



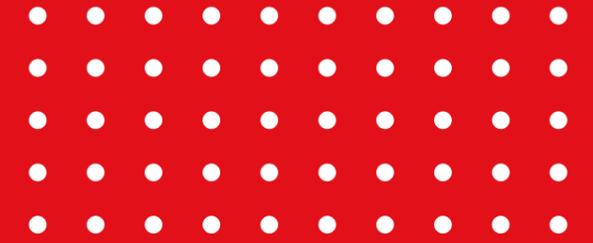
# Aras Kargo Sustainability Report 2021

Sustainability Route





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# About Aras Kargo Sustainability Journey

## #sustainabilityroute

As Aras Kargo, we aim to do our job in the best way possible and to be the first choice for customers, employees and other stakeholders. Within the framework of our service offering, it is our first priority to respect the environment, contribute to the society and treat our employees with care.

Within our sustainability journey we aim for a world that is equal for everyone, livable and balanced for future generations. As we embark on this journey, we address sustainability with all its layers from general to special perspective and make it applicable to Aras Kargo. In this direction through our economic, environmental and social focus areas, we build our sustainability substructure from our material issues to our performance indicators; from rational goals to governance mechanisms. Understanding that improving on sustainability is a long-term journey, the initial target year for our efforts is 2025.

In addition to our goals, we are proud to convey to all our stakeholders that we are a signatory of the UN Global Compact<sup>1</sup>, the world's largest corporate sustainability initiative. We undertake to develop all our work in the field of sustainability in line with global goals and to carry it out within the framework of the 10 Principles of the UN Global Compact.

In this journey, which we call the #sustainabilityroute, we work with all our strength to reach all the commitments we have given to our stakeholders by basing sustainability within our corporate goals.

We know that Aras Kargo has a long way to go. However, we would like to underline that our foundations in the field of sustainability are solid, our self-confidence is high and the commitment of our entire organization from employees to senior management is as high as possible. In this direction, we always put great effort for taking ourselves to the best position and setting goals that can be traceable.

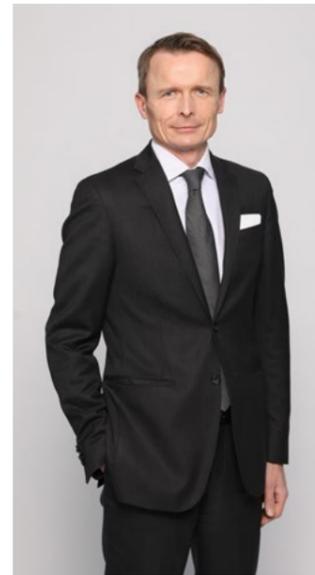
<sup>1</sup> United Nations (UN) Global Compact is the world's largest corporate sustainability initiative with many companies and external members in over 160 countries. UN Global Compact encourages organizations to take action in cooperation to create a sustainable and inclusive global economy.

## Strategic Management Office

► Creating a completely new cargo experience with our expertise team.



## Strategic Management Office



**1. If you had to summarize the past year 2021 for Aras Kargo, what would you say and what issues would you highlight?**

**Dr. Carsten Wallman** Despite the difficulties and uncertainties brought by the pandemic in 2021, it was a successful year for Aras Kargo. Main reasons for this were the strong commitment of our people, from couriers to management, and our investments in technology, digitalization and sustainability, aimed at creating the cargo experience of the future, today. This transformation was carried out with the speed and thoroughness that sets an international example.

Our employees have played a major role in this positive outcome. With great sacrifice, all employees took on an extremely important role for the continuity of daily life, upholding commerce, and showcasing that cargo companies are a key part of the critical infrastructure today.. Since 2016, we have invested heavily into our technological transformation helping us manage the increased workload caused by the pandemic. Today, we are more and more evolving from an operational company to a technology company. With 14 regional offices, 28 transfer centers, nearly 1,000 branches and more than 5,000 vehicles, we cover a distance sufficient to circle the world seven times every day.



**2. The pandemic changed living standards around the world. In 2021, the private sector went through the process of integrating and adapting to the changes caused by the pandemic. How was Aras Kargo affected by this situation?**

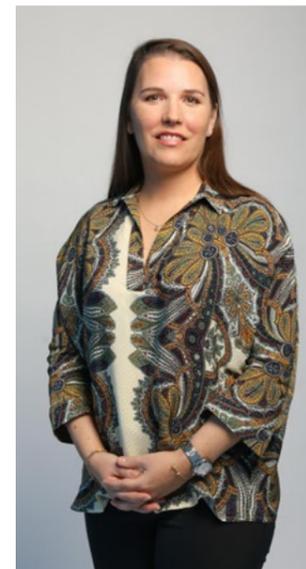
**Utku Ayyarkın** While the cargo sector entered the most active phase of its history with the pandemic, it also found itself on the threshold of digitalization. The first test of the sector took place during the promotion period in the last quarter of 2019, before the pandemic. We had prepared our business [ZB1] for this intense period through investments into automation in our transfer centers and into new technologies. With the pandemic, we unexpectedly started to leverage that capacity. In the first year, there was more than 1:1 growth.

The pandemic process, the increasing volume of e-commerce, and changing consumer habits have created a new model for our business. We now visit many more addresses and carry smaller parcels. To better manage the volume of small parcel shipments between 1-5 deci, we have commissioned investments in small parcel sorters for small items. We plan to invest 1 billion TRY over the next five years, including integration, route optimization and integrated management systems, with the aim of creating a completely new cargo experience.

## Strategic Management Office



**3. We can define this time we are in as a time to push the sustainability button and take stronger steps. In this context, what is Aras Kargo's perspective? Could you briefly tell us about your "Sustainability Route"?**



**Barbara Hagen** Aras Kargo has a sustainability journey with a holistic perspective, interacting with employees and stakeholders and contributing directly to the process. Being aware that we also bear responsibility for the environment, the society, and the economy, we strive for continuous improvement with our sustainability approach as a company that drives transformation. We implement our sustainability strategy and roadmap with our Sustainability Committee, in which we address the topic in various dimensions.

We believe that a well-functioning economy depends on the conservation and efficient use of the environment, especially natural resources. As the pioneering and innovative cargo company of Turkey, we keep doing our part to minimize the environmental risks. In 2021, we also signed the United Nations Global Compact, the world's largest corporate sustainability initiative, and committed to developing our sustainability efforts in line with the 10 principles of the UN Global Compact.

## About the Report

### GRI 102-45, GRI 102-46, GRI 102-49

We reach millions of addresses all over Turkey with our labor force of nearly 16 thousand experts under the umbrella of Aras Kargo. In this respect, we carry out all our activities with the awareness of our responsibility for a balanced and sustainable world. While following our economic growth goal and operational excellence principle, we take care that our investments in our people, technology and efficiency are always sustainable. In this context, we are proud to share the economic, environmental, and social value we have created on behalf of our company and our stakeholders with a sustainability perspective through our sustainability report.

In this first sustainability report we publish, we show how our understanding of sustainability touches the company's mission, vision and values and how we address environmental, social and economic issues as a whole. Our management approach, performance, activities and goals regarding our strategic perspective that we have created under the economic, environmental and social focus areas in this journey, which we call **#sustainabilityroute**, are included in our report. We transparently reflect our economically oriented approach under the headings of "Route Unique Customer Experience", our environmentally oriented approach under the headings of "Route Zero Carbon", and our socially oriented approach under the headings of "Route Developing Business Environment and Society".

Our report has been prepared in accordance with the "core" application level of GRI<sup>2</sup> Standards by covering only the information<sup>3</sup> and activities related to Aras Kargo Yurt İçi Yurt Dışı Taşımacılık A.Ş. between January 1, 2021 and December 31, 2021. In this way, you can easily find the sections containing relevant information by following the GRI Content Index in the relevant tables in the **"Annex"** section at the end of our report. Many global, sectoral, and national sustainability initiatives, such as the Sustainable Development Goals (SDGs)<sup>4</sup>, the United Nations Global Compact, and the Task Force on Climate-Related Financial Disclosures (TCFD)<sup>5</sup>, have been used as guides in the preparation of the report. All used studies in the relevant parts of the report have references. At the same time, through our sustainability report, our activities regarding our commitment to the 10 principles of the United Nations Global Compact, to which we are a signatory, are reflected.

One of our top priorities is to make our sustainability report accessible to all our stakeholders and to get their feedback and opinions on our report. In this context, our report has been printed and copied in a limited number as part of our environmental responsibility; you can access our report at <https://www.araskargo.com.tr/>. In addition, you can send your questions and opinions about the report to "surdurulebilirlik@araskargo.com.tr" e-mail address.

