape our management structure in line with sustainability principles.
- **Stakeholder Value:** We develop projects that will add value to our stakeholders.
- **Risk and Crisis Management:** We develop proactive approaches against potential risk
- **Data Security and Cyber Security:** We take measures against data security and cyber threats

We advance our mission of providing cargo services that benefit the community and the environment on our sustainability route. Accordingly, we have defined our environment-focused approach as the "Route: Fighting Against Climate Change", our social-oriented approach the "Route: Strong Corporate and Business Culture", our governance-oriented approach the "Route: Operational Excellence and Continuous Improvement".



### Sustainability Ambassadors Program

At Aras Kargo, we implement different practices to support our sustainability strategy. In 2023, we launched our Sustainability Ambassadors Program, which we designed for this purpose. Within the scope of the program, we aim to work together with our sustainability ambassadors and all our employees in line with the sustainability issues and goals we focus on and create value together.

As part of the program, our aim is to realize the following projects:

- Reducing our carbon footprint
- Waste management and recycling programs
- Works on energy efficiency
- Social leadership
- Customer satisfaction

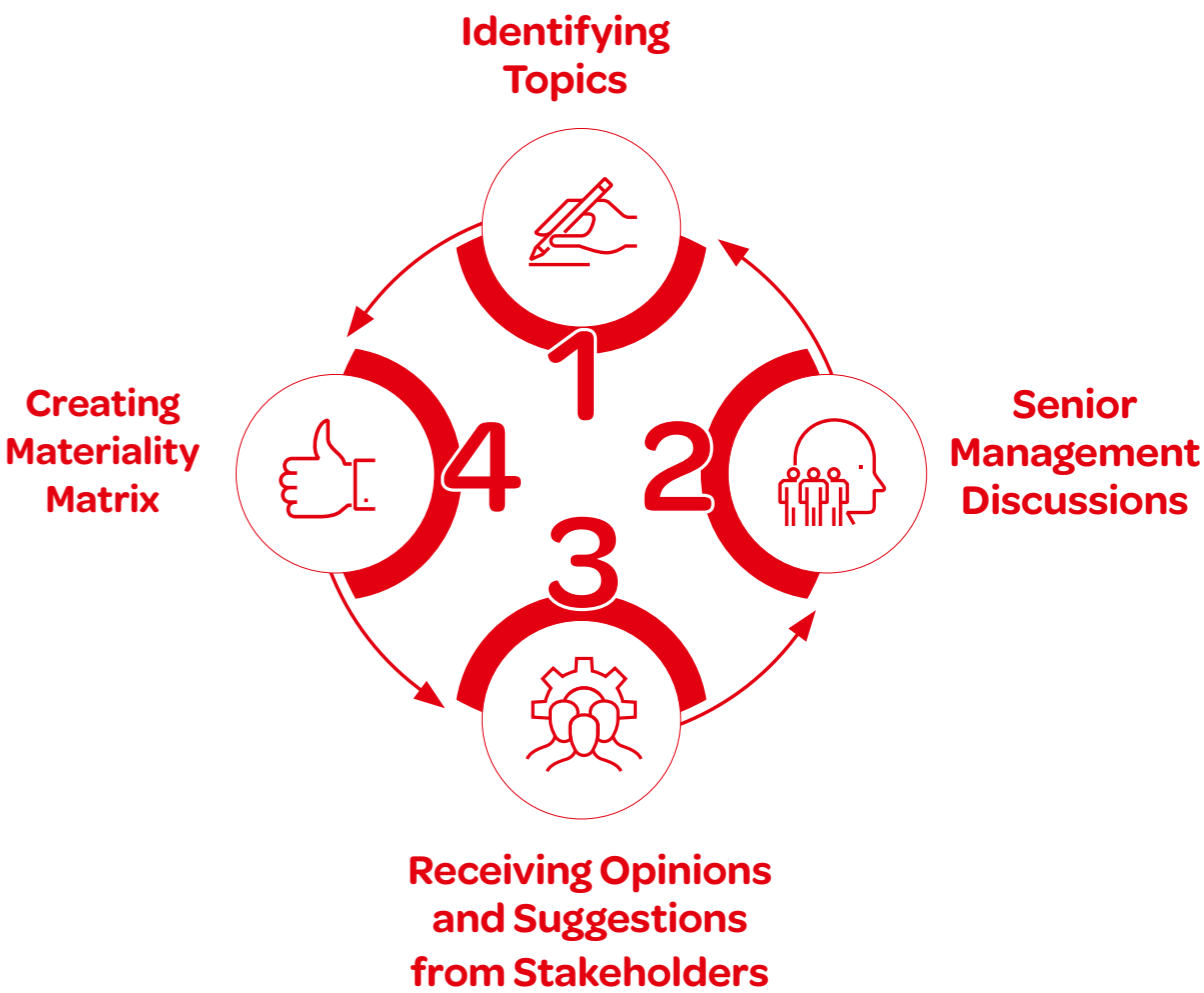
We aim to maintain our operational performance at the highest level with rational solutions and services shaped around the three focus areas of our sustainability strategy. Within this sustainability framework, we respond to today's needs by focusing on the material issues we have identified together with all our stakeholders. Our goal is to fulfill our environmental and social responsibilities at the highest level while adding value to our customers.

## Our Material Sustainability Topics



### Materiality Analysis

In 2023, we renewed our Materiality Analysis, which we previously conducted in 2021, in line with the expectations of our stakeholders and our Company's strategic priorities. Accordingly, we defined our material topics by taking into account sectoral trend analyses, gap analyses and the priorities that stand out in the global reporting standards





### Identifying Topics:

First, we defined a broad universe of topics to determine the focus points of our sustainability report. Within this universe, we identified various issues and topics that affect our company's operations. Those issues often included environmental, social and governance dimensions. We compared the universe of topics we identified with sources such as existing sustainability reports, industry trends and sustainability priorities around the world. This step helped us understand good practices and international sustainability standards in the industry.



### Senior Management Discussions:

Within the scope of our 2023 strategy effort, we evaluated the alignment of our Senior Management with our strategic goals on sustainability issues and their impact on our Company's performance. At this stage, we made decisions on which issues should be prioritized.



### Receiving Opinions and Suggestions from Stakeholders:

We prepared a survey to further refine the issues we identified and to obtain the perspectives of our stakeholders. Through the survey, we asked our stakeholders to assess how we should prioritize sustainability topics for our Company. We also asked for their views on the addition of new topics to the survey and for further exploration of existing topics. The stakeholders we included in the survey were selected from parties representing various groups related to our company's business. They were invited to participate in the survey and given a certain amount of time to express their views on the topics.

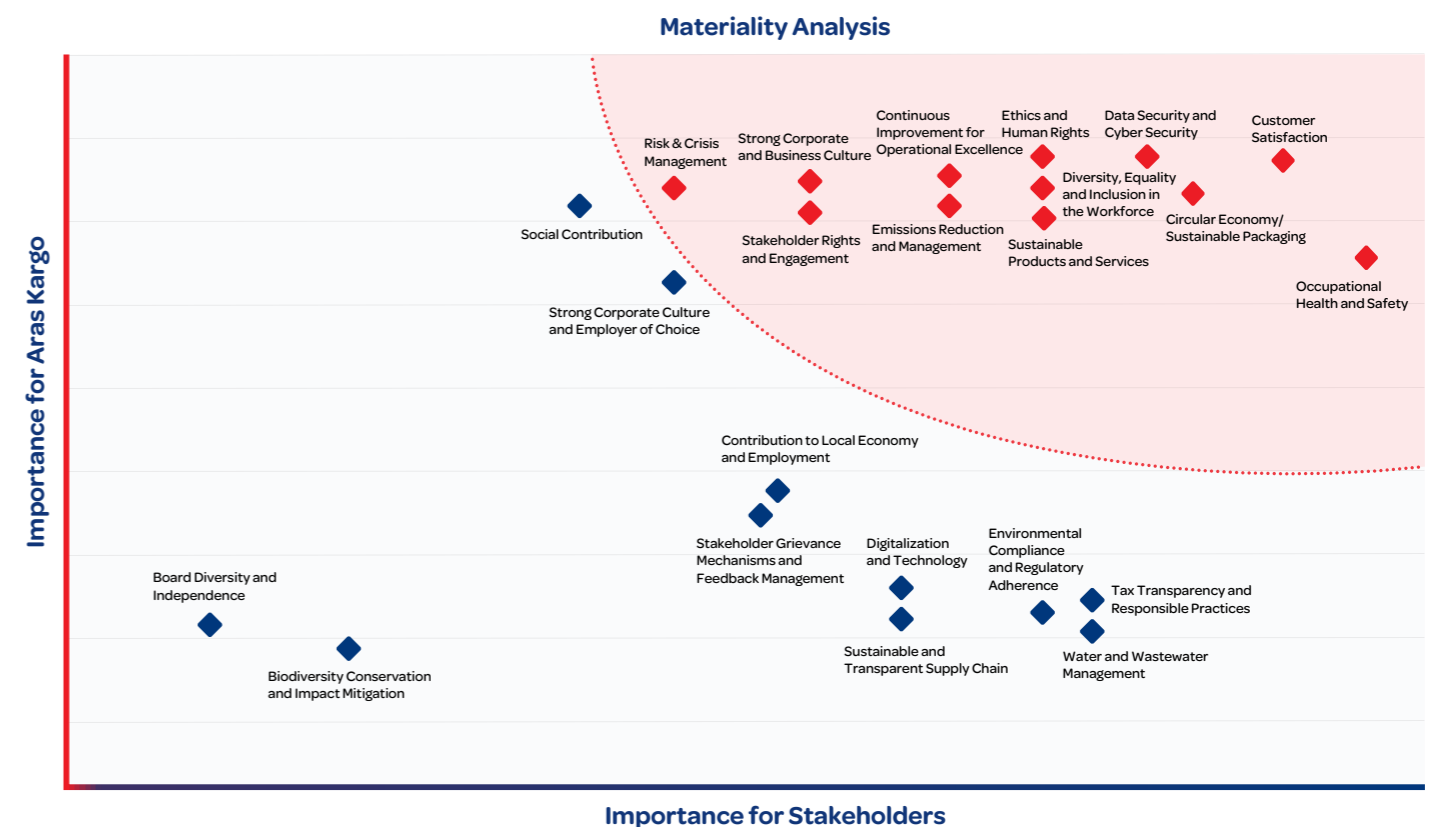


### Identifying Material Topics:

By evaluating the stakeholder opinions we obtained as the result of the survey together with the strategic views of our Senior Management, we identified 12 topics that should be addressed as material issues for Aras Kargo.

### Our Material Topics

- Customer Satisfaction
- Data Security and Cyber Security
- Ethics and Human Rights
- Diversity, Equality and Inclusion in the Workforce
- Continuous Improvement for Operational Excellence
- Circular Economy/Sustainable Packaging
- Sustainable Products and Services
- Strong Corporate and Business Culture
- Emissions Reduction and Management
- Risk & Crisis Management
- Stakeholder Rights and Engagement
- Occupational Health and Safety



# Our Contribution to Sustainable Development Goals

## Material Topics

Universe of Topics	Sustainable Development Goals*	Relevant Section
Customer Satisfaction	<div><div>3 GOOD HEALTH AND WELL-BEING</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div>	Customer Satisfaction
Data Security and Cyber Security	<div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div></div>	Data Security and Cyber Security
Ethics and Human Rights	<div><div>5 GENDER EQUALITY</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>10 REDUCED INEQUALITIES</div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div></div>	Ethics and Human Rights
Diversity, Equality and Inclusion in the Workforce	<div><div>4 QUALITY EDUCATION</div><div>5 GENDER EQUALITY</div><div>10 REDUCED INEQUALITIES</div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div></div>	Diversity, Equality and Inclusion in the Workforce
Continuous Improvement for Operational Excellence	<div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>17 PARTNERSHIPS FOR THE GOALS</div></div>	Route: Continuous Improvement for Operational Excellence



\*You can find detailed information about the Sustainable Development Goals here: <https://sdgs.un.org/goals>.