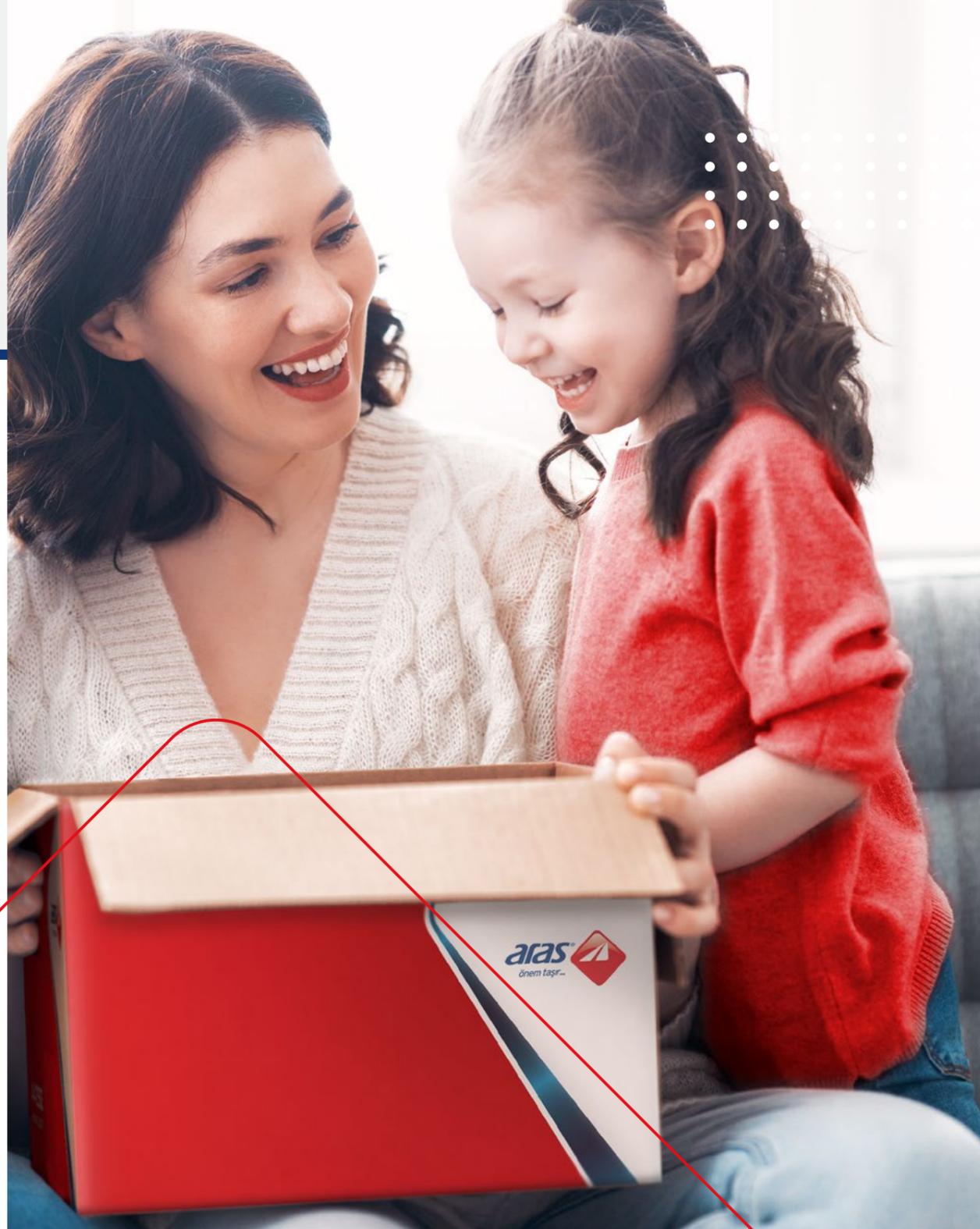


<sup>2</sup> The Global Reporting Initiative (GRI) is an independent international organization that helps organizations be accountable for the impacts they create transparently for a sustainable future.

<sup>3</sup> The words "Aras Kargo", "Our Company", "Company", "Our Company", "Company" in our report shall mean Aras Kargo Yurt İçi Yurt Dışı Taşımacılık A.Ş. unless otherwise stated.

<sup>4</sup> The Sustainable Development Goals (SDGs) are a global call to action to end poverty, safeguard the environment, and guarantee that everyone lives in peace and prosperity.

<sup>5</sup> The Task Force on Climate-Related Financial Statement (TCFD) was created to develop consistent climate-related financial risk disclosures for use in providing information to stakeholders.



# Aras Kargo Carrying Importance

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With the distribution network and technological infrastructure we have accessed in this journey that we started in 1979, we are proud to be the leading organization in the transportation sector with the largest access network in Turkey. Today, with 14 regional directorates, 28 transfer centers, more than 800 branches and agencies, 47 Micro-Hubs, Mini-Hubs and direct distribution points, a fleet of more than 6,300 vehicles and nearly 16 thousand experts under the Aras Kargo brand, we visit more than 1 million doors and deliver cargo every day. Being aware of the responsibility of our work, we provide services to more than 1,500 settlements in all provinces and districts of Turkey and connect these points. In addition, with our mobile services operating in nearly 1,600 settlements, we continue our journey with confident steps by expanding our service limits day by day.

Regarding to our technology-oriented investments, operational experience and competence, we are proud of the growth momentum we have achieved in recent years. We aim to continue our efficient and effective business in the future with the awareness of creating value for our customers and stakeholders with our investments in the transfer centers, information technology infrastructure and operational arrangements in order to apply digital transformation to every step of our business processes.



As a company that always aims for the summit, we continue to provide cargo services that benefit the society and the environment with the partnership

of Austria Post, which started with 25% in 2013 and increased to 80% in 2020. In line with our 2025 Strategic Transformation, we are taking firm steps to keep customer satisfaction at the highest level and embrace technological innovations.



## Vision

To be the first brand preferred in the sector



## Mission

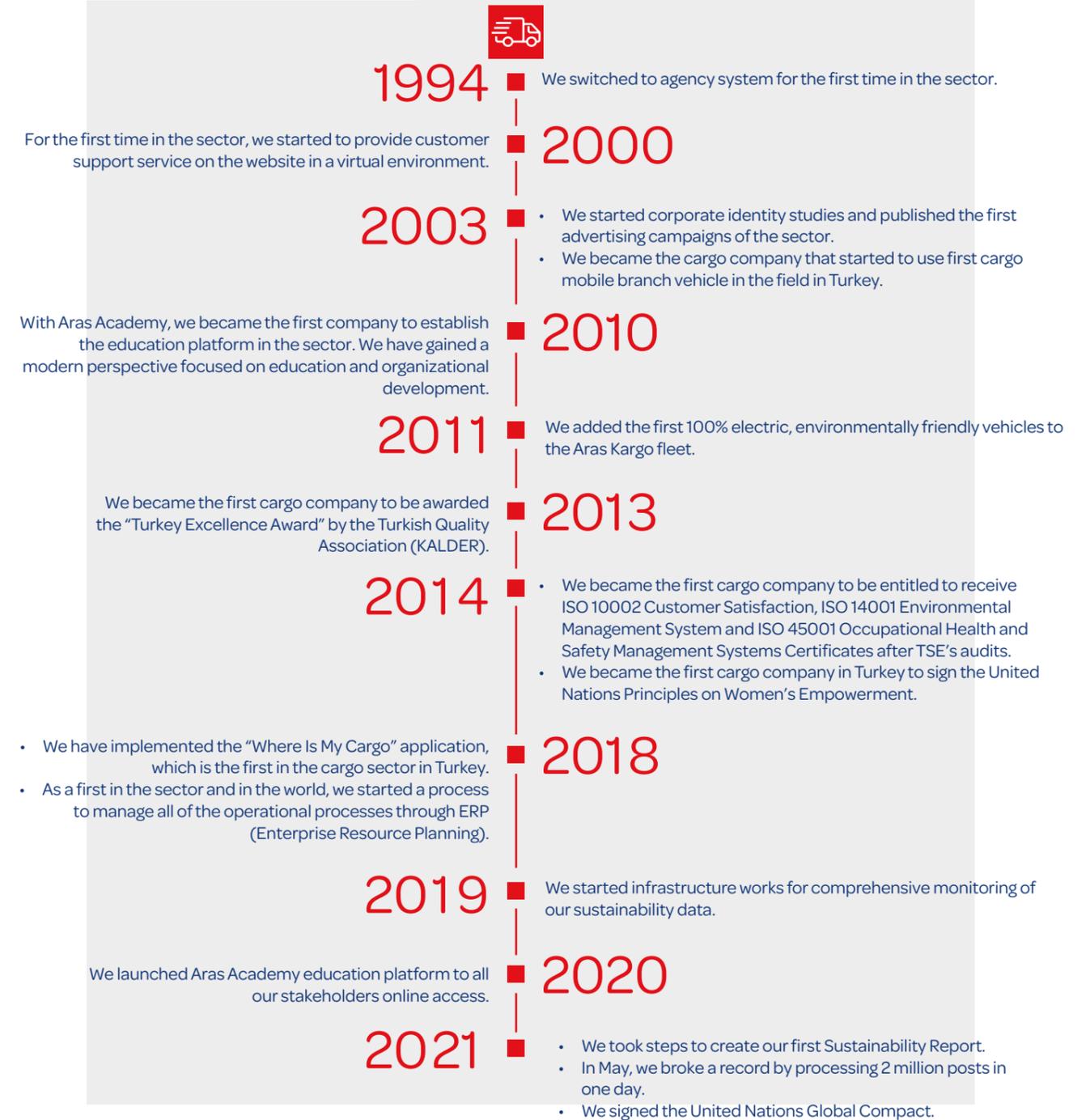
To provide a cargo service that is beneficial to the community and the environment



## Values

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

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 42 years that we have been a partner in the "journey of cargo", we have left behind important milestones and achieved the first ones.



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# Aras Kargo Value Chain

Within the scope of the service we provide, we aim to carry out all our end-to-end operations in the most efficient way and act with the principle of operational excellence. We create value from our customers to our employees, from our suppliers to our agents with our stakeholders at every step of our business model.



## Our Products and Services



We have been continuously improving our service quality with the innovations we have brought to the sector since our establishment. In this context, we create value for our customers with many innovative and facilitating services. We have a wide distribution network that covers national and international, serving all kinds of customers from individual to commercial on the same day or at the expected time.

| Our services  | Service Definition  |
|---|---|
|  <b>Aras Günaydın</b>  | <p>It is a special service that we offer to our customers, who want urgent cargo shipments to be delivered, early the next morning.</p> <p>With our "Aras Günaydın" service, which is the only service in the sector with 24 hours guarantee, inner city and intercity shipments are delivered to the recipient by 10:00a.m. the next morning at the latest.<sup>6</sup></p>  |
|  <b>Aras Uçak</b>      | <p>It is the service offered to our customers for the rapid delivery of urgent cargo shipments to be made out of the city. We reduce this period to 24 hours with our Aras Aircraft service in our cities where delivery times for files and packages are 48 hours and suitable for air transportation.</p> <p>We deliver shipments to our customers without requesting pickup and delivery fees from the address.</p>  |
|  <b>Aras Yurt Dışı</b> | <p>We deliver the shipments of our customers on 5 continents and with our worldwide solution partners with "Standard, Express, Air Freight, Highway and Maritime" service options according to your preference.</p> <p>With our Express Aras Yurt Dışı service for our time-sensitive customers, we deliver them to their addresses in the fastest way within the commitment performance period, and we have services in the relevant areas for our customers who want to deliver their cargoes by different means such as land, sea and air.</p> |

<sup>6</sup> Valid for all shipments not exceeding 20 kg/ds.

| Our services   | Service Definition   |
|--|--|
|  <b>Aras Tahsilatlı</b>     | <p>For our customers with a commercial title, it ensures that the product price of the order is collected from the recipient at the time of delivery and transferred to our customer's bank account.</p> <p>The delivery of the product sold by our customers to their customers, the collection of the product price from the customer and the transfer to the bank account are carried out entirely with the assurance of Aras Kargo. It creates a competitive advantage in the sector especially for our customers who sell products through e-commerce, who want to offer the option of "paying the product price at the time of delivery" and who want to reach a wide consumer potential regardless of their location.</p> |
|  <b>Aras Gün İçi</b>        | <p>It is the service we offer for our customers who want to deliver their cargo shipments of up to 30 kg in Turkey within the same day until 11:00 in the morning.</p>   |
|  <b>Aras Standart</b>      | <p>It is the service we offer to our customers who want to deliver all shipments within the country to their customers in 24 hours for distances between 0-600 km and in 48 hours for distances of 600 km and more.</p>  |
|  <b>Aras Geri Dönüşü</b>  | <p>Through our service, we deliver the shipments of our customers to their recipients, have them sign the requested delivery document and bring them back to our customers.</p> <p>It is the service we provide to our customers in case they need a contract or document etc. to be obtained from the recipient during the delivery phase in their special projects.</p>  |
|  <b>Aras Burası Esnaf</b> | <p>These are the points where small businesses deliver e-commerce orders belonging to the end consumer on behalf of cargo companies depending on the delivery code sent to the customer by SMS / where customers receive return shipments as collection points on behalf of cargo companies. It is defined as a system that allows delivery and return transactions by small businesses.</p>   |
|  <b>Aras Burası Dolap</b> | <p>They are locker stations that allow customers waiting for cargo to receive their cargo in the fastest and safest way 24 / 7, without having to be at their work / home addresses. We offer e-commerce users the opportunity to receive their cargo from the cargo lockers that serve 24 hours a day, 7 days a week, in case that Aras Burası Dolap station is selected as the delivery point.</p>   |



# Aras Kargo

## At a Glance



- Employment about **16 thousand** employees under the umbrella of Aras Kargo
- Large transportation volume with over **300 million** freight deliveries
- Average **1 million** daily deliveries
- 5% growth** in transfer volume in 2021
- More than **28 thousand** corporate customers
- 220** international delivery points
- 95%** corporate and **98%** individual customer satisfaction in 2021
- Strong financial performance **2.993** million TL income
- Support for sustainable development with **99%** local supplier
- 5 awards** in total in the areas of customer satisfaction and brand reputation
- 100%** Carbon Neutral Transfer target with our emission reducing projects

Innovative and efficient customer experience with the Aras Burası Esnaf and Aras Burası Dolap services we have implemented within the scope of the Aras Burası delivery model

- 14** Regional Directorates
- 28** Transfer Centers
- More Than 800** Branches and Agencies
- Over 100** Aras Burası Dolap location
- Over 1000** Aras Burası Esnaf points

#sustainabilityroute



# Aras Kargo Sustainability Journey

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Internal and external dynamics that enable the development of the cargo sector create changes all over the world and contribute to the ecosystem in which it operates within the scope of its responsibility.

With 2020 - 2021 being the period of extraordinary agendas for the whole world, efforts to minimize the environmental dimension effects that focus on climate change in the sector have increased the importance of sustainability perspective with the changes in business behavior models and the reconstruction of working conditions.



## Our Understanding of Sustainability

On this road, which we set out with the 2025 vision, sustainability means keeping customer satisfaction and operational excellence at a high level under economic, environmental and social focus areas; at the same time, providing a working environment for our employees in prosperity, prioritizing employee and operational safety, encouraging efficient fuel consumption and transition to green transportation, separately collecting and recycling wastes such as paper, cardboard, plastic and glass at their source, supporting employee development and communication and increasing company loyalty.

We always dream of a sustainability journey in pursuit of the new, with the mission of providing cargo services that benefit the society and the environment, with the understanding of a company that grows day by day, thinks about future generations, and is sensitive to the environment and people.

1

**Compliance Analysis of Mega Trends and Aras Kargo**

As Aras Kargo, we have taken three main steps by adopting a general-to-private approach while laying the foundations of this journey. First of all, we tried to determine the risks and opportunities for our company by evaluating global and sectoral mega trends. As an output of our work, we determined the effect of these trends on Aras Kargo and mapped our preventive and empowering activities in this field. While making these evaluations, we worked with all our relevant units, not neglecting to address our corporate identity and sustainability perspective together. While carrying out these works, we organized unit-based mini workshops. In this way, while increasing our internal awareness of sustainability, we also measured the relationship between our existing projects and practices and sustainability. In the second step, we studied how we can turn this study into strategic focus areas and material issues.

2

**Formation of Our Sustainability Strategy**

In order to determine our KPIs for our sustainability activities, we held a strategy workshop where our senior management actively supported the process. In the same context, we reviewed the materiality analysis process and KPIs related to our sustainability activities in order to take internal and external stakeholder contributions and participation. In the light of the performance indicators updated in this direction, we have determined our short and medium term goals and programs that will serve our 3 basic routes of sustainability understanding. As a final step, we have created a mechanism for the governance process of our sustainability journey, extending from our senior management to the relevant units.

3

**Establishing Our Sustainability Governance Model**

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# Mega Trends and Aras Kargo Compliance

We know that today, as the whole world, we are in a great transformation. Especially last year, the increasing customer demand due to the unforeseen effect of COVID-19 and the growing e-commerce and purchasing habits, and the fact that environmental and social elements, which were not questioned in such detail before, existed as a criteria in terms of presence in the market, changed the way all sectors do business. In addition COVID-19, created an important responsibility for the cargo sector.