Universe of Topics	Sustainable Development Goals*	Relevant Section
Circular Economy/ Sustainable Packaging	<div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>13 CLIMATE ACTION</div><div>14 LIFE BELOW WATER</div><div>15 LIFE ON LAND</div></div>	Circular Economy
Sustainable Products and Services	<div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div>	Product and Services
Strong Corporate and Business Culture	<div><div>3 GOOD HEALTH AND WELL-BEING</div><div>4 QUALITY EDUCATION</div><div>5 GENDER EQUALITY</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>10 REDUCED INEQUALITIES</div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div><div>17 PARTNERSHIPS FOR THE GOALS</div></div>	Route: Strong Corporate and Business Culture
Emissions Reduction and Management	<div><div>7 AFFORDABLE AND CLEAN ENERGY</div><div>13 CLIMATE ACTION</div></div>	Emissions Reduction and Management
Risk & Crisis Management	<div><div>3 GOOD HEALTH AND WELL-BEING</div><div>13 CLIMATE ACTION</div></div>	Risk & Crisis Management
Stakeholder Rights and Engagement	<div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div><div>17 PARTNERSHIPS FOR THE GOALS</div></div>	Stakeholder Rights and Engagement
Occupational Health and Safety	<div><div>3 GOOD HEALTH AND WELL-BEING</div><div>4 QUALITY EDUCATION</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div></div>	Occupational Health and Safety

# Our Sustainable Governance Model

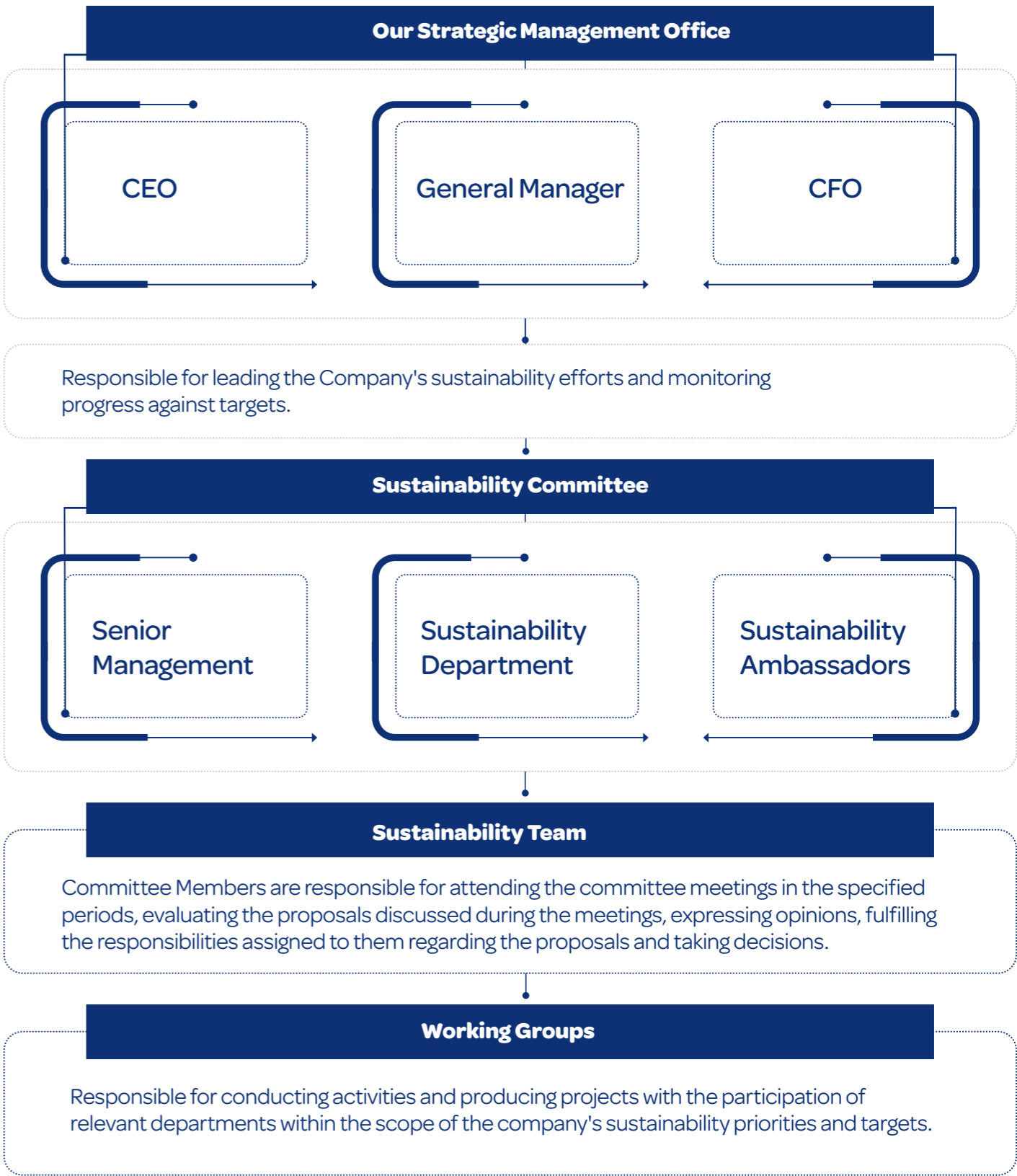
Our sustainability strategy is managed with a balanced and holistic approach, encompassing environmental, social and governance dimensions. This strategy serves as the cornerstone of our sustainability governance. As with all processes, our Strategic Management Office plays a crucial decision-making and monitoring role in our sustainability-focused activities.

The Strategic Management Office closely monitors sustainability processes, provides leadership in line with the identified strategic goals and regularly reviews progress towards our Company targets. The second layer of sustainability governance structure is the Sustainability Committee.

The Sustainability Committee consists of the Senior Management, the Sustainability Team and the Sustainability Ambassadors. The Committee's responsibilities include reviewing the vision and goals in priority areas, developing complementary policies, coordinating business plans and activities in the field of sustainability and managing sustainability risks and opportunities. The committee also ensures that sustainability reports are prepared, follows national and international developments, monitors current sustainability performance and gives relevant advice.

The Sustainability Committee meets monthly as specified in the Sustainability Governance Procedure. The actions determined at the meetings are communicated to the committee members by the Sustainability Department. The last layer of our sustainability governance model is the working groups consisting of relevant department members. The results of these working groups are evaluated by the sustainability committee at monthly meetings. The Committee informs the Strategic Management Office about the activities of the working groups on a quarterly basis and in periods of significant developments.

We continuously develop and update our sustainability governance model. This approach guides us in our goal of building a sustainable future.





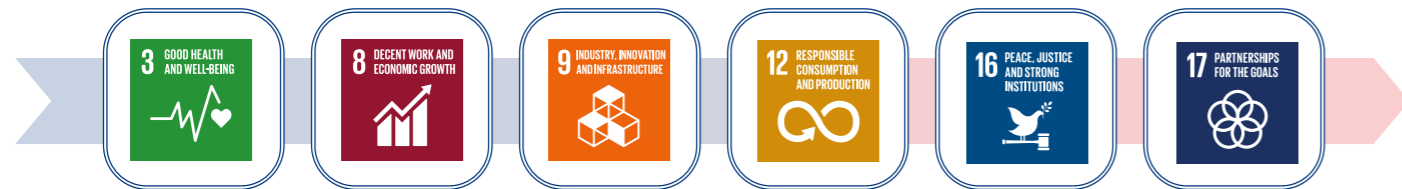
# Route: Operational Excellence and Continuous Improvement

*As Turkey's leading and innovative cargo company, we are increasing our efficiency and customer satisfaction through our commitment to operational excellence and continuous improvement.*



# Route: Operational Excellence and Continuous Improvement

## SDGs that we have an impact on:



## Relevant material topics:



We are aware that maintaining competitive advantage in today's business world requires continuous improvement and adopting an understanding of operational excellence. To ensure our company's success and add value to our stakeholders, we prioritize the effective and efficient management of all our business processes. Aligned with our strategic goals, we are dedicated to enhancing our reputation and branding, customer satisfaction, data security and cybersecurity.

## Reputation and Branding

As Türkiye's pioneering and innovative cargo company, we continue our reputation and branding efforts in the most effective way to further strengthen our reputation in the sector. In this context, we continuously develop innovative solutions to provide the best service to our customers and reinforce our leading position in the sector. By constantly analyzing customer feedback and operational data, we optimize our processes and maximize customer satisfaction. This approach strengthens the reputation of our brand and helps our customers prefer us even more. We consider this approach, which is at the heart of our branding strategies, as the key to our sustainable success.

Thanks to our investments, we aim to offer customer-oriented services while making our operational processes more flexible and dynamic. This infrastructure allows us to get to know our customers more closely and develop strategies tailored to their needs. These steps, which make our customers' lives easier and increase their satisfaction, also strengthen the reliability and reputation of our brand. This year, we were voted "The Most Reputable Brand of the Year" for the third time, winning first place in the "Cargo" sector at The ONE Awards Integrated Marketing Awards. The awards we have received and our achievements in the sector show the reputation of our brand and the efficiency of our efforts. In the future, we will continue our activities and investments with all our business partners to reinforce our pioneering position in the sector and further develop the customer-oriented solutions we offer.

With the investments we make every year, we improve and take steps to perfect our operations. 2023 also stood out as a year in which we increased our operational efficiency by investing in our vehicle fleet.



*We strengthened our fleet of over 6,000 vehicles by adding 31 electric vehicles, 37 trucks and 32 tow trucks, and transformed our operations into a modular model.*





## Our Innovative Service Approach



*As Aras Kargo, we continue our activities with an innovative service approach within the scope of our sustainability strategy. In this direction, by adopting an open innovation approach, we create an environment where our employees can also contribute.*

Within the scope of open innovation, we have a suggestion system where we receive the ideas of our employees and evaluate them on the portal. However, in order to further improve this, we are planning to establish a more active portal in the near future, where all employees can view and rate all suggestions.

We generate innovative ideas to improve our service quality and make life easier for both our employees and our customers. Accordingly, with the Aras Routing Platform we developed, we maximized efficiency and customer experience by providing time management and flexibility. More detailed information about the platform can be found under **Green Transportation.**

In addition to the "Aras Routing Platform", other important activities we realized in 2023 are as follows:

- We launched the new Aras Kargo company website.
- Star Express LLC has been acquired by Starex Global, in which we hold a 75% stake.
- We launched our Esnaftan Gönder service, enabling prepaid C2C shipments from small shops within Aras Burası.
- We launched pilot programs to increase operational efficiency. We piloted Notlu Kargo that redirects unsuccessful home delivery attempts to Aras Burası locations.
- We started piloting the Next Generation Operation Model and mobile POS application that work with specialized couriers and representatives from warehouses.
- We completed the requirements analysis for the Aras Global SME platform and started to work on information technology development.

We also carry out important work in the field of digital transformation. We aim to increase customer satisfaction with innovations such as artificial intelligence-supported routine determination and optimization system (ARP), use of mobile signature/code instead of Cargo Delivery Form (CDF), establishment of modern and automatic sorter systems, artificial intelligence-supported service channel (Chatbot) and alternative Pudo distribution network (Locker/Pop-up Store).



### Investment in Operational Efficiency: Vehicle Fleet

In order to increase our operational efficiency with an innovative service approach, we made a significant vehicle investment and invested in new vehicles consisting of 31 electric vehicles, 37 trucks and 32 tow trucks to strengthen our fleet of more than 6,000 vehicles. As a result, our operations have become more modular and efficient. Our new vehicles with trailers have the capacity to drop off trailers and continue on their way to other destinations without wasting time on stopover lines. In this way, we minimize the unloading and loading times of our vehicles and increase our operational efficiency.

In addition, our lighter vehicles support us in saving both time and fuel. This gives us significant advantages in energy costs. With this investment, we aimed to accelerate our operational processes and reduce costs, while taking important steps towards environmental sustainability.

As Aras Kargo, we continue to increase customer satisfaction and reinforce our leading position in the sector through innovative solutions and investments in technology. This understanding forms the basis of our sustainable success.



# Customer Satisfaction



*The satisfaction of our customers is critical for long-term business relationships and sustainable growth. For this reason, we adopt a customer-oriented business approach and attach great importance to providing solutions for different needs and expectations. Our customer satisfaction management system is ISO 10002 certified in accordance with international standards. The management system enables us to effectively manage complaints, systematically handle customer feedback and implement continuous improvement processes.*

Our customer profile consists of two categories: Individual Customers and Corporate Customers. Our individual customers are generally individuals and small sized businesses, while our C2C (consumer-to-consumer) customers are those whose sender or receiver is SMEs or mom-and-pop stores. Our SME customer group in particular is looking for fast and efficient service, easy access and flexible solutions. Our corporate customers, on the other hand, consist of large-scale businesses and organizations. For this customer group, which generally has high turnover and shipment volume, we assign one-to-one customer representatives based in the head office. This enables us to offer fast and effective solutions to their specific needs.

We conduct satisfaction assessment studies in order to have a direct understanding of our customers' needs, expectations and experiences.

In 2023, we have realized



Corporate Customer Satisfaction is measured and reported twice a year through a survey link sent to our corporate customers via e-mail. As a result of the survey, our corporate customer satisfaction rate increased from 95% in 2022 to 98% in the first half of 2023 and 99% in the second half.

Individual Customer Satisfaction, on the other hand, is regularly conducted through the Interactive Voice Response (IVR) system for incoming calls to our Call Center and customers who are contacted by us and reported monthly.

In 2023, inbound call performance was 92.48% and outbound call performance was 98.11%. In outbound calls, customers are also inquired about their satisfaction with the way their feedback is handled and resolved and this performance was measured at 89.05%. In 2022, inbound performance was 90.2%, outbound performance was 97.6% and satisfaction with feedback handling and resolution was 83.8%.

As Türkiye's pioneering and innovative cargo company, we are working hard to offer the best experience to our customers. In 2023, we crowned these efforts once again by winning the "Company Offering the Best E-Commerce Experience" award for the fourth time at the ECHO Awards, which recognizes the best players in e-commerce. We continue our efforts to carry this success even further and offer the best service to our customers.



## Transition from 2G to 4G

In 2023, we upgraded our cloud switchboard infrastructure operating over 2G to 4G. Over a period of five months, we successfully completed this migration project, which we initiated to improve the network problems and location-based problems experienced in our lines, in cooperation with Vodafone, the switchboard service provider FGS and our IT department.

With this transition, we expanded the coverage areas of our branches, eliminated voice interruption problems during calls and improved voice quality. In addition, due to the outdated technology of the 2G network infrastructure, the service provider did not have the opportunity to make investments, but transition to 4G enabled the service provider to make investments tailored for Aras Kargo. Thanks to these improvements, the number of customers redial calls decreased and the use of 2G booster devices in branches is no longer necessary.