As one of the leading cargo companies of our country, we are aware of this responsibility and we lead the sector towards the new needs of the transforming business world. With the impact of national and international regulations, provable financial provision and value creation power, we see sustainability as the most important factor of this transformation in the business world. In order to keep up with this transformation and to be a pioneer in our sector, we follow mega trends on a global and sectoral scale. In this context, we evaluate social, environmental, economic, regulatory and technological focuses in line with our long-term goals and integrate them into our understanding of doing business approach which is always in pursuit of the new.

Regarding to the analyzes we carried out, we revealed the effect of mega trends on Aras Kargo by making general definitions and evaluating their sectoral projections.

**In this direction, we grouped mega trends under 4 main headings consisting of "Climate Crisis", "Legal Regulations", "Changing Customer Expectation", "Digitalization and Technological Developments".**

We have included the risk and opportunity perspective in our analysis process by being aware of that these trends are directly or indirectly related to sustainability and have a significant impact on operational activities.

We have identified the COSO<sup>7</sup> Risk Assessment framework used by our company in the corporate risk management approach and the TCFD initiative, which is the most advanced guide for the evaluation of climate change risks, as a guide in this process. We classified the climate change impacts of the trends we evaluated as impacts on the main risks of physical risks (acute and chronic) and transition (legal regulations, market, technology and reputation), as indicated by the TCFD initiative. Finally, we made preparations for how our company should interpret all kinds of effects created by trends in terms of harmony and creating opportunities.

As our mega-trend analysis study, which we have detailed in our report, shows, as Aras Kargo, we continue to follow new trends with our 42 years of experience and aim to increase our positive impact on these trends day by day. In order to carry our world to a livable future, we plan and implement our activities in line with Sustainable Development Goals (SDGs) with our responsibility and awareness in the sector.



As another indicator of our understanding of sustainability, we signed the United Nations Global Compact in 2021. With our signature on this call for global action, we

are committed to developing our understanding of sustainability and responsibilities within the framework of the 10 Principles of UN Global Compact. With our participation in UN Global Compact, the world's only corporate sustainability platform, we have taken our place among the working groups established in our country.

<sup>7</sup> COSO is a risk management framework that is applied in the determination of the company strategy and throughout the organization, designed to determine the events that have the potential to affect the organization and to manage the risk within the framework of risk appetite, and provides reasonable assurance for the organization to achieve its goals.

## Mega Trend 1



### Climate Crisis:

Climate change is becoming a global threat that enables to feel its impact increasingly day by day. The biggest share in the definition of climate change as a crisis belongs to industrialization, rapid population growth and unconscious consumption within the framework of human-oriented activities, and as a result, environmental changes such as degradation in the ecosystem, drought, flood and desertification outcomes are exacerbated. With the Paris Climate Agreement, many national targets and criteria have been set for climate change, which also has regulatory effects at the international level. In this context, while the European Union announced its net carbon zero target in 2050, it changed its way of doing business with legal regulations such as EU Taxonomy and Green Reconciliation. Turkey, as one of the parties of the Paris Climate Agreement, announced the net carbon zero target for 2053.



### Sectoral Impact:

It is observed that the significant effects of the climate crisis on the cargo sector reveal new transportation technologies and the availability of energy resources within the scope of conventional transportation is questioned. Especially within the scope of green and efficient transportation, it is possible to talk about the effects such as the transformation of fleets, the more efficient use of existing fleets with road optimization systems, energy efficiency in the buildings of companies with large impact areas and the initiation of transformation on the value chain with the use of renewable energy. At the same time, in the event of sudden seasonal and natural events such as floods, hail and fire that may threaten the logistics network in the sector, it is expected that the sector will take the necessary measures to continue its activities effectively.

### Effect on Aras Kargo:



As Aras Kargo, we anticipate the possible effects of the climate crisis on our sector and work meticulously in this context. In order to combat climate change, we measure our carbon footprint and in this direction, we aim to increase energy efficiency in our buildings and fleet, plan to use renewable energy and try to make our existing operation models suitable for combating the climate crisis. Along with seeing the climate crisis as a risk, we plan our operational changes both in our buildings and in our fleet in order to turn it into an opportunity in our operation. From the adoption of green and efficient transportation to keeping the awareness of the climate crisis at the highest level, we are preparing for the possible effects of this megatrend.

You can find details about our activities related to this trend on the **Route: Zero Carbon** section on page 67.

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## Mega Trend 2



### Legal Regulations:

The European Union has adopted various steps and policies regarding the importance of international action on combating climate change. In this context, the EU Green Reconciliation, which draws a broad framework of environmental, economic, social, sectoral and energy effects, is one of the most important steps that lead to the start of an unprecedented process with the aim of strengthening and expanding climate policy. The European Union, which aims to be a carbon neutral continent by 2050, envisages a 55% reduction in carbon emissions in 2030. The EU Taxonomy supports the objectives of the EU Green Reconciliation and plays an important role in achieving these objectives. In fact, the EU Taxonomy, which is important by offering a green classification standard to investments related to climate and environment, also reshapes the sustainability strategies of all countries with commercial relations with the EU and accordingly companies.

Turkey, one of the signatories of the Paris Climate Agreement, has also made sustainability-based evaluations recently. Our country has determined the net zero carbon target year as 2053. In addition, steps have been taken in many areas, from legal regulations on energy efficiency to the Zero Waste Regulation.

### Sectoral Impact:



Although there is no direct legal regulation for the cargo sector, the EU Green Reconciliation and Taxonomy, which are also included in the definition of legal regulations, have an impact on the sector. Due to the nature of the sector in which we operate, the speed of the developments and changes mentioned is increasing day by day. This dynamic process is seen as an opportunity for companies that integrate the sustainability strategy into the corporate structure and take the necessary carbon-reducing actions to strengthen their competitive positions.

There are many actions within the scope of fleet-based change and energy efficiency applications in buildings to measure existing emission in line with our targets. At the same time, all these regulations affect the reporting mechanisms of companies. In addition to financial data, it is necessary to calculate the effects of the energy consumption, the characteristics of the vehicles in the fleet portfolio and the fuel consumption on the non-financial statements.

### Effect on Aras Kargo:



As Aras Kargo, we undertake to fulfill our obligations to comply with relevant global and sectoral legal regulations in order to provide our operations continuously during our services and activities. In this direction, comprehensive evaluations are made by our risk management teams with a multidimensional perspective. Today, regarding to our story, which continues under the stakeholder of the Austrian Post Office, we are working especially within the scope of compliance with the legal regulations in the EU. As of 2021, we collect and report the relevant data in accordance with the EU Taxonomy. In this context, the reflections of possible new legislation and compliance laws or processes such as carbon tax, carbon trading system, which are likely to be put into effect in our country in accordance with Turkey's 2053 net carbon zero target, are kept on our company's agenda. As Aras Kargo, we are working with all our strength to be a pioneer of this process as well as being a part of the change with our carbon reset steps and efficiency studies to reduce carbon emissions.

You can find details about our activities related to this trend on the Route: Zero Carbon section on page 67.

#sustainabilityroute



## Mega Trend 3



### Digitalization and Technological Developments:

Many technological developments such as robotic technologies, artificial intelligence and virtual reality, digitalization of processes are spreading rapidly. With the accelerating effect of the COVID-19 pandemic, digital transformation fundamentally changes business conduct and processes. With the new technologies that are emerging day by day, capabilities such as providing faster service, offering applications that perfect and personalize the customer experience are seen as distinctive features for companies in a competitive business environment. At the same time, climate technologies have also come to the fore recently. The transition to emission-reducing technologies and investments in this field are increasing day by day. In addition to this perspective, companies also have important responsibilities within the scope of data security and protection of personal data with digital transformation. Within the scope of digitalization, a careful and proactive approach will shape the future of the business world as well as enable companies to respond to the needs and demands of stakeholders.

### Sectoral Impact:



Digitalization and recent technological developments have a key role for the entire value chain, especially in the cargo sector, where the workflow is dynamic. It is seen that all processes from the receipt of the cargo to its delivery are transferred to digital media. At the same time, cargo companies have accelerated their efforts to provide fast and digital services in order to meet the rising expectations of consumers with the rising trend in e-commerce. Digital tracking of cargo receiving and sending processes, autonomous processes in transfer centers and vehicle tracking systems are among the developments that stand out in order to keep up with the fast and digital service expectation in the sector.

At the same time, there is an important responsibility on the sector regarding data security and protection of personal data.

### Effect on Aras Kargo:



As Aras Kargo, we take steps that bear the traces of digital transformation in many areas from our own internal processes to our products and services. Aras Kargo closely follows current technological developments and constantly updates its systems in order to provide the best service to its customers.

As we carry out our activities faster by moving our data tracking systems to online platforms, we provide a safer service with our processes that we have developed in accordance with ISO/IEC 27001 standard by the Information Security Management System (ISMS) Policy. In order to provide instant and fast service to our customers, we increased customer satisfaction with call management, grievance mechanism, recipient interaction, mobile application and website development projects in 2021 within the scope of our focus on Excellence in Customer Experience.

We aim to integrate the e-commerce model with the service we offer in order to diversify the services we provide to our customers. In this context, the Aras Burası Esnaf and Aras Burası Dolap services we have implemented with the Aras Burası delivery model are among the steps we take to keep up with technological developments.

You can find details about our activities related to this trend on the **Route: Unique Customer Experience** section on page 51.

#sustainabilityroute

## Mega Trend 4



### Changing Customer Expectation:

Today, consumers are increasingly curious about the social and environmental effects of the products they buy and change their consumption habits accordingly. Their perspectives on the ways in which the products reach them as well as the products they buy develop in this direction. Consumers prefer sustainable products, services and logistics solutions to reduce the negative effects of the service they receive on the environment and the future. The reuse of products, increasing the repair and the rate of recycling capacity, and the sustainability of the components and qualities of the products also shape customer demand. As in all over the world, it is seen that customer expectation has evolved in this direction with the increase in awareness of climate change in Turkey. According to the results of the "Climate Change Perception Survey in Turkey" conducted by the Yuvam Dünya Derneği and KONDA Research and Consultancy in 2021, it was stated that there is a widespread awareness in three-quarters of the society that climate change affects weather events and nature. In addition to sustainability and climate change sensitivity, especially personalized, fast and safe experiences are considered as one of the most important expectations of customers.

### Sectoral Impact:



The climate crisis, which is one of the most important topics of today's world, and the COVID-19 outbreak that started in 2020 have also brought additional responsibilities to the cargo sector.

The growth momentum in e-commerce also has the same effect on the sector. In addition to the indirect effect of growth in e-commerce, it is possible to say that the customer expectation created by the increase in climate change awareness shapes the sector. Studies are being carried out on many issues such as reducing emissions caused by e-commerce and online shopping, optimizing wastes caused by paper, cardboard and plastics used for packaging.

### Effect on Aras Kargo:



Nowadays, our customers, who are one of our key stakeholders, recently have increased their expectations about changes in purchasing habits and cargo service. As Aras Kargo, we manage and continuously improve customer satisfaction, which we always prioritize. In this context, we periodically organize customer satisfaction surveys and plan continuous improvement and development activities for our customers' expectations by receiving their feedback. In 2021, we conducted a customer experience research to examine the experience we provide to our customers in all its dimensions. In this context, we conducted a survey in order to determine the satisfaction and improvement areas in the interactions of our customers who ship individual cargo with us and to determine our action plans.

At the same time, we have made sustainable product and service range one of our material issues. In this direction, we are taking important steps in green transportation in the service network offered to our customers as well as our cargo bags that are formed by recyclable materials.

You can find details about our activities related to this trend on the **Route: Unique Customer Experience** section on page 51.

#sustainabilityroute



# Our Sustainability Strategy

As Aras Kargo, we carry out our work with passion and provide cargo service with an innovative understanding that keeps customer satisfaction at the highest level and always thinks about future generations. We define the process from the receipt of the cargo from the customer to its delivery to the customer as "the journey of the cargo". In this journey, we are moving forward with the understanding of being a company that benefits the society and the environment with all our stakeholders. At every point we reach, we take care to keep our service quality at the highest level and to use our resources in the most effective way in all our operations where we carry services such as our branches, transfer centers, headquarter, regional directorates, etc.

We integrate our understanding of economic, environmental and social-oriented sustainability, which we have created in line with the 2025 vision, into our 42 years of cargo experience. Within the framework of these three main topics, we have determined our performance indicators, goals and actions specific to each title by deepening our development journey with our work in 2021.

As Aras Kargo, we share our innovative solutions, digital services, and customer satisfaction practices under the economic focus area. Within the scope of environmental focus area, we provide information about our work in the field of efficient fuel consumption and encouraging the transition to green transportation, waste recycling and less material use efforts. Lastly, under the social focus area, the detailed information about providing our employees a working environment in which they can develop themselves in prosperity, prioritizing employee and operational safety, and our work in the field of social development have been shared.

In line with our **economically-oriented** strategic goals, we always prioritize providing faster, more efficient and responsible service to our customers and providing operational excellence with innovative and sustainable solutions.

In line with our **environmental-oriented** strategic goals, we continue to work with all our strength to combat climate change and minimize our carbon footprint both location-based and fleet-based with our energy efficiency and clean fleet projects with environmental awareness.

In line with our **social-oriented** strategic goals, we adopt an employee ecosystem approach where employee rights are respected and employee loyalty is high by creating an ethical, egalitarian and safe work environment that values its employees.



We are on our sustainability route with our mission to provide cargo services that benefit the society and the environment that we base our business on. With this perspective, we reflect our economically oriented approach under the headings of "Route: Unique Customer Experience", our environmentally oriented approach under the headings of "Route: Zero Carbon", and our socially oriented approach under the headings of "Route: Developing Business Environment and Society".

With our sustainability strategy based on three focus areas, we bring together rational solutions and services with our customers in order to maintain our targeted operational performance at the highest level. Within the scope of the sustainability-oriented themes mentioned, we shed light on the present day through our material issues that we have decided with all our stakeholders. In this direction, as we have determined our performance indicators, we are also starting to follow the measurable targets we have determined within the scope of the target year 2025.

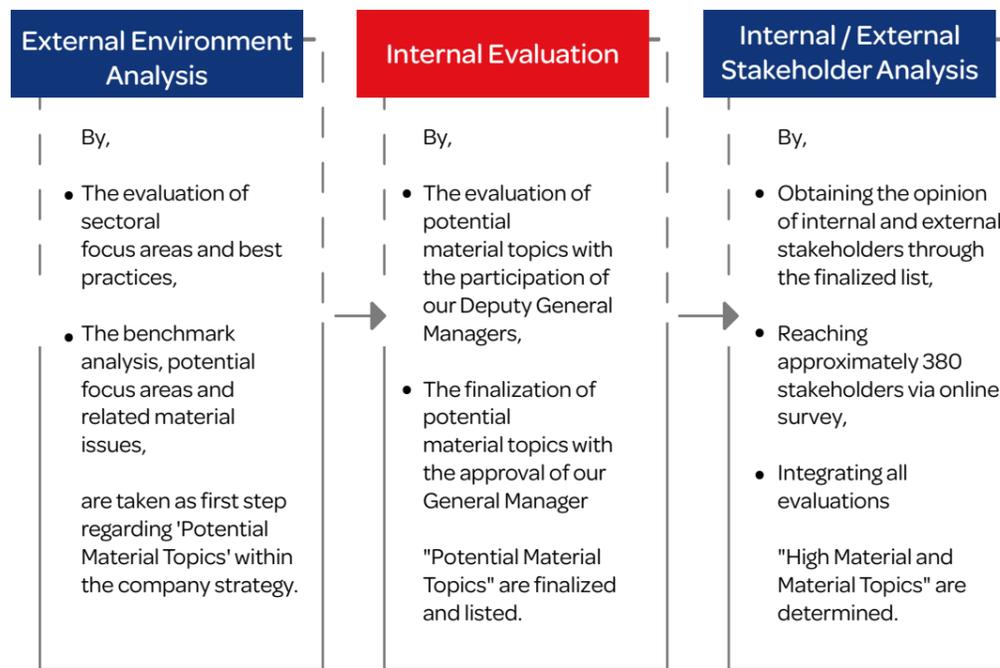
#sustainabilityroute



# Our Material Topics

Our materiality analysis, which we carry out with the participation of all our key stakeholders, determines the topics that we will focus on in the short, medium and long term. At the same time, we make a contribution to meet the expectations of our stakeholders in our ecosystem with our strategy

that we have created as a result of the outputs of our materiality analysis. The results of this materiality analysis guide the formation of our sustainability principles and the shaping of our first sustainability report that we share today.



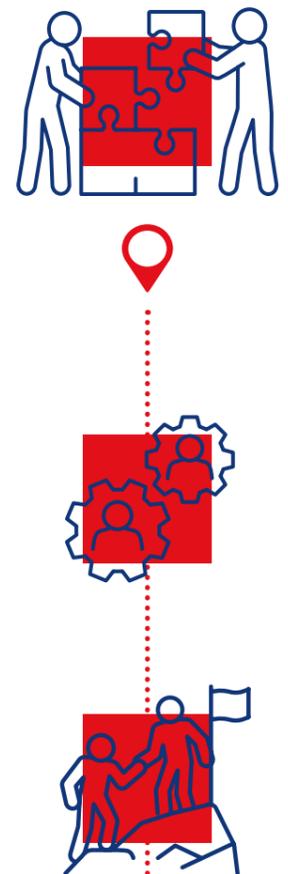
Within the scope of our materiality analysis, we carried out a detailed and widely participated study. In this process, we took the first step with the meetings that we evaluated the best practices, activities and prioritized areas in the field of sustainability in our sector with our consultants who support us in the field of

sustainability, Aras Kargo Senior Management and Sustainability Committee. With our external environmental analysis, we analyzed how our company is affected by global and sectoral mega trends and what kinds of outputs have positive effects on stakeholders.