With the transition to 4G, we improved call quality by eliminating network problems, prevented repeat calls and reduced call costs by increasing efficiency. As a result, our customers have increased accessibility to our branches, while our lost call rate has also decreased. While increasing customer satisfaction, this project also contributed to the reduction of operational costs.



## IVN (Automated Voice/Operator Call)

The IVN (Automated Voice/Operator Call) project, which we initiated to ensure that customers are automatically called by the operator for deliveries with recipient notification, telephone notification, non-AT (Delivery to Address Service) and delivery with notes at our branches, started as a test in the Aegean Region in 2023. In 2024, we aim to implement this project in all units across Türkiye.

Within the scope of the project, our customers are informed via automatic voice messages for deliveries that meet certain criteria. Every day from 10:00 to 16:00, these notifications let customers know if the delivery has reached the branch, if it's outside the delivery area, if it falls under the scope of mobile delivery, or if it is not possible to deliver. In this way, we ensure that our customers are aware of the status of their delivery.

This project contributed to reducing operational costs while increasing customer satisfaction. Thanks to the project, we were able to reduce the time and effort spent by branch representatives for cargo delivery information, reduce call costs and increase both internal and overall customer satisfaction.

## Complaint Mechanisms and Feedback Management

We meticulously manage our complaint mechanisms and feedback management processes to maximize customer satisfaction. These processes enable us to effectively manage our customers' complaints, systematically evaluate their feedback and carry out continuous improvement efforts. Handling complaints in a timely and accurate manner is critical for customer satisfaction. As Aras Kargo, we aim to establish long-term relationships based on trust by meeting our customers' expectations and resolving potential problems quickly.

Requests related to privacy and confidentiality from our customers are recorded under the 'Data Privacy' category in our Customer Relationship Management (CRM) system. To evaluate and resolve such requests, a specially trained Data Privacy Solution team is assigned within our company. The establishment of this dedicated Data Privacy Solution team demonstrates our commitment to customer privacy and our sensitivity in this area.



*Complaints received by the Information and Communication Technologies Authority (ICTA - BTK) are also recorded in our CRM system. We manage the information flow effectively and process complaints quickly thanks to the integration between the ICTA and our CRM system. This integration plays an important role in ensuring customer satisfaction by increasing the efficiency of our complaint management processes. Effective management of complaints reinforces customer trust and allows us to continuously improve our service quality.*





## Data Security and Cyber Security

At Aras Kargo, personal data security is among our core principles. In this context, we make great efforts to comply with personal data protection regulations and to ensure information security, thereby protecting our customers' privacy. The compliance efforts that have been ongoing since 2016 have been successfully maintained through the Data Protection Organization, an internal compliance governance mechanism established in 2021. The Data Protection Organization

consists of a Data Protection Officer (DPO), the Data Protection Center, and the Data Protection Board. These two main bodies, led by the DPO, are composed of employees trained in KVKK (Personal Data Protection Law). Thus, compliance activities such as ensuring data security administratively and technically, raising awareness, and conducting periodic and random audits are managed holistically and sustained.



*Protecting our Company's information assets and ensuring security against cyber threats is of great importance for our operational continuity and trust of our customers. We commit to the following objectives with our **Aras Kargo Information Security Management System Policy (ISMS)** the realization of information security objectives, the allocation of conditions and resources to ensure the continuous improvement of ISMS, the awareness of our employees and the management and control of ISMS requirements.*

We aim to provide the highest security standards by continuously updating and improving our policies and procedures in this area.

Within the scope of Information Technologies activities, the technical sustainability of the system was ensured by upgrading our server systems to the latest versions. In addition, we worked on the performance and technical sustainability of the wireless network systems at the headquarters. We increase the reliability and efficiency of our systems by boosting our investments in Information Technologies activities every year. In 2023, we realized many important projects as the IT department.



Some of these projects are as follows:

- Within the scope of our work on the access security of Information Systems, new methods were identified and implemented to ensure secure and controlled access to the system by IT employees and suppliers.
- The Online Data Archiving Project was implemented, thus increasing data access speed and security.
- Performance of the application was visibly improved through Master Database archiving and system updates.
- The IVR (Interactive Voice Response) customer support project was successfully implemented.
- With IVN (Interactive Voice Notification), automatic call and notification services were started to be provided to customers.
- Activities for the Data Center Relocation Project were completed.
- The Corporate Website was updated to make it more user-friendly and secure.
- Within the scope of the "Esnaftan Kargo Gönder" project, cargo delivery processes of shopkeepers were simplified.
- International transactions were made more efficient by launching the foreign currency invoicing project for international shipments.
- In order to centralize in-house budgeting activities, a new application was launched for these processes.

We also have a platform to collect ideas on behalf of Information Technologies. Through this platform, 57 IT-related ideas were shared in 2023 and these ideas were first submitted to the evaluation of business units by the Quality, Environment and OHS Department. This approach, in which we encourage innovative thinking, shows that the ideas and participation of our employees are valued in our organization.

We also conduct various studies on new generation technologies. In order to reduce the use of POS devices in the courier collection process, we introduced the NFC credit card payment function to the ARP application. In this way, collection transactions can be carried out in a faster and more practical way.

In 2023, we had no fines or security breaches due to information security and cyber-attacks. Our success demonstrates the effectiveness of our regular security audits and preventive measures. Penetration tests conducted at least once a year and annual audits conducted within the framework of ISO 27001 certification play an important role in ensuring the security of our information systems. We also conduct internal audits at least once a year to constantly assess the effectiveness and compliance of our security policies. We ensure security in all business processes by protecting the data security of our suppliers and business partners through nondisclosure agreements that cover such parties.

In line with ISO 27001 requirements, we have a comprehensive Incident Management Procedure. This procedure enables us to manage information security incidents quickly and effectively. In addition to our policies and procedures in the field of information security and cyber security, we also organize awareness trainings for our employees. We ensure that our employees are more conscious and cautious about cyber threats through preventive measures such as phishing attacks and warning e-mails.

We present our information security risk documents and business impact analyses to our senior management through our Management Review (MR) meetings held regularly on an annual basis. We consider these meetings critical for reviewing and improving our security strategies. Although we cannot share detailed information as our MR documents are classified as confidential documents, we would like to emphasize that these processes continuously evaluate and improve the effectiveness of our information security management system. In this context, we will continue our efforts in data security and cyber security with determination.



## Responsible Supply Chain

As Aras Kargo, we care about the sustainability of our operations and their integration into the entire value chain. In this context, we recognize all our business partners, including contractors, service providers, agencies and representatives, as suppliers and see them as important stakeholders in our sustainability journey. Within the scope of our responsible supply chain approach, we aim to establish strong and sustainable relationships with our suppliers and to create a supply chain that adds value to both our company and the community.

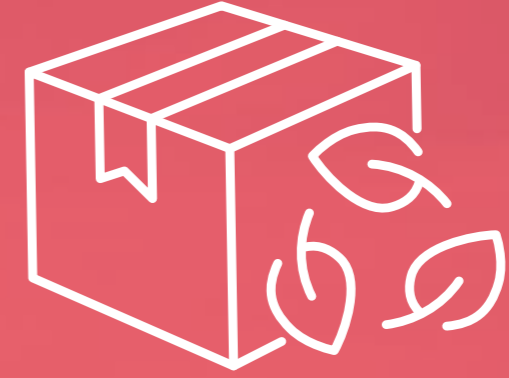
Within the scope of our "Code of Conduct for Suppliers" document, which all our suppliers are expected to comply with, we have set minimum standards in areas such as human rights, compliance with laws, equal opportunities, working conditions, occupational health and safety, environmental protection and anti-corruption.

Before establishing joint ventures and/or evaluating contracted organizations and supplier candidates, we conduct the necessary assessments. In this process, we conduct assessments with questions related to personal data protection, supplier code of conduct, economic sanctions, and sustainability.

As we have determined and shared our supplier rules, we work within the framework of our sustainable and responsible supply chain goals through routine control processes. Monitoring and evaluating the performance of our suppliers are among the important criteria for our approach to sustainable supply chain.

At Aras Kargo, we attach importance to establishing and developing strong and sustainable relationships with local suppliers. In this way, we aim to both contribute to the regional economy and increase operational efficiency and flexibility.

**As a signatory of the United Nations Global Compact, we attach importance to anti-corruption in all our activities, including the supply chain.**



# Route: Fighting Against Climate Change

*At Aras Kargo, we are driven by our mission to lead in environmental sustainability and combat climate change. We take great responsibility in minimizing our environmental impact across all our operations.*

# Route: Fighting Against Climate Change

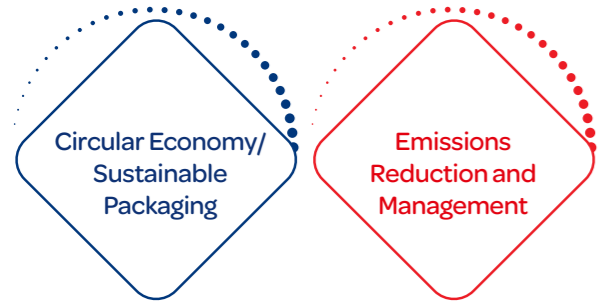


*We act with the mission of being a leader in environmental sustainability and combating climate change. We take great responsibility to minimize our environmental impact in all our operations.*

### SDGs that we have an impact on:



### Relevant material topics:



At Aras Kargo, we are aware of our responsibility to protect our planet and continuously improve our sustainability efforts to combat climate change. We aim to significantly reduce the environmental impact of our cargo operations and are planning our efforts accordingly. We recognize our responsibility to leave a livable world for future generations. In this context, we adopt the basic principle of using our natural resources in the most efficient way and placing the principle of sustainability at the center of all our business processes.

In line with our goals, we implement industry-leading practices in the areas of emission reduction and management, energy efficiency, sustainable products and services, circular economy and waste management. We consider our efforts in these areas as the cornerstones of our environmental policy and shape our activities accordingly.

In order to reduce our carbon footprint, we constantly monitor and report our emissions and develop reduction strategies. With our green transportation strategies, we encourage environmentally friendly transportation methods and reduce our dependence on fossil fuels by increasing the use of electric and hybrid vehicles. To increase energy efficiency, we continuously optimize our operational processes and use energy-efficient technologies in transfer centers and offices. We also invest in renewable energy sources and obtain a significant portion of our energy consumption from renewable energy sources. By adopting circular economy principles, we use our resources more efficiently, minimize waste generation and minimize our operational waste by allocating more resources to recycling processes.

In line with our sustainability goals, we plan to effectively implement environmental management systems in all our operational units across Türkiye. To this end, we have 28 units (Head Office, 10 Regional Directorates and 17 Transfer Centers) holding ISO 14001 Environmental Management System Certification. We aim to ensure that the remaining units are certified as soon as possible.

As Aras Kargo, we understand and manage the environmental and social impacts of the products and services we procure or plan to procure from our suppliers. Therefore, we aim to supply products and services that support our sustainability strategy by acting in harmony with our corporate values and social responsibilities. We conduct our procurement processes with environmentally and socially responsible suppliers. Therefore, in the long term, we aim to ensure that 80% of our critical suppliers have an internationally recognized certificate for their sustainability performance.

As part of our environmental responsibility, we have signed the "Ten Principles" of the United Nations Global Compact and shape our sustainability strategies in line with these principles. We integrate sustainability principles into every stage of our business processes and contribute to a greener future together by offering environmentally friendly and sustainable options to our customers.

In 2023, Aras Kargo took important steps in sustainability and environmental awareness. We provided 723 hours of environmental training to our employees, raising their awareness on environmentally friendly practices and environmental responsibility. We also included our contractors in this process and provided a total of 5 hours of environmental training. In the area of sustainability, we provided a total of 27,313 hours of training to our employees, contributing to their competence in sustainable business practices and social responsibility. In addition, we provided 260 hours of sustainability training, aiming to ensure that our business partners are also aligned with our sustainability goals.



Thanks to these training programs, we aimed for both our employees and business partners to become more conscious and responsible individuals in environmental and sustainability issues and these efforts make significant contributions to our company's long-term sustainability strategies.

With these extensive efforts on sustainability, we, as Aras Kargo, are moving forward confidently for an environmentally sensitive and sustainable future and we continuously develop and improve our operations accordingly. We will continue to fulfill all our responsibilities to minimize our environmental impacts and leave a more livable world for future generations.