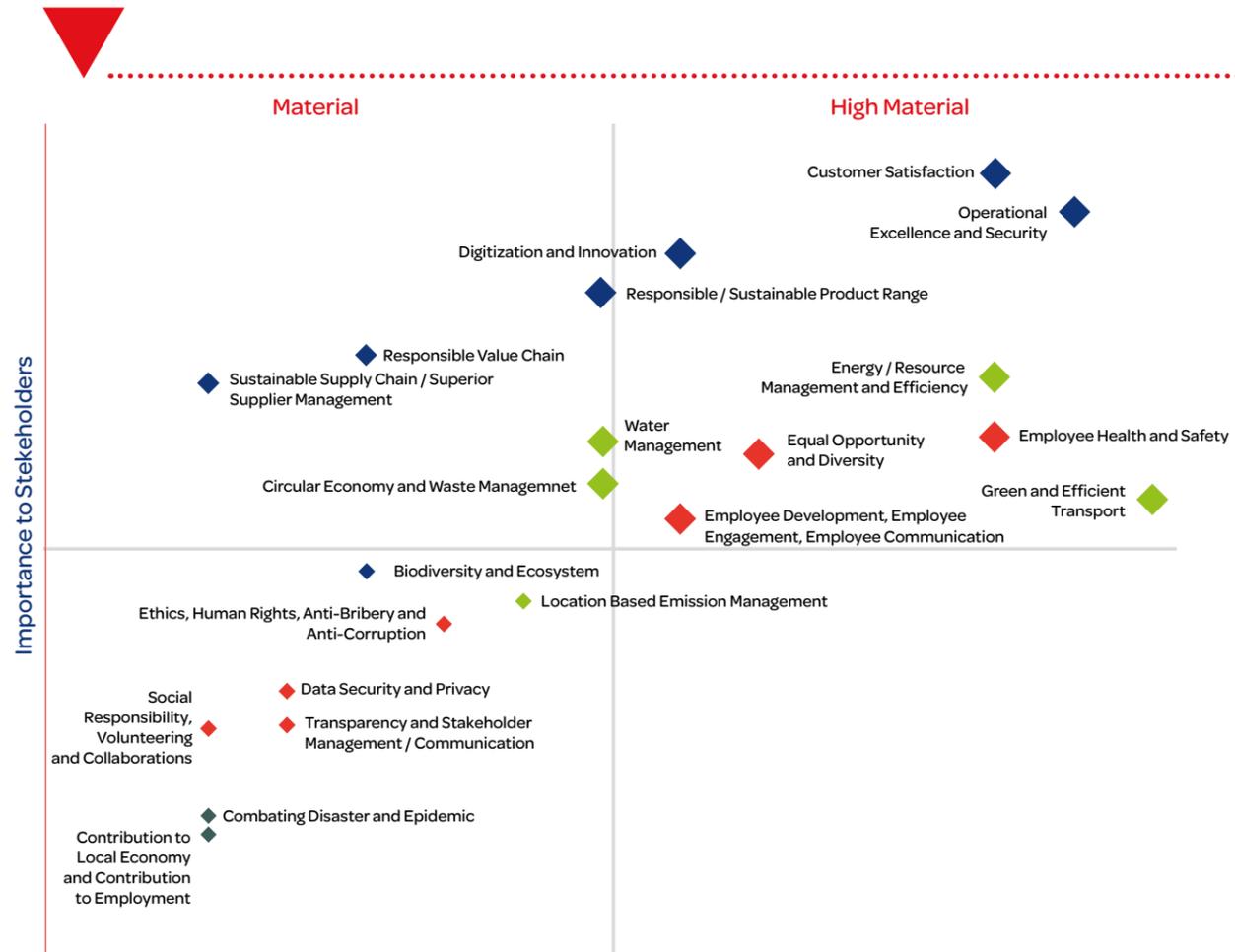
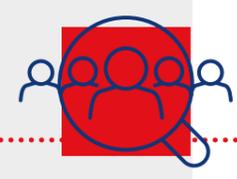
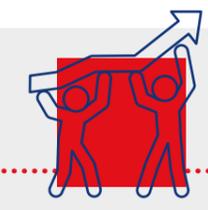
After our evaluations, we identified sustainability themes and potential material topics that include 3 main economic, environmental and social focus points. As the second step, we evaluated the material topics with the sustainability working groups formed by different departments through the workshops organized. We finalized the list of material topics of Aras Kargo by taking the opinion of our General Manager Utku Ayyarkin and our Deputy General Managers.

We received direct contributions from our Deputy General Managers who closely followed the analysis process carried out. In the third step, we finalized our analysis of material topics by taking the opinions of our internal and external stakeholders on our potential material issues. We requested our external stakeholders consisting of our corporate customers, non-governmental organizations, suppliers, universities we cooperate with, trade unions, subcontractors and internal stakeholders consisting of our employees and agencies to rank their material topics through an online survey.

**We would like to state that we are in constant communication with our stakeholders throughout the year. In addition to their contributions to this special analysis, details about the tools we use and how often we communicate with them during the year and how we respond to stakeholder expectations are included in our "Stakeholder Communication" table in the Annex section on page 104.**



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Aras Kargo Strategy and Importance to Management

As it has been mentioned, while determining our material topics, which based on our sustainability strategy, we benefited from external environmental analysis and the ideas of our internal and external stakeholders; we worked with our senior management and consultants. Within the scope of the analysis, we identified 11 high material topics under economic, environmental and social focus areas. In addition to these 11 topics, we anticipate 10 material topics that we see as a materiality for some of our key stakeholders and believe we should focus on in the future, although it does not result in a high materiality. We have mapped our material topics

by matching them with the relevant focus areas in accordance with this understanding and as high materiality and materiality topics.

After the materiality analysis, we determined our performance indicators and targets around material topics in order to complete the strategic planning. In this process, we worked with the relevant department managers and our Deputy General Managers. At the end of our work, we received the approval of the General Manager and Senior Management Team regarding our performance indicators and 2025 vision goals.



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# Our 2025 Sustainability Route

#sustainabilityroute

The outputs and strategic understanding that has been created through our sustainability journey are stated in the table below.



## Economic

### Strategic Objective

We always prioritize providing our customers with faster, more efficient and responsible service and operational excellence with innovative and sustainable solutions.

Contributed Sustainable Development Goals



### Material Topics



- 1 Sustainable / Responsible Product Range
- 2 Customer Satisfaction
- 3 Operational Excellence and Security
- 4 Digitalization and Innovation
- 5 Responsible Value Chain
- 6 Sustainable Supply Chain / Superior Supplier Management

### Performance Measurement Indicators



- Customer Satisfaction Rate
- Timely Resolution Rate
- Corporate Customer Satisfaction Rate
- IT Customer Integration
- On-time Delivery Performance
- Direct Delivery Rate
- Damaged Cargo Rate
- Aras Burası Dolap + Aras Burası Delivery and Other Deliveries
- Number of Disposable Bags Saved During the Year
- EU Taxonomy
- Our Critical Suppliers to Have Minimum Sustainability Criteria

### Our 2025 Goals



- Within the framework of the focus on excellence in customer satisfaction, increasing the timely solution rate to 95% and keeping the customer satisfaction rate at 95% by 2025
- Under the scope of our digitalization and customer satisfaction studies, increasing our IT customer integration rate to 100% within our expanding customer range
- 11% improvement in our delivery performance on time day by day including expanding and differentiated distribution channels
- Quadruple our direct delivery rate within the scope of our operational excellence studies
- Increasing the number of deliveries within the scope of Aras Burası Esnaf, Aras Burası Dolap and other new services in order to provide new products and services to the customer at a rate of 20%
- Reducing the use of disposable bags in the year within the scope of our sustainable and responsible product range understanding by 50%
- Working with critical business partners that have a minimum sustainability rate of 25% within the scope of sustainability integration of our supply chain



# Our 2025 Sustainability Route

#sustainabilityroute

The outputs and strategic understanding that has been created through our sustainability journey are stated in the table below.

## Environmental

### Strategic Objective

We put a great effort to minimize our location and fleet-based carbon footprint with environmental and tackling with climate change awareness, by implementing energy efficiency and clean fleet projects.

#### Contributed Sustainable Development Goals



### Material Topics

- 1 Energy / Resource Management and Efficiency
- 2 Location Based Emission Management
- 3 Green and Efficient Transportation
- 4 Circular Economy and Waste Management
- 5 Water Management
- 6 Biodiversity and Ecosystem

### Performance Measurement Indicators

- Number of Electric Vehicles and Mopeds
- Fuel Consumption / Number of Deliveries
- Electricity Ratio Obtained from Renewable Energy Sources
- Number of Afforestation
- Photovoltaic Power Plant Installation
- Water Consumption / Number of Employees
- Sustainable Manufactured Paper Use
- Increasing the Waste Rate That Is Posted to Recycling
- One Way Pallet Use

### Our 2025 Goals

- Increasing the number of electric vehicles and mopeds in our green and efficient transportation projects
- Efficient fuel consumption with the support of our route optimization project
- Creating data collection infrastructure for km, fuel and vehicle information of the entire fleet
- Providing 51% of the electricity consumption in our buildings from renewable energy
- Planting trees as many as our number of employees every year
- Performing photovoltaic energy plant projects
- Reducing the water consumption per employee by 5%
- Bringing the share of sustainable produced paper consumption to 30% in total paper consumption
- Increasing the waste rate sent to recycling to 100%
- Increasing the rate of One Way Pallet use



# Our 2025 Sustainability Route

#sustainabilityroute

The outputs and strategic understanding that has been created through our sustainability journey are stated in the table below.



## Social

### Strategic Objective

We adopt an employee ecosystem understanding, where employee rights are respected and employee loyalty is high, by creating an ethical, egalitarian and safe work environment that values its employees.

#### Contributed Sustainable Development Goals



### Material Topics



- 1 Ethics, Human Rights, Anti-Bribery and Corruption
- 2 Equal Opportunity and Diversity
- 3 Employee Development, Employee Engagement, Employee Communication
- 4 Employee Health and Safety
- 5 Social Responsibility, Volunteering and Collaborations
- 6 Transparency and Stakeholder Management/Communication
- 7 Data Security and Privacy
- 8 Fighting Disaster and Pandemic
- 9 Contribution to Local Economy and Contribution to Employment

### Performance Measurement Indicators



- Lost Time Accident Frequency Rate
- Gender Balance in Employee Demographics
- Employee Engagement Score Tracking
- Training Period Per Employee
- Employee Turnover Rate
- Employee Communication Score

### Our 2025 Goals



- Reducing the lost time accident frequency rate by 5%
- Increasing the number of female employees in order to ensure the balance between women and men in employee demographics
- Increasing the employee loyalty rate to 85%
- Maintaining the level of average 10 hours training per employee at the same level during the year
- Reducing the employee turnover rate by 5%
- Improving the employee communication score



# Our Contribution to Sustainable Development Goals

From the first step in our sustainability journey, we have progressed by increasing our contribution to the United Nations Sustainable Development Goals (SDGs). In accordance with the dynamics of the sector we exist in our 42-year corporate story, we support the sustainable development of Turkey and determine our goals by aiming to increase our impact in this field. In this respect, our global guide was the "Sustainable Development Goals", which was created by the United Nations in 2015 and includes 17 goals. It has become our strategic objectives to produce and support projects that serve the purposes of increasing prosperity on a global scale, ensuring inclusive economic growth, eliminating inequalities in all senses, achieving the SDGs that bring together many goals such as the protection of the ecosystem and resources on the same platform, the transition to a low carbon economy, the tackling climate change, conscious production-consumption, gender equality and protecting our planet.



In this direction, we have studied the Sustainable Development Goals that we should focus on with our perspective on which areas and to what extent we can have a direct impact. As a result of our studies, we determined that we contributed directly to 6 SDGs and indirectly to 4 SDGs, to a total of 10 SDGs.

6 SDGs directly

4 SDGs indirectly

With our operations and the economic value we create, we contribute directly to SDG 8: Decent Work and Economic Growth; SDG 9: Industry, Innovation and Infrastructure with the support we provide to digitalization and technological business models; SDG 12: Responsible Consumption and Production within the scope of our goal of reducing our waste and reducing disposable bags; SDG 13: Climate Action with our green transportation and energy efficiency targets.

# Our Sustainable Governance Model



## Our Corporate Governance Approach

As the leading cargo company of our country, our goal is to put Aras Kargo in a better position in every field and to make its reputation even stronger. In this context, our corporate governance structure contributes to this goal by working effectively, efficiently and transparently.

Our strategic management office, consisting of our General Manager, CEO and CFO, working under our Board of Directors in our corporate governance model, constitutes a strategic decision-making platform. In accordance with the operations and structure of Aras Kargo, our 6 Deputy General Managers, Internal Audit Head and Chief Legal Counsel are in charge depending on our strategic management office.

Our corporate governance model is supported by existing integrated management system policies and procedures. In this context, we work with all our strength to achieve our corporate goals within the framework of quality, environment, occupational health and safety, customer satisfaction and information security management systems.

- With our understanding of quality in our Integrated Management System Policy, we constantly improve our performance by evaluating risks and opportunities in our operation processes. In this direction, we support continuous development with the use of technology, education and creativity in the relevant processes and aim to maintain our competitive power with the effective and efficient use of resources.
- With our understanding of occupational health and safety in our Integrated Management System Policy, we constantly follow safe and healthy working conditions in all our workplaces in accordance with legislation and obligations. By adopting that occupational health and safety awareness is one of our most important responsibilities on behalf of all our employees, we aim to prevent possible accidents and injuries in our operational activities and to ensure the effective participation of our employees in this process. In addition, we undertake to identify and eliminate the potential effects that may arise from hazard elements and important environmental dimensions, as far as possible.

With our understanding of environment management in our Integrated Management System Policy, we fully comply with the legislative requirements and work to increase environmental awareness with the participation of all our stakeholders. In line with our operational activities, we carry out our processes to prevent environmental pollution by taking into account the direct or indirect environmental effects of our company. In this direction, we aim to use our resources in the most effective and efficient way.

With our understanding of customer satisfaction in our Integrated Management System Policy, we develop open and customer-oriented communication processes to understand customer expectations and take steps towards these expectations. In this direction, we act with the importance of being accessible through all communication channels for the satisfaction of each customer and our stakeholders. We adhere to the principles of transparency and confidentiality in the relevant grievance processes and ensure that the issue is handled and resolved objectively and impartially. We integrate our vision of being a company that continuously improves with the experience gained from customer feedback processes into all our operational processes.

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In order to ensure that our actions are always flawless and exemplary, we consider the processes and criteria related to anti-bribery and corruption, ethics and employee behavior as important areas of our corporate governance model. The Code of Conduct and Ethics Booklet published by the Compliance Function within the Audit Presidency explains our understanding in detail to our employees and stakeholders. Likewise, we expect our business partners to act in accordance with the principles set out in these rules. Within the scope of this booklet,

- Regarding customer service, transparency, communication, corruption, gifts and invitations, donations and sponsorships within the scope of relations with our customers,
- Within the scope of our activities, regarding economic efficiency, fair competition, procurement, accounting and reporting, cooperation with authorities and capital market,
- Within the scope of our employees, we provide information on openness and appreciation, equality of opportunity and diversity, health and safety, working conditions, prevention of conflicts of interest, handling of intellectual property and trade secrets, use of personal data and use of company

are highlighted as our understanding of governance.



The Code of Conduct and Ethics Booklet contains the rules necessary for all our employees to behave and make decisions in an ethical and legal manner. At the same time, these rules, which are based on international treaties and ethical standards, reflect our commitment to the United Nations Global Compact.