### Our Environmental Policy

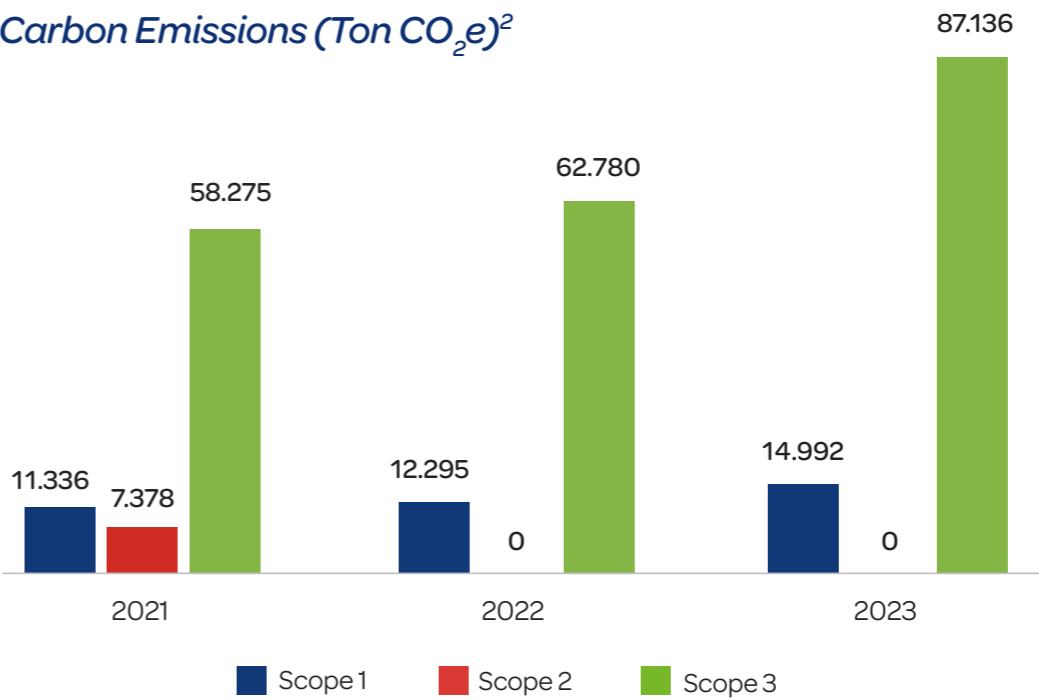
We are committed to preventing environmental pollution, taking into account the environmental impacts of our activities and services, protecting the environment and using resources in an effective and efficient manner.

## Emissions Reduction and Management

Reducing and managing emissions is a cornerstone of our company's sustainability strategy. In this context, we are implementing a range of innovative technologies and strategic initiatives to minimize our environmental impact. As part of "Green Transportation", we increase the number of cargo points and invest in local sustainable solutions. By including more environmentally friendly and efficient vehicles in our fleet, we reduce fuel consumption and lower carbon emissions. We aim to establish the charging stations necessary to support the transition to electric vehicles. We balance the energy we use in our buildings with renewable energy sources. Our emission data collection systems provide comprehensive and transparent emission management, enabling us to monitor and manage our environmental impacts more effectively.

In 2023, we calculated our carbon emissions from all our activities within the framework of Scope 1, Scope 2 and Scope 3 and we continue to develop various mitigation strategies in line with this data.

As Aras Kargo, we take firm steps in emission management and mitigation and fulfill our duties for a sustainable future. We continue to work for a greener world with energy efficiency, reduction of carbon emissions and environmentally friendly projects. It is observed that our emissions have increased due to the increase in our operational capacity and the expansion of our calculation scopes accordingly.



<sup>2</sup>Scope 2 emissions were zeroed by obtaining the I-REC Certificate of 8,829 Tons of CO<sub>2</sub> in 2022 and 7,426 Tons of CO<sub>2</sub> in 2023.



### Two Hundred Thousand Saplings Donated for the Second Century of our Republic

Within the scope of our "Carrying the forests to tomorrow" project, we met with the Doğa Dostu Aras group at the sapling planting event in Istanbul Şile and Manisa Soma. Our Republic has brought us to this day, like a centuries-old plane tree. We are leaving two hundred thousand trees for the second century, over half of which were planted in collaboration with the Aegean Forest Foundation. As a result of the sapling planting in 2023 in Soma and Şile, we offset our carbon emission equal to 6,576 tons of CO<sub>2</sub> that we will release into the atmosphere in 2023 during our business processes.



### Sapling Planting in 2023

As part of our "Carrying Forests to Tomorrow" project, we donated 2,023 saplings in Şile in cooperation with the Aegean Forest Foundation. As a result of the sapling planting, we offset our carbon emission equal to 831 tons of CO<sub>2</sub> that we will release into the atmosphere in 2023 during our business processes.



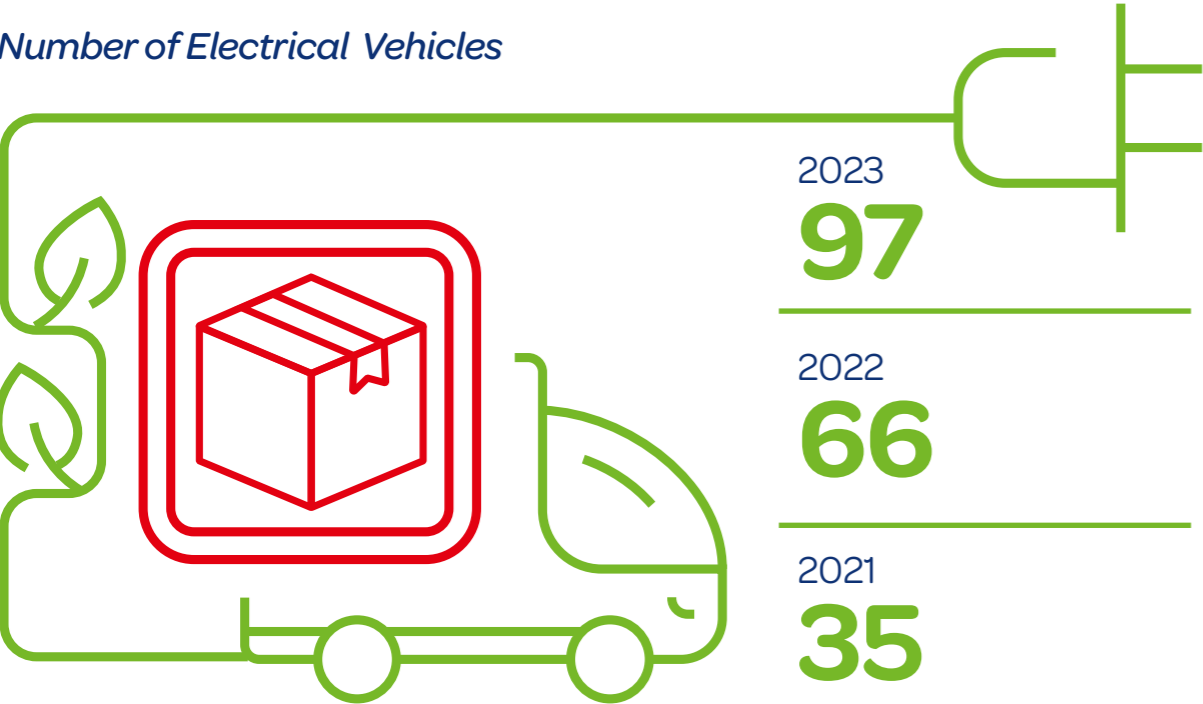


# Green Transportation

As Aras Kargo, we implement green transportation practices in line with our goal of environmental sustainability and reducing our carbon footprint. As part of our efforts to combat climate change and raise environmental awareness, we continue to reduce our carbon footprint on location and fleet levels through our clean fleet projects. In order to evaluate our performance in achieving our environmental targets and increase our efficiency, we have established a comprehensive data collection infrastructure to monitor and track key metrics such as distance traveled, fuel consumption and vehicle information.

In line with our 100% traceability goal, we track the mileage of all our vehicles. As we continue to develop environmentally friendly solutions in our transportation network, we aim to minimize carbon emissions with vehicles charged with electricity generated from green energy sources. In 2023, we continue our efforts to significantly reduce fossil fuel consumption and emissions from our vehicles by increasing the number of electric vehicles by 47% compared to 2022, with a total of 31 vehicles added to our fleet.

## Number of Electrical Vehicles



With our route optimization project, designed to meet customer expectations and to ensure efficient interaction, we have the opportunity to optimize our fuel consumption as well. By improving our mapping infrastructure, we are working to ensure efficient fuel use in vehicles and reduce carbon emissions. We aim to expand our vehicle tracking system across our entire fleet to improve our data quality and ensure an efficient driving experience.

This system, which will also cover more than 5,000 rental vehicles, will enable us to effectively manage our delivery processes.

Within the scope of green transportation, we aim to deliver cargo by providing both driver and cargo services by having a single employee in our vehicles with our driver courier project. In addition, we attach importance to raising awareness of our drivers and effective driving training. By offering our customers environmental friendly delivery options, we enable them to contribute to our sustainability efforts. These steps we took throughout 2023 reflect our commitment to reducing our environmental impact and allow us to take a leading role in the industry. We will continue to develop and implement innovative solutions for a greener and more sustainable journey to the future.



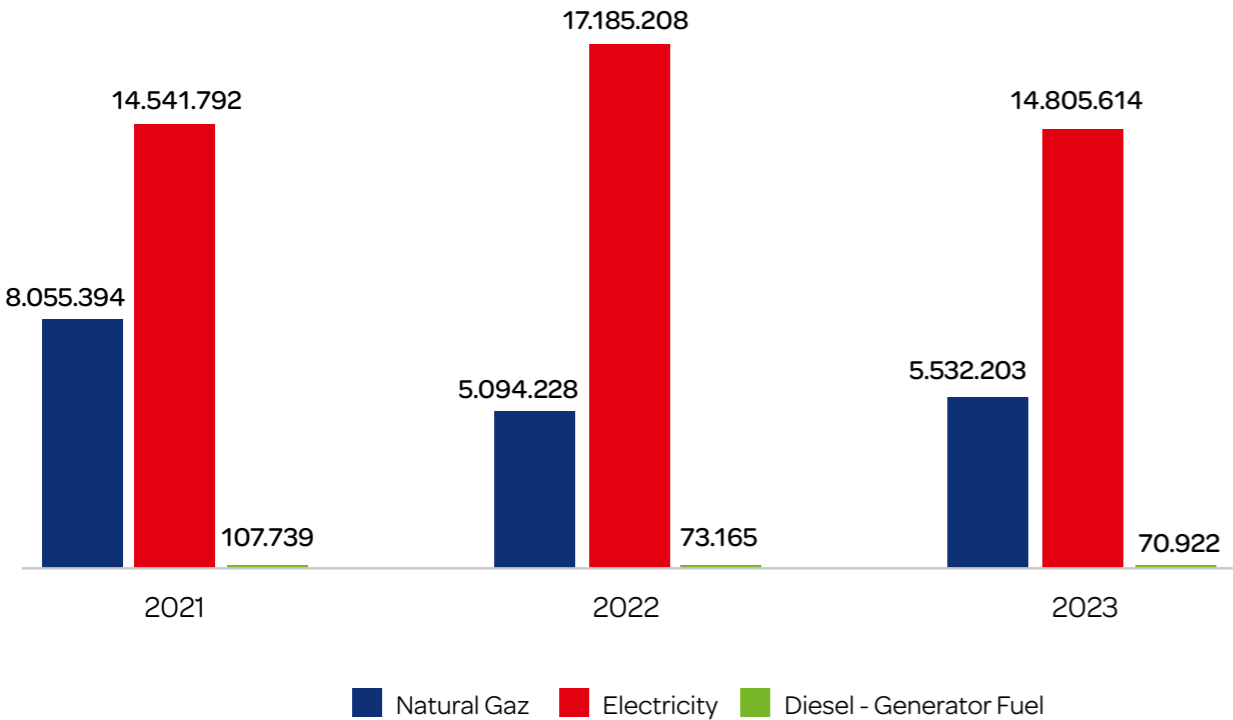


## Energy Efficiency

Energy efficiency aims to provide environmental and economic benefits through more efficient use of energy resources and reducing waste. In 2023, we took important steps towards our goal of increasing energy efficiency. We boosted the use of renewable energy sources and improved the efficiency of our company's energy use by enhancing the energy management systems of our company. In order to minimize energy consumption in our logistics centers and branches, we have optimized energy use by switching to LED lighting systems in centers where relocation, renovation, capacity increase and sorter installation are carried out.

In 2023, thanks to the energy efficiency projects we realized, we achieved a 9% reduction in our total energy consumption compared to 2022. Compared to 2021, our natural gas consumption decreased by 31% to 5,532,203 kWh, while our electricity consumption totaled 14,805,614 kWh, despite fluctuations. Our use of diesel generator fuel decreased by 3% to 70,922 kWh. These efforts not only reduced our environmental impact, but also our operational costs.

Energy Consumption in Buildings (kWh)<sup>3</sup>



<sup>3</sup>Our electric vehicles are charged in our buildings.

Our energy efficiency strategy is at the center of our sustainability goals and we will continue to develop and implement innovative solutions in this area going forward. At Aras Kargo, we are committed to building an environmental friendly logistics network. Accordingly, we take various measures to increase energy efficiency in our buildings. We aim to minimize our energy consumption by using energy-efficient lighting systems, high-efficiency heating and cooling systems and smart building automation solutions. We also aim to increase our social contribution for a greener future by raising awareness among our employees on energy efficiency and sustainability.

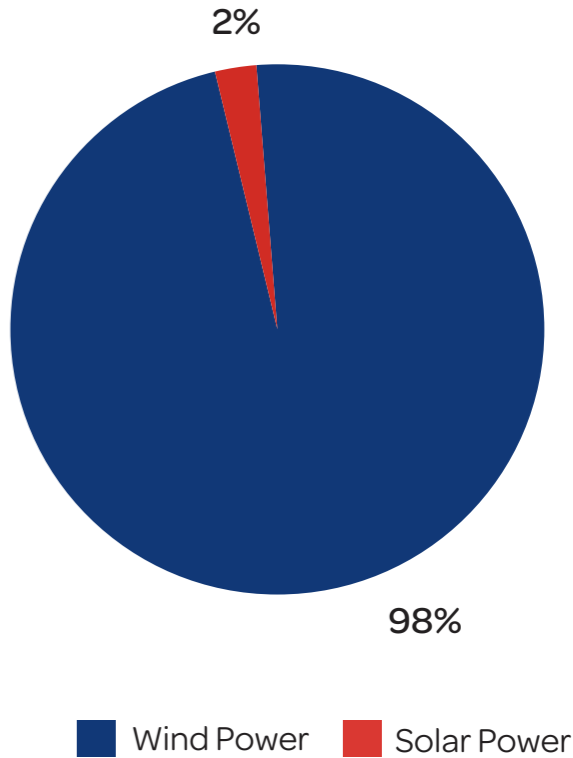


## Renewable Energy

In 2023, we took important steps towards achieving our sustainability goals and increased our investments in renewable energy sources. We utilized wind and solar energy to make our energy consumption more sustainable. In 2023, while the amount of electricity that we drew from the grid for the buildings where Aras Kargo, Aras Dijital, Starex Global and Starex Azerbaijan operate and later purchased with an I-REC certificate totaled 14,459,000 kWh, the amount of electricity we consumed using solar energy was 346,812 kWh. While meeting 14,806 MWh of our total energy consumption from renewable energy sources, we reduced our dependence on fossil fuels by increasing our use of renewable energy.

Our shift towards green energy sources such as wind and solar energy not only increases our energy efficiency, but also makes a significant contribution to environmental sustainability.

Amount of Renewable Energy Purchased and Produced (kWh)



We are continuing to explore renewable energy options, such as photovoltaic systems at our transfer centers. These initiatives represent an important step towards achieving our sustainability goals.

# Circular Economy

Circular economy is an innovative approach that promotes sustainable production and consumption patterns by minimizing waste and the use of resources. This model aims to extend the life of products and optimize the processes of recycling and reuse. With rapidly growing population and changing consumption habits, the need to reduce environmental impacts and protect natural resources is becoming more urgent. As Aras Kargo, we contribute to the circular economy through concrete steps such as increasing recycling rates, preferring reusable materials over single-use plastics and raising environmental awareness within the scope of our sustainability vision. Such practices are of great importance in terms of both protecting the environment and providing economic benefits in the long term.



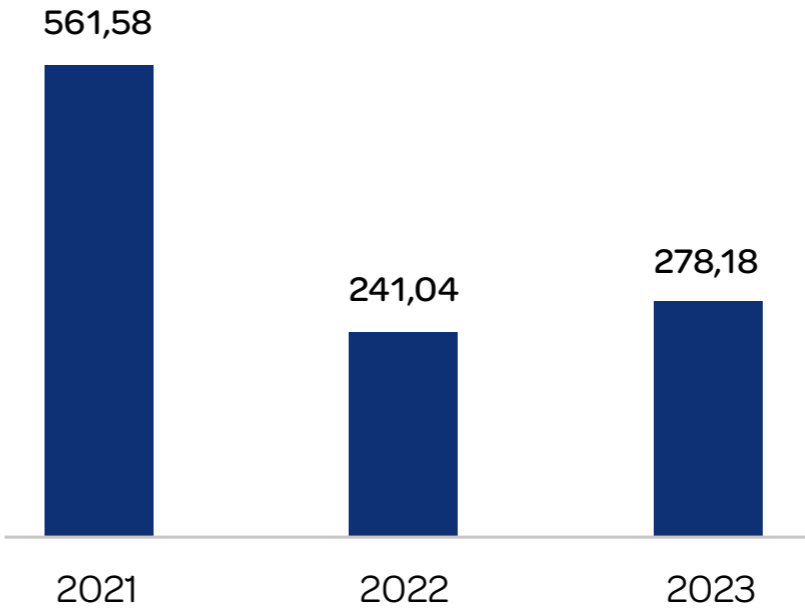
## Waste Management

As Aras Kargo, we continue to take environmentally friendly steps by developing our waste management model in line with our sustainability principles. We carry out comprehensive projects to minimize the amount of waste generated by our operations and increase sustainability by embracing the principle of recycling. Accordingly, we are expanding our recycling projects and corporate awareness efforts by emphasizing recyclable cargo bags and products. In this context, we aim to raise awareness by ensuring that the cargo packages reaching the end user are produced from recyclable materials.

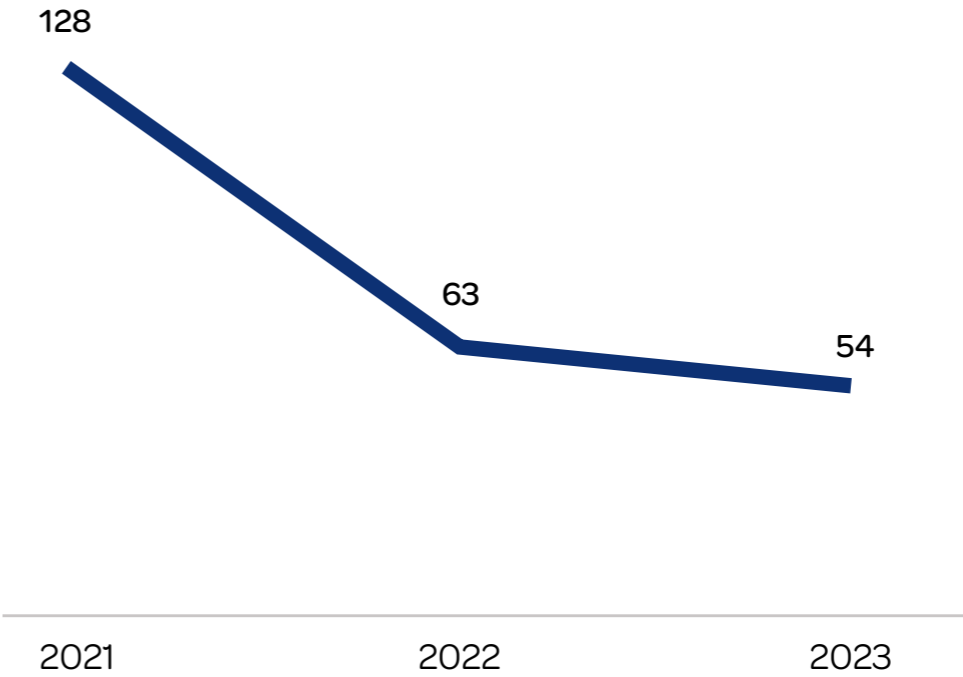
**Recycling and Waste Reduction Efforts**  
We are expanding our efforts to increase the recycling rate every day. By producing reusable solutions instead of single-use plastic bags, we eliminate the unnecessary use of plastic bags. In line with these efforts, we raise awareness on waste management and sustainability by raising awareness among our employees through "Zero Waste Training". Our trainings support our goal of leaving a more livable world for the future. Thanks to digitalization of our business processes, we reduced paper use by 14% compared to 2022.

**M-Files Project**  
In order to establish a system that will ensure that purchasing, ordering and contracting processes are traceable and transparent, we have initiated a project to reduce both paper consumption and electricity use.

Amount of Recycled Non-Hazardous Waste (Tons)



Paper Consumption (Tons)





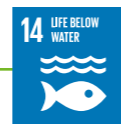
## Collaboration with Turkish Marine Environment Protection Association (TURMEPA)

With the support of our volunteer employees, the Nature-Friendly Aras, the "We Carry the Blue of the Sea to Tomorrow" platform has been cleaning the coasts across Türkiye in cooperation with the TURMEPA since 2016. In order to contribute to the environment and natural life, we have collected more than 4 tons of waste in different provinces with TURMEPA. This collaboration marks an important step towards protecting our seas and building a sustainable future.



### Implementation of the Zero Waste System

In our "Zero Waste System" initiative, we have received Zero Waste Certification for our 90 contact branches, 1 transfer center and our head office building. We have completed our application processes by establishing the system in our other units. We collect recyclable and non-recyclable waste separately at source by using at least two waste collection bins that comply with the color standards set by the Ministry of Environment, Urbanization and Climate Change. We create waste areas in our workplaces in accordance with the relevant regulations and send recyclable waste to recycling centers. In addition, we raise awareness among our employees and continuously improve our waste management processes by attaching importance to waste reduction and separation at source. Thanks to this system, we minimize our negative impact on the environment and move one step closer to our sustainability goals.



### Coastal Cleanup in Riva

As Nature Friendly Aras, we continue to Carry the Blue of the Sea to Tomorrow with the Turkish Marine Environment Protection Organization (TURMEPA). We organized a coastal cleaning event with the support of the Turkish Marine Environment Protection Association (TURMEPA) and the Turkish Volleyball Federation, of which we are the official sponsor. Filenin Efeleri (Türkiye Men's National Volleyball Team) also participated in this event organized in Riva. To date, we have collected more than 4 tons of waste from the shores and this event helped us recycle more than 50 kilograms of waste.



### Coastal Cleanup in Samsun to Commemorate the 100th Anniversary of the Republic

In commemoration of the 100th anniversary of the Republic, Aras Kargo cleaned the shores of Samsun, where Atatürk took the first step of the War of Independence on May 19, together with our 100 employees and their families. We collected and recycled a total of 31.5 kilograms of waste at Samsun Çobanlı İskele Beach.

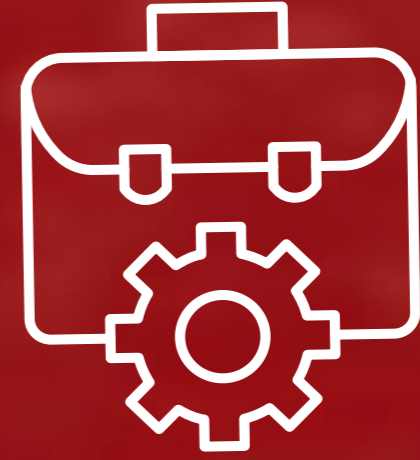


## Sustainable Packaging

As Aras Kargo, we have taken important steps by integrating our sustainability vision into our packaging processes. During 2023, we selected our packaging supplies from recyclable and environmentally friendly materials in order to minimize our environmental impact. With our waste-free packaging approach, we managed to reduce our carbon footprint by reducing the amount of the material used.

Our sustainable packaging solutions include not only using environmentally friendly materials, but also improving the overall efficiency of our operations. Reusable sacks allow us to produce less waste, reducing our impact on the environment. Furthermore, thanks to such projects, we are reducing our carbon footprint and taking important steps towards a more sustainable future. By promoting sustainable packaging and packaging solutions, we both protect the environment and offer more environmentally friendly services to our customers.





# Route: Strong Corporate and Business Culture

*We foster a strong, supportive and inclusive work culture. Our mission is to enhance the well-being of our employees, protect human rights and amplify our positive social impact.*

# Route: Strong Corporate and Business Culture

## SDGs that we have an impact on:



## Relevant material topics:



In today's competitive business world, creating a strong corporate culture and adding value to our employees and the community is one of the key elements of being one of the leading organizations in the transportation sector. In line with our goal of becoming the preferred employer brand, we have prioritized building a strong corporate culture and adhering to sustainability principles. Within this framework, we have prepared the "Code of Conduct and Ethics" booklet to ensure that all our employees comply with ethical and legal requirements to act and make decisions in a proper manner.

In line with the rules stated in our booklet, we are against all kinds of discrimination and comply with international laws and regulations. In addition, we clearly state that we are strictly against child labor, forced labor as defined by ILO (International Labor Organization) and United Nations conventions and national legislation.

These rules are binding not only for our employees but also for all our business partners and play an important role in our relationships with our stakeholders.



# Equality, Diversity and Inclusion in the Workforce

Thanks to our Human Resources policies that promote diversity and inclusion, we create an innovative and collaborative work environment where every employee feels valued. We prioritize diversity and inclusion and attach great importance to achieving balance in terms of gender. As a signatory of the United Nations Women's Empowerment Principles and Global Compact, we fulfill our international commitments within the scope of sustainability. We have zero tolerance for discrimination and prejudices based on gender or other differences in accordance with our Human Resources policies and we raise awareness on these issues through regular trainings.

*As Aras Kargo, we offer equal rights, equal understanding and equal development model to every employee. We always lead the way for all our stakeholders to move forward in the direction of this awareness.*

We are working to develop new solutions that will respond to the problems and needs of the future by using our operational workforce with maximum efficiency. In line with our sustainability goals, we continue our efforts to establish the necessary processes and policies within the scope of inclusion and gender equality. Our company is committed to providing a working environment that offers welfare, peace and professionalism to all employees without any discrimination.

In line with these commitments, we continue our efforts to strengthen the diversity and inclusiveness of our human resources. As of 2023, we carry out our operations with 6,316 employees, 966 contractors and 4,654 agency employees. 21% of our employees are white-collar and the remaining 79% are blue-collar.

Employee Demography	2021	2022	2023
Number of White-collar Employees	▶ 1,344	1,320	1,325
Number of Blue-collar Employees	▶ 5,059	4,728	4,991
Total Employees	▶ 6,403	6,048	6,316
Number of Subcontracted Employees	▶ 1,452	964	966
Number of Agency Employees	▶ 5,175	4,898	4,654

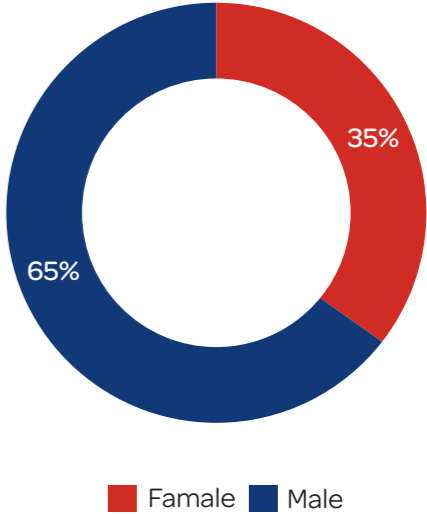
According to the report of the 2023 WiLAT (Women in Logistics and Transportation Industry) Gender Diversity Survey, although the proportion of female employees in the logistics industry varies from company to company, it is observed that there is a predominantly male workforce in general. The same report states that diversity and inclusion are accepted by all companies in the sector and that practices in this regard are increasing day by day.