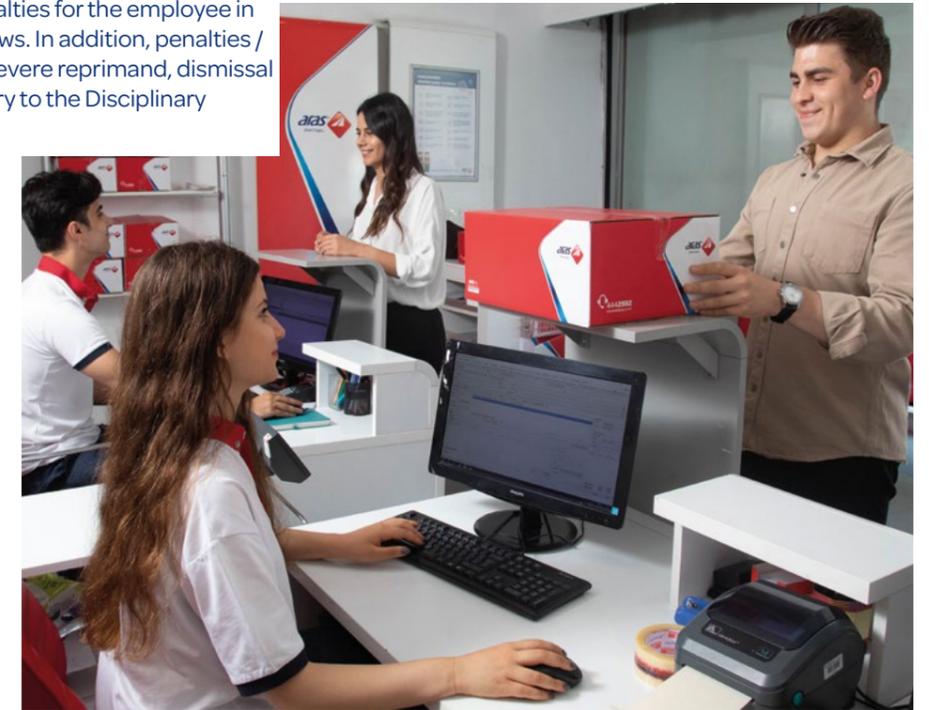
### Anti-Corruption and Anti-Bribery

One of the important areas of our transparent, reliable and effective corporate governance approach is the dealing with corruption and bribery. Our perspective of anti-corruption and anti-bribery is included in the Code of Conduct Booklet. In this context, as stated in the Booklet that we share with all our stakeholders, we do not tolerate corruption in any way, and we take our business decisions from an objective perspective that is only in the interest of Aras Kargo. When dealing with third parties, we do not, without exception, agree to offer, promise or provide, directly or indirectly, improper benefits. As we have determined our set of criteria within the scope of the our anti-corruption and anti-bribery, understanding, the notifications are also examined which are received through the Ethics Hotline. All of them are meticulously analyzed and finalized with the collaboration of our Internal Audit Unit. Detailed information from the definitions related to all these processes, which issues can be accepted or not; what should be done when such situations are encountered, to the benefits related to third parties is also included in our "Job Compliance" Policy. At the same time, trainings are organized in order to increase the awareness of our employees in this field and to ensure that they comply with the rules, and internal reminders are made every 3 months, especially within the scope of the Ethics Hotline.

### Ethics and Compliance

With the awareness that our employees form the basis of the success and quality of our business, our Code of Conduct and Ethics, which covers all our employees without exception, describes the ethical principles that apply to the behavior of Aras Kargo employees and provides a compliance framework. These considerations are also detailed in our "Business Compliance" Policy. Through the determined policy, it is emphasized that a violation of the provisions may also constitute a violation of the criminal law and therefore, it may lead to the application of sanctions or penalties for the employee in accordance with the criminal laws. In addition, penalties / sanctions such as reprimand, severe reprimand, dismissal are applied in behaviors contrary to the Disciplinary Regulation.

Our employees are trained and awareness studies are carried out in the fields of anti-corruption and anti-bribery, ethics and compliance, which form the basis of corporate governance. As Aras Kargo, awareness trainings including human rights, ethics and compliance issues are provided in addition to our own employees, especially for subcontractor employees within our organization. In this context, our detailed information report is included in the "Route: Developing Business Environment and Society" section on page 77.





### Our Sustainability Management Approach

As an indicator of our sustainability strategy that we have created with an economic, environmental and social focus, sustainability governance is also handled with a balanced and integrative approach within Aras Kargo. As in all processes, our Strategic Management Office plays a decision-making and follow-up role in our sustainability-

oriented activities. The Strategic Management Office, which is responsible for our processes within the scope of sustainability, closely follows the sustainability processes and leads in line with all determined strategic goals; they regularly review progress on our company's goals.



The second layer of sustainability governance is the Sustainability Committee. The sustainability committee established to support the strategic management office in sustainability processes consists of CFO, Deputy General Manager of Human Resources, Head of Internal Audit, Quality, Environment and OHS Manager, management reporting manager and sustainability team.



The sustainability committee has many responsibilities, from reviewing visions and objectives in material areas to developing complementary policies; from ensuring the coordination of business plans, work to be done and working groups in the field of sustainability to ensuring the prioritization and management of risks and opportunities identified within the scope of sustainability. The Committee also has tasks such as ensuring the preparation of annual sustainability reports, following national and international developments in sustainability issues, monitoring current sustainability performance and making recommendations. All tasks of the Sustainability committee are included in the Sustainability Governance Procedure. As stated in the procedure, the committee meets once every 2 weeks. Regarding the actions determined during the meeting, the committee members are informed by the Quality, Environment and OHS department after the meeting.

The last layer in our sustainability governance model is working groups consisting of related department members. The results of the studies of the working groups consisting of the participation of the relevant departments under the Sustainability Committee are evaluated in the monthly meetings held by the Sustainability Committee. The Sustainability Committee informs the strategic management office about the studies of the working groups in 3-month periods and when there are significant developments that will affect the processes followed.



# Route: Unique Customer Experience

#sustainabilityroute

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**Material Topics**

**Main Targets**

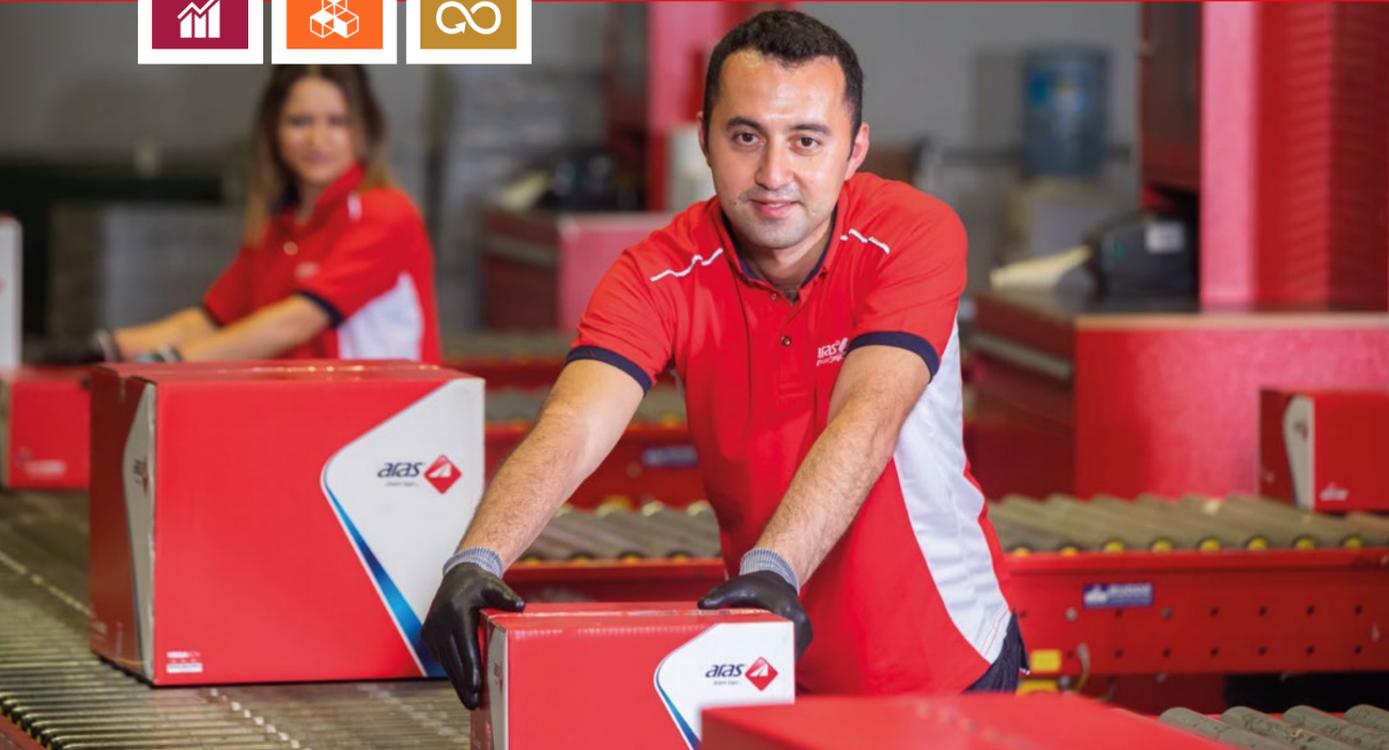
- Customer Satisfaction
- Operational Excellence and Security
- Digitalization and Innovation
- Sustainable and Responsible Product Range
- Sustainable Supply Chain / Superior Supplier Management
- Responsible Value Chain

- Keeping customer satisfaction always at the highest level
- Reaching all our customer with the common Aras Kargo vision and strategy
- Completion of efficient, effective and technology-dominated company transformation with digitalization and automation moves
- Supporting an efficient and innovative working model with the Aras Burası Dolap and Aras