We also recognize the urgency of diversity and inclusion in the logistics industry and we continue to work on this issue as the first cargo company in our country to sign the United Nations Women's Empowerment Principles. We regularly conduct reports to analyze the gender balance in administrative and field operations staff and develop strategic plans to increase the number of female employees. As the pioneer of the sector, we aim to increase the demand for all our operational positions by female candidates every year.

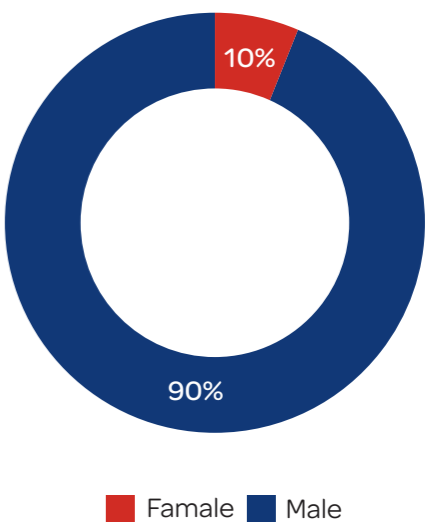


Currently, we have nearly 1,000 female employees on our payroll, including managers at headquarters, branch managers and representatives, couriers and technicians. As of 2023, 16% of the total number of employees are female. We transparently announce open positions to all employees through the 'Career Opportunities' announcement and conduct selection processes using objective and multifaceted evaluation tools.

Gender Distribution of White Collars in 2023



Gender Distribution of Blue Collars in 2023

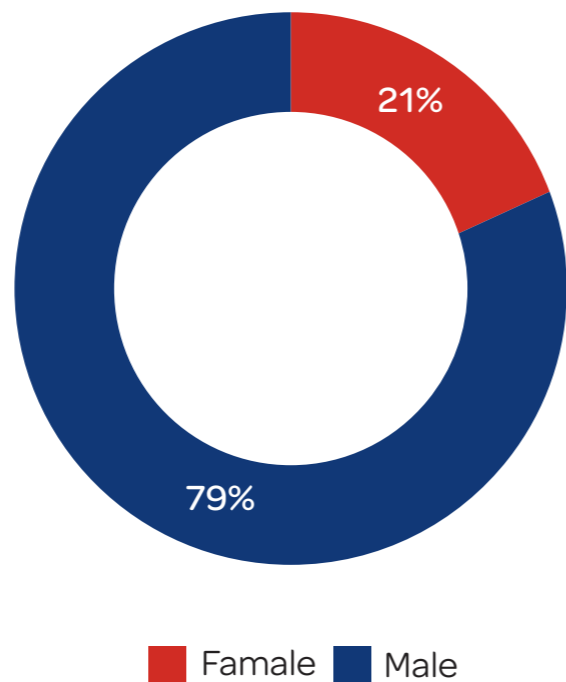


We attach great importance to increasing the role of our female employees at the management level. As of 2023, the ratio of female managers in the management team is 21%. Through our policies, we promote greater representation of women in leadership positions and encourage them to actively participate in decision-making processes. Thus, we aim to achieve gender balance at all levels and maximize the competencies of our female employees.

Management Demographics <sup>4</sup>	2021	2022	2023
Female employees in management levels	▶ 16	17	16
Male employees in management levels	▶ 55	56	60



Gender Distribution of Manager Level



We do not allow discrimination in our recruitment processes and remuneration policy and we adopt the principle of equal opportunity by providing equal opportunities to everyone.

In our recruitment and talent management processes, we meticulously apply principles of inclusivity and diversity. We transparently communicate career opportunities and offer equal opportunities to all candidates. In these processes, we use multidimensional tools that evaluate education, experience, job knowledge, competence and potential. In these processes, we make assignments by prioritizing how the person fits the job.

In addition, we evaluate our employees with objective evaluation tools and support their development through feedback and training.

In order to support our female employees in business life, we have incentives such as Baby Care Leave and Maternal School Leave. With these policies, we aim to create a work culture where everyone feels valued and works in a fair environment.

We consider freedom of association and collective bargaining as one of the key elements to support equal rights for employees and to promote diversity and inclusion in the workplace. In this context, out of our 5,084 employees working under collective bargaining agreements, 4,927 are union members in 2023.

**Employee Welfare, Engagement and Communication**

We believe that enhancing the welfare and engagement of our employees will not only increase productivity in the workplace, but also help us build a socially responsible, sustainable business model. We are aware that the wellbeing and health of our employees is important for the efficiency and success of our operations. In this context, our company aims to increase the job satisfaction of our employees and to better engage them with our company through a people-oriented approach. Furthermore, we show that we value the opinions and suggestions of our employees by supporting open and transparent communication channels. Our company's priorities include maintaining a work-life balance for employees, contributing to their professional development and supporting them in a safe and healthy working environment. We regularly conduct surveys to measure the satisfaction and engagement of our employees.

Our 2023 employee engagement survey results are indicating an improvement compared to 2022. The satisfaction score reached 79.3%, while the engagement score climbed up to 80.1%.

These results demonstrate our ongoing commitment to cultivating a positive and engaging work environment for our valued employees.

In addition to measuring employee satisfaction and engagement, we also consider it critical to receive suggestions and complaints from our employees and to create a strong structure for communication. We have a well-functioning suggestion system in place to collect and evaluate the suggestions of our employees. Through the "Suggestion Module" of the Humanist software, employees can submit their suggestions by entering them into the system. These suggestions are then forwarded to users assigned in the Quality, Environment and OHS Department. If a suggestion requires expert opinion, the relevant expert evaluates it for approval or rejection. After the expert opinion is received, the results are communicated to the user via the system. In 2023, a total of 153 suggestions were received and the process was initiated to implement 30 of them. In addition, we use spontaneous "pulse surveys" to obtain the evaluations of our employees to ensure their satisfaction and engagement.

Employees can also submit their notifications about HR issues via the Ethics Hotline. The complaints received by the ethics hotline are directed to the ethical compliance unit of the Audit Presidency to be evaluated.

As Aras Kargo, we offer comprehensive benefits to increase the welfare and happiness of our employees. Among the benefits and opportunities offered are private health insurance for managers and higher positions, complementary health insurance for white-collar employees at assistant manager level and below, personal accident insurance for all blue-collar and white-collar employees, shuttle service for shift-working units, travel support for employees whose commuting distance is more than 1 km, meal allowance, bonuses for in-scope employees, child education allowance, fuel allowance, Ramadan and Eid al-Adha gifts, group Individual Pension Scheme without employer contribution, family allowance and death indemnity in case of death, support package in case of marriage, support package in case of birth, support package for postgraduate and doctoral education.

We also offer various opportunities in addition to legal leave rights.

- **Leave for Parents with Disabled Children:** Parents with children who have a 60% disability are granted up to 10 days of paid leave per year.
- **Circumcision Leave:** Employees are granted leave for the circumcision of their children within a certain period.
- **Baby Care Leave:** Mothers whose babies are between the ages of 1-3 are given 1 hour of paid leave per day as baby care leave.
- **Maternal School Leave:** Mothers and single-parent fathers are given paid leave on the first and last school day of their children.

- **Breastfeeding Leave:** Female employees are provided with 2 hours of breastfeeding leave per day to breastfeed their children under the age of one.
- **Paternity Leave:** Male employees whose spouses give birth are granted 5 working days of paternity leave.

We carry out various practices to support our employees' stress management. In this context, we offer many activities such as stress management trainings, information via e-card and e-mail, workplace breaks and various workplace events organized by the Smiling Aras Group.

## Employee Training and Development

We prioritize the continuous development of our employees and enhancing their professional competencies. We implement talent and career management processes to support their career development and create a sustainable work environment. Through these processes, we offer equal opportunities to all our employees, increase their knowledge and skills, support their individual success and improve the overall performance of our company.

The basic principles of our training and development activities:

- To observe differences and provide equal opportunities for development
- To support the leadership development of Aras employees by believing in their potential
- To raise social awareness for a sustainable world
- To support business results
- To disseminate the perspective of quality and continuous improvement
- To support technological transformation
- To ensure professional standards
- To comply with national/international commitments

### Training and Development Programs

We organize leadership development programs at all levels to support all our employees on their career paths. In line with our internal annual training planning, we offer induction, professional, personal and leadership development trainings. Within the scope of outsourced trainings, we carry out talent management and development activities. Our training programs include critical steps such as coaching and mentoring to support the professional development of our employees.

We illuminate employees' development plans through the objective tools and feedback we use for promotions and appointments to internal open roles.

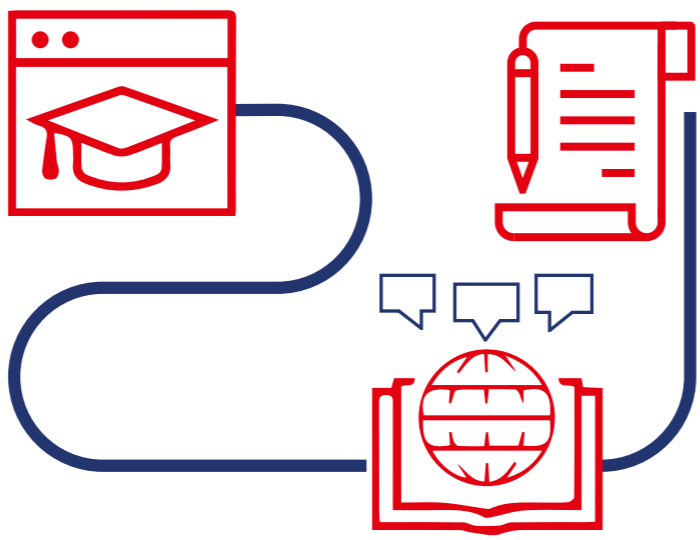
Mentoring is one of the areas that we focus on as part of our development journeys. We select mentor managers from among our branch managers and regional teams and provide them with the necessary training. We manage mentee pairings and take these development steps for those who are in need and for new branch managers who are promoted. In 2023, we reached 91 of our managers through our mentorship training programs designed to support internal experience and knowledge transfer. Our goal is to continue mentorship meetings in a way that fosters interaction among our employees and to increase the number of mentors year by year, ensuring the quality supports corporate learning.

We design our training and development programs to help our employees advance in their careers, improve their business skills and adapt to the evolving business world. We plan our training programs in line with our corporate strategies and needs and implement them in line with our budget. We expect our managers to support our company's corporate development journey as a result of the leadership trainings they have received and the initiatives they have implemented. We increase our training hours by ensuring that all our employees receive training at least once.

In this regard, in 2023, we supported the development of our employees with 290 different training sessions organized by the Training and Development Department. We aim to continue growing our development journey in line with our sustainability goals.



From the first day of employment, we support our employees in all steps of their careers with the slogan "Be the Leader of Your Development". We offer our training programs to our employees through hybrid methods such as e-learning and online training via LMS (Learning Management System) as well as face-to-face classroom trainings. We have designed the trainings for all levels of employees under the Aras Academy umbrella as three separate brands: technical, behavioral and managerial. In addition to Aras Academy, we organize development-oriented monthly webinar series for all our employees with WebinAras.



### Aras Academy

Aras Academy is a strategic platform that offers comprehensive training programs to support the professional and personal development of our employees. By analyzing the needs of our employees in detail, we design and identify the trainings we will offer through the Academy. These processes starting from the needs analysis up to the completion of the development journey are detailed in the Training and Development Management Procedure,.

Aras Academy aims to develop the professional competencies of our employees in a way that is not only tailored to our company, but also in a way that is mindful of the era and society we live in. Aras Academy supports both individual and organizational learning and ensures that our employees have access to an effective learning process that is compatible with their competencies.

In this way, we aim to contribute to the fulfillment of Company strategies with the philosophy of "Continuous Learning" while providing benefits to business deliverables. We continue our trainings with three main brands under the roof of Aras Academy.



Lider Arası platform includes training topics for the development journeys of our employees with managerial roles. The platform offers short and long-term trainings, measurement and evaluation studies, exchange of experiences, online tips, mentoring and coaching sessions. Leadership models that provide feedback, open communication and transform are developed with a special focus on first-level managers. This platform aims to increase leadership competencies.



Pusula Arası platform covers onboarding, technical and behavioral trainings for all our blue-collar employees. Various training contents are offered to help our employees not only to carry and deliver cargo, but also to find meaning in their work. Our trainings aim to create a working environment that supports the professional and personal development of our employees. Some of the featured trainings include "Excellence in Customer Relations", "Lobby Management, Legal and Compliance" and "Risk and Asset Management".



Kampüs Arası platform aims to prepare ARAS employees for the future through training and certification programs that focus on the competencies and skill sets required by the evolving business world. This platform fosters innovative ideas and practices. Trainings, workshops and webinars are organized for our white-collar employees on topics such as Customer Experience and Design, Technology and Digital Transformation, Business Management and Work & Life. The programs aim to contribute to the professional and personal development of our employees.



We organize various training programs to raise awareness among our employees on sustainability. In 2023, we provided a total of 26,971 hours of environmental and sustainability training.

Here is a list of the trainings we provided in 2022 and 2023:

- Emergency Training
- AFAD Disaster Awareness Training
- Employee Representative Training
- Defensive and Economic Driving Training
- Earthquake Awareness Training
- Earthquake Preparedness and Living with Earthquake
- ISO 10002:2018 Quality Management Customer Satisfaction
- ISO 45001: 2018 Occupational Health and Safety Management System Information Training
- First Aid Training
- Occupational Safety Training
- Occupational Hygiene Training
- Training on Return to Work after Work Accident
- Occupational Health Training
- Induction Training
- Cancer Awareness and Importance of Early Diagnosis Webinar
- Working Safely with Chemicals, Chemical Spill Kit and Use of PPE
- Response to Chemical Spills and Waste Disposal
- Corporate Ethics and Compliance Management Certificate Program
- Special Health Education for Ramadan
- Training for Risk Analysis Team
- HSE Management System Training
- Heat Stroke
- Zero Waste and Waste Management
- The Importance of Water (Toolbox)
- Sustainability Training
- Safety in Traffic
- No Tobacco Day Talks
- Practical Fire Training
- Sleep and Heart Health Education
- Training for Long-Term Absence from Work
- Renewable Energy Technologies Certificate Program
- Gender Balance
- Stop Harassment on the Street Webinar





### Conversations with the Aras Employees of the Future

We attach great importance to the training and development of all our employees, including our interns. In this context, we met with our interns by organizing the event "Conversations with the Aras Employees of the Future". At the event, our Human Resources Team had valuable conversations with the interns from high schools and universities on many topics that will contribute to their career development, such as the future of the digital world, job search methods, CV preparation and interview techniques and using of professional social networking platforms.

### Performance Evaluations and Career Opportunities

Our performance evaluation processes and career opportunity programs are of great importance in order to maintain the success of our Company and maximize the potential of our employees. Our performance management system aims to evaluate the achievements of our employees based on objective and measurable criteria, while our career opportunity announcements aim to ensure that every employee progresses in their career in an equal and fair manner.

Our performance management system covers our white-collar employees at the Head Office, Regional Directorates and Transfer Centers who have at least 6 months of seniority in our Company. This system consists of two main parts: Target Evaluation and Competency Evaluation which are reviewed annually. The targets of our employees are entered into the system at the beginning of the year, 6-month interim evaluations are carried out in the first half of the year and target realizations are recorded at the end of the year. Through these processes, we aim to evaluate and improve the performance of our employees based on objective and measurable criteria.

Our "Career Opportunities" postings, which are published regularly every week, are shared simultaneously in the form of internal announcements in line with the principle of equal opportunity for all our employees. All our employees are welcome to apply for these vacancies and applications are carefully evaluated according to the actual skills and competency-based criteria specified in the posting. Interviews are conducted with eligible candidates and feedback is provided to the candidates at the end of the process using various evaluation tools.

A more detailed evaluation process is implemented for managerial positions. In this process, managerial competencies of candidates are examined thoroughly by assessment and development centers. Selected qualified candidates are evaluated by "promotion committees" held with the participation of senior management. At the end of the process, candidates are provided with one-on-one feedback and are offered appropriate training and development plans for their career development.

## Occupational Health and Safety



*As Aras Kargo, we implement our Occupational Health and Safety (OHS) policy within the scope of Integrated Management Systems (IMS). A total of 28 units, including the Head Office, 10 Regional Directorates and 17 Transfer Center Directorates, are ISO 45001 certified. In 2024, we aim to ensure that all of our operation centers are certified for ISO 45001 Occupational Health and Safety Management System, ISO 9001 Quality Management System and ISO 14001 Environmental Management System.*

All employees can access the Integrated Management System Handbook, which we have prepared for the adoption of IMS practices and the effective implementation of the ISO 45001 Occupational Health and Safety Management System.

Mapping occupational health and safety risks facilitates the identification of potential hazards and the planning of measures to be taken against them. In this context, we perform detailed mapping of OHS risks and hazards, conduct regular audits and updates, raise employee awareness and create safe working environments.

Within the scope of our OHS Policy, we carry out various initiatives to ensure that our employees have access to information, services and tools. These initiatives include OHS Committees, suggestion system, toolbox trainings, OHS trainings, QDMS and Meditek IBYS software, e-card informational activities, Aras Academy and quiz competitions. In 2023, a total of 19,380 hours of OHS training was provided with the participation of 4,986 employees.

We regularly monitor our OHS performance. In this context, we regularly record and report certain OHS performance indicators such as the number of accidents, occupational disease cases, fatal accidents and lost days across our operation centers.

OHS Performance	2021	2022	2023
Incident Rate (IR)	▶ 16.9	22.5	29.2
Occupational Disease Rate (ODR)	▶ 0	0	0

Considering the health risks that all our employees may be exposed to, health examinations are conducted prior to periodic examinations, followed by regular health examinations. We offer detailed health services in all of our units for the prevention of occupational accidents and early diagnosis of occupational diseases in order to protect and improve employee health. The health of each employee is regularly evaluated by conducting onboarding and periodic medical examinations as well as laboratory tests.

We optimize the physical conditions of our employees by making ergonomic adjustments and improvements in our working environment and minimize health problems that may develop due to such risk factors in the long term. First aid trainings are organized at regular intervals for emergencies and we ensure that first aid equipment is properly provided.



## Corporate Social Responsibility



*As Aras Kargo, we always consider our impact on society and the environment and continue our social responsibility projects in recognition of this responsibility. We work in cooperation with our stakeholders to support social development, reduce social inequalities and minimize environmental impacts.*

In 2014, we established the "Nature-Friendly Aras" platform to develop social responsibility projects. Through this platform, we regularly carry out various projects every year with the voluntary participation of our employees and their families to raise environmental awareness. We strive to contribute to the environment and the community through activities such as coastal cleaning, tree planting and feeding of stray animals. Each project aims to raise awareness in the community and build a more sustainable future.



### Coastal Cleanup Activities organized by Turkish Marine Environment Protection Association (TURMEPA)

Consisting of Aras Kargo employees and focusing on cleaning the coasts of Türkiye, the "Nature Friendly Aras" coastal cleanup movement continued in 2023 with the voluntary participation of more than 700 employees and their families. This project aims to protect the environment and natural resources and has achieved great success by preventing more than four tons of waste from entering the seas over the course of 9 years.



### Sapling Planting

With the Nature Friendly Aras platform, we continued to donate saplings in 2023 to realize our environmental mission. Until the end of 2023, we donated more than 200 thousand saplings in various regions of Türkiye since the start of this initiative. In this context, we have planted 16,000 saplings on behalf of our employees in Manisa Soma in cooperation with the Aegean Forest Foundation. We also planted 2023 saplings in Şile for the 100th anniversary of our Republic.



### Aras Kargo Sports Club

Our club was founded in 2023, combining Aras Kargo's pioneering and leading identity in the sector with the vast experience we have gained through our investments in sports. This combination forms the basis and values of our club.

As we set out on this path with the aim of becoming one of the leading clubs in Turkish volleyball, our main goal is to provide a healthy, professional and high-standard sports environment where Turkish women can showcase their talents. We are honored to support the great achievements of Turkish women throughout history and contribute to their growth as independent, strong individuals. Our club aims to raise young volleyball players with the Infrastructure and Sports School projects that will be launched in the near future. We believe that young girls who are introduced to sports and trained in this field will make our country proud with the success they will achieve under the guidance of our experienced and knowledgeable technical team.



### Little Aras Painting Contest

As Aras Kargo, we held the fifth edition of the Little Aras painting contest that we organize annually. This year's theme was "A New World, A New Us" and the paintings were evaluated for the 2024 calendar in the competition organized with the participation of the children of Aras Kargo employees between the ages of 6-12. Starting in 2019, this contest has become a tradition, encouraging children's creativity and allowing them to paint the world through their own eyes. We will be continuing this project as an important activity that reflects the creative world of our children and the social responsibility awareness of our company.



### Official Sponsorship of Volleyball National Teams

In cooperation with the Turkish Volleyball Federation, we became the Official Sponsor of Volleyball National Teams. A signing ceremony was held with the participation of Mehmet Akif Üstündağ, President of the Turkish Volleyball Federation, Utku Ayyarkın, General Manager of Aras Kargo and our national volleyball players Cansu Özbay and Ahmet Tümer.

We are pleased to strengthen our investments in sports and becoming the Official Sponsor of Volleyball National Teams. We believe that investments in sports contribute to the promotion of sports and to helping young people lead a healthy life. To this end, we will continue to support sports as Aras Kargo.

### Earthquake Relief

On February 6, 2023, the earthquakes that occurred in our country caused massive destruction and collective grief. We once again extend our condolences to the families of those who lost their lives and wish a speedy recovery to the injured. This disaster left deep wounds and once again highlighted the importance of disaster management and relief efforts.

Following the earthquake, we set out to provide logistical support to help heal the wounds of our earthquake-affected communities. As Aras Kargo, in coordination with AFAD, we transported aid materials sent to the earthquake-affected regions free of charge to meet the needs of our people. Citizens who came to our branches selected the city they wanted to send aid to from the list of cities in need and sent products from AFAD's aid list.



## Yarına Taşıyoruz

Doğa Dostu Araslar olarak tüm faaliyetlerimiz ile bugün iyi ve değerli ne varsa, yarına taşımayı hedefliyoruz.  
Bu hedef doğrultusunda;

• **Denizin mavisini yarına taşıyoruz!**  
TURMEPA Deniz Temiz Derneği ile birlikte kıyı temizliği yaparak, toplam 4 tondan fazla atığın denize karışmasını engelledik.

• **Ormanları yarına taşıyoruz!**  
Çekül, TEMA, Ege Orman Vakfı iş birliğiyle en büyük emanetimiz Cumhuriyetimizin ikinci yüzyılına iki yüz bin fidan miras bırakıyoruz.

• **Enerjimizi yarına taşıyoruz!**  
Büyüyen elektrikli araç filomuz ile Türkiye'nin dört bir yanında hizmet vermenin mutluluğunu taşıyoruz.

• **Kaynaklarımızı yarına taşıyoruz!**  
Ofislerimizde ve şubelerimizde geri dönüştürülebilecek her atığı ayrıştırıyor, doğada çözünen poşetler kullanıyoruz.

Bu sene beşincisini düzenlediğimiz Geleneksel Resim Yarışmamızın "Yeni Dünya Yeni Biz" konsepti ile sürdürülebilirlik vizyonumuzu minik Arasların çizimleriyle taçlandırıyoruz.





# Annexes

# Performance Indicators

## Environmental Performance Indicators

Energy Consumption in Buildings	Unit	2021	2022	2023
Diesel - Generator Fuel	kWh	107,739	73,165	70,922
Natural Gas	kWh	8,055,394	5,094,228	5,532,203
Power	kWh	14,541,792	17,185,208	14,805,614
Total Energy Consumption	MWh	22,705	22,353	20,409

Amount of Renewable Energy Purchased and Produced	Unit	2021	2022	2023
Wind Power	kWh	-	7,271,000	14,459,000 <sup>5</sup>
Solar Energy	kWh	-	7.271.000	346,812
Hydroelectric Power	kWh	-	2,650,000	-
Total Energy Consumption	MWh	-	17,815	14,806

Energy Consumption of Fleets	Unit	2021	2022	2023
Own Vehicle Consumption	liters	4,023,026	4,714,543	5,633,983
Gasoline	liters	67,032	109,782	161,082
Diesel	liters	3,879,295	4,534,805	5,368,695
Adblue	liters	76,698	69,956	104,206

<sup>5</sup>The amount of energy that Aras Kargo, Aras Dijital, Starex Global and Starex Azerbaijan draw from the grid for the buildings in which they operate and then neutralized with the I-REC certificate. The name of the wind power plant is Pamukova WPP.

Energy Consumption of Fleets (Continued...)	Unit	2021	2022	2023
Rental Vehicle Consumption <sup>6</sup>	liters	23,614,916	25,085,398	22,957,731
Gasoline	liters	-	21,556	30,920
Diesel	liters	23,614,916	25,063,842	22,926,811
Own Vehicle Consumption	kWh	38,248,153	45,583,053	54,213,309
Rental Vehicle Consumption	kWh	228,285,392	245,892,627	225,028,238
Electric Vehicle Consumption <sup>7</sup>	kWh	188,494	213,583	217,544
Total Energy Consumption	MWh	266,534	291,476	279,242

Carbon Emissions <sup>8</sup>	Unit	2021	2022	2023 <sup>9</sup>
Scope 1	Ton CO2e	11,336	12,295	14,992
Scope 2 <sup>10</sup>	Ton CO2e	7,378	0	0
Scope 3	Ton CO2e	58,275	62,780	87,136
Total Carbon Emissions	Ton CO2e	76,989	75,075	102,128
Carbon Emission Intensity	Ton CO2e /employee	1.30	1.90	2.02

Fleet Details	Unit	2021	2022	2023
Total Number of Rental Vehicles	Piece	5,365	5,037	5,096
Number of Electric Vehicles	Piece	35	66	97
Number of Own Vehicles	Piece	911	948	1,132
Total Number of Vehicles	Piece	6,311	6,051	6,325

<sup>6</sup>While calculating the fuel consumption of rental vehicles, a reference table (a table estimating fuel consumption per km according to each vehicle type) was created based on own vehicles. In 2022, the estimation table was updated according to 2021. Since the vehicle category in the reference table was reduced from 14 in 2021 to 10 in 2022, the fuel consumption of rental vehicles was calculated to be higher in 2022. For example, vehicles that were categorized as automobiles in 2021 were categorized as pickup trucks in 2022, which resulted in higher fuel consumption per km. In 2023 and beyond, the consumption values in the reference table were taken as the same as in 2021.

<sup>7</sup>Our electric vehicles are charged from our charging stations inside the building. These consumptions are shown again in the electricity consumption breakdown in the energy consumption table in buildings and are included in the total amount in this table.

<sup>8</sup>The "Corporate Accounting and Reporting Standard of the GHG Protocol" has been taken as a basis to guide the emission calculation process.

<sup>9</sup>Aggregate data of Aras Kargo, Aras Dijital, Starex Global and Starex Azerbaijan.

<sup>10</sup>Scope 2 emissions were zeroed by obtaining the I-REC Certificate of 8,829 Tons of CO2 in 2022 and 7,426 Tons of CO2 in 2023.

Non-Hazardous Waste	Unit	2021	2022	2023
Recycled	Tons	561.58	241.04	278.18

	Unit	2021	2022	2023
Paper Consumption <sup>11</sup>	Tons	128	63	54

Social Performance Indicators

	2021		2022		2023	
Aras Kargo Employees	Female	Male	Female	Male	Female	Male
Number of Full-time Employees	978	5,419	899	5,147	991	5,315
Number of Part -time Employees	1	5	1	1	2	8
Total Employees	979	5,424	900	5,148	993	5,323
Number of Disabled Employees	21	137	27	125	32	122

	2021		2022		2023	
Aras Kargo Employees	Total		Total		Total	
Number of Subcontracted Employees	1,452		964		966	
Number of Agency Employees	5,175		4,898		4,654	

Employees by Age	2021	2022	2023
Active staff under 30	1,492	1,308	1,479
Active staff 30-50 years	4,124	4,165	4,288
Active staff over 51	563	575	549

<sup>11</sup>This data belongs only to Aras Kargo. The paper consumption stated in the 2021 report was calculated more than it should be due to the weight of one A4 paper being taken incorrectly in the calculations. Paper consumption has been updated in this report.

Management Demographics <sup>12</sup>	2021	2022	2023
Thereof female employees in management and management levels	16	17	16
Thereof male employees in management and management levels	55	56	60

Management by Age <sup>13</sup>	2021	2022	2023
Management staff under 30	1	1	1
Management staff 30-50 years	58	58	62
Management staff over 51	12	14	13

	2021		2022		2023	
Employee Turnover	Female	Male	Female	Male	Female	Male
Employee Turnover Rate	9%	15.8%	14.24%	17.53%	15.60%	19.23%
Total Employee Turnover Rate	15.2%		17.04%		18.64%	

New Joiners	2021	2022	2023
Staff entrance under 30	286	423	
Staff entrance 30-50 years	144	222	
Staff entrance over 51	8	2	

New Joiners by Gender	2021	2022	2023
Staff entrance female employee	64	114	
Staff entrance male employee	374	533	

<sup>12</sup> The number of the board of directors is not included.  
<sup>13</sup>The number of the board of directors is not included.

	2021		2022		2023	
Maternity Leave	Female	Male	Female	Male	Female	Male
Number of Employees Benefiting from Maternity Leave During the Year	41	187	31	169	44	154
Number of Female Employees Returning from Maternity Leave During the Year	41	-	31	-	44	-
Number of Employees Returning from Maternity Leave During the Year Who Have Continued to Work for a Minimum of 12 Months	33	0	27	0	41	0

	2021		2022		2023	
Unionization	Female	Male	Female	Male	Female	Male
Number of Unionized Employees	487	4,418	457	4,207	512	4,416
Number of Employees Covered by Collective Bargaining Agreement	513	4,560	474	4,362	526	4,559

	2021		2022		2023	
Employee Trainings <sup>14</sup>	Female	Male	Female	Male	Female	Male
Total Hours of Training Provided	15,070	55,930	20,300	76,148	19,574	91,550
Total Hours of Training Provided-Digital	3,370	7,627	15,277	50,458	12,982	41,885

	2021		2022		2023	
Ethics Training	Female	Male	Female	Male	Female	Male
Total Hours of Training Provided	16	99	1,267	6,144	37	153

	2021		2022		2023	
Employee Trainings - OHS	Female	Male	Female	Male	Female	Male
Total Hours of Training Provided	3,253	26,750	1,552	8,496	1,083	14,238

	2021		2022		2023	
OHS - Company Employees	Female	Male	Female	Male	Female	Male
Number of Work-Related Fatalities	0	1	0	0	0	1
Number of Occupational Diseases	0	0	0	0	0	1
Absence Due to Incident (Lost Day)	51	1,660	65	2364	30	1784
Incident Rate (IR)	16.9		22.5		29.2	
Occupational Disease Rate (ODR)	0		0		0	

	2021		2022		2023	
OHS - Suppliers	Female	Male	Female	Male	Female	Male
Number of Accidents	28	383	27	312	23	290
Number of Work-Related Fatalities	0		1		0	
Number of Occupational Diseases	0		0		0	
Absence Due to Incident (Lost Day)	37	898	69	780	26	583

<sup>14</sup>When calculating training indicators, the number of people targeted was taken as the basis, not the total number of employees. While calculating the number of the people targeted, interns, part-time employees, attendants, members of the Board of Directors, Vice Chairman of the Board of Directors and those who are on the payroll of agencies were excluded from the current employee lists. Agencies were excluded from the calculation of training hours. Total training hours include OHS trainings

# GRI Content Index

Statement of use	Aras Kargo has reported the information cited in this GRI content index for the period [reporting period start and end dates] with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION
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GENERAL DISCLOSURES

GRI 2: General Disclosures 2021	2-1 Organizational details	About Aras Kargo	
	2-2 Entities included in the organization’s sustainability reporting	About the Report	
	2-3 Reporting period, frequency and contact point	About the Report	
	2-4 Restatements of information		There is no information rearranged from previous reports.
	2-5 External assurance		The report does not have a Limited Assurance Engagement.
	2-6 Activities, value chain and other business relationships	About the Report	
	2-7 Employees	Route: Strong Corporate and Business Culture	
	2-8 Workers who are not employees	Equality, Diversity and Inclusion in the Workforce	
	2-9 Governance structure and composition	Our Corporate Governance Approach	
	2-10 Nomination and selection of the highest governance body	Our Corporate Governance Approach	
	2-11 Chair of the highest governance body	Our Corporate Governance Approach	
	2-12 Role of the highest governance body in overseeing the management of impacts	Our Corporate Governance Approach	

GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	Our Corporate Governance Approach	
	2-14 Role of the highest governance body in sustainability reporting	Our Sustainable Governance Model	
	2-15 Conflicts of interest	Anti-Bribery and Anti-Corruption	
	2-16 Communication of critical concerns	Risk & Crisis Management	
	2-17 Collective knowledge of the highest governance body	Our Corporate Governance Approach	
	2-18 Evaluation of the performance of the highest governance body	Employee Training and Development	
	2-19 Remuneration policies	Equality, Diversity and Inclusion in the Workforce	
	2-20 Process to determine remuneration	Equality, Diversity and Inclusion in the Workforce	
	2-21 Annual total compensation ratio		It is not shared for confidentiality reasons.
	2-22 Statement on sustainable development strategy	Our Sustainability Strategy	
	2-23 Policy commitments	Corporate Governance at Aras Kargo	
	2-24 Embedding policy commitments	Corporate Governance at Aras Kargo	
	2-25 Processes to remediate negative impacts	Risk & Crisis Management	
	2-26 Mechanisms for seeking advice and raising concerns	Ethics and Human Rights	
	2-27 Compliance with laws and regulations	About the Report	
	2-28 Membership associations	Corporate Memberships	
	2-29 Approach to stakeholder engagement	Stakeholder Interaction & Engagement Activities	
	2-30 Collective bargaining agreements	Equality, Diversity and Inclusion in the Workforce	

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION
MATERIAL TOPICS			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Analysis	
	3-2 List of material topics	Our Material Topics	
CUSTOMER SATISFACTION			
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material Sustainability Topics Customer Satisfaction	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Satisfaction	
DATA SECURITY AND CYBER SECURITY			
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material Sustainability Topics Data Security and Cyber Security	
ETHICS AND HUMAN RIGHTS			
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material Sustainability Topics Ethics and Human Rights	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Anti-Bribery and Anti-Corruption	
	205-2 Communication and training about anti-corruption policies and procedures	Anti-Bribery and Anti-Corruption	
	205-3 Confirmed incidents of corruption and actions taken	Anti-Bribery and Anti-Corruption	
DIVERSITY, EQUALITY AND INCLUSION IN THE WORKFORCE			
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material Sustainability Topics Equality, Diversity and Inclusion in the Workforce	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Equality, Diversity and Inclusion in the Workforce	
	405-2 Ratio of basic salary and remuneration of women to men	Equality, Diversity and Inclusion in the Workforce	

CONTINUOUS IMPROVEMENT FOR OPERATIONAL EXCELLENCE

GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material Sustainability Topics Route: Operational Excellence and Continuous Improvement	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Aras Kargo in 2023	
	201-2 Financial implications and other risks and opportunities due to climate change	Risk & Crisis Management	
	201-3 Defined benefit plan obligations and other retirement plans	Employee Welfare, Engagement and Communication	

CIRCULAR ECONOMY/SUSTAINABLE PACKAGING

GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material Sustainability Topics Circular Economy	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Our Material Sustainability Topics Circular Economy	
	306-2 Management of significant waste-related impacts	Circular Economy	
	306-3 Waste generated	Circular Economy	
	306-4 Waste diverted from disposal	Circular Economy Performance Indicators	

SUSTAINABLE PRODUCTS AND SERVICES

GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material Sustainability Topics Our Sustainable Products and Services	
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STRONG CORPORATE AND BUSINESS CULTURE

GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material Sustainability Topics Route: Strong Corporate and Business Culture	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Performance Indicators	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Equality, Diversity and Inclusion in the Workforce	
	401-3 Parental leave	Performance Indicators	
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Training and Development	

EMISSIONS REDUCTION AND MANAGEMENT

GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material Sustainability Topics Emissions Reduction and Management	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Emissions Reduction and Management Performance Indicators	
	302-2 Energy consumption outside of the organization	Emissions Reduction and Management Performance Indicators	
	302-4 Reduction of energy consumption	Emissions Reduction and Management	
	302-5 Reductions in energy requirements of products and services	Emissions Reduction and Management	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Emissions Reduction and Management Performance Indicators	
	305-2 Energy indirect (Scope 2) GHG emissions	Emissions Reduction and Management Performance Indicators	
	305-3 Other indirect (Scope 3) GHG emissions	Emissions Reduction and Management Performance Indicators	
	305-4 GHG emissions intensity	Emissions Reduction and Management Performance Indicators	
	305-5 Reduction of GHG emissions	Emissions Reduction and Management	

RISK & CRISIS MANAGEMENT

GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material Sustainability Topics	
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STAKEHOLDER RIGHTS AND ENGAGEMENT

GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material Sustainability Topics	
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OCCUPATIONAL HEALTH AND SAFETY

GRI 3: Material Topics 2021	3-3 Management of material topics	Our Material Sustainability Topics Occupational Health and Safety	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety	
	403-2 Hazard identification, risk assessment and incident investigation	Occupational Health and Safety	
	403-3 Occupational health services	Occupational Health and Safety	
	403-4 Worker participation, consultation and communication on occupational health and safety	Occupational Health and Safety	
	403-5 Worker training on occupational health and safety	Occupational Health and Safety	
	403-6 Promotion of worker health	Occupational Health and Safety	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety	
	403-9 Work-related injuries	Occupational Health and Safety	
	403-10 Work-related ill health	Occupational Health and Safety	

# Principles of UN Global Compact

Principles	Relevant Section of the Report
Human Rights	
<b>Principle 1:</b> Businesses should support and respect the protection of internationally proclaimed human rights.	Ethics and Human Rights
<b>Principle 2:</b> Businesses should make sure that they are not complicit in human rights abuses.	Ethics and Human Rights
Labour Standards	
<b>Principle 3:</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Diversity, Equality and Inclusion in the Workforce
<b>Principle 4:</b> Businesses should uphold the elimination of all forms of forced and compulsory labour.	Route: Strong Corporate and Business Culture
<b>Principle 5:</b> Businesses should uphold the effective abolition of child labour.	Route: Strong Corporate and Business Culture
<b>Principle 6:</b> Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Diversity, Equality and Inclusion in the Workforce
Environment	
<b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges.	Route: Fighting Against Climate Change
<b>Principle 8:</b> Businesses should undertake initiatives to promote greater environmental responsibility.	Route: Fighting Against Climate Change
<b>Principle 9:</b> Businesses should encourage the development and diffusion of environmentally friendly technologies.	Route: Fighting Against Climate Change
Anti-Corruption	
<b>Principle 10:</b> Businesses should work against corruption in all its forms, including extortion and bribery.	Fighting Bribery and Corruption



**Thank You**  
We thank all Aras Kargo stakeholders who contributed to the preparation of the report.

[www.araskargo.com.tr](http://www.araskargo.com.tr)



**Sustainability Reporting and Graphic Design**  
Deloitte Türkiye Sustainability Services  
(deloitte.com)

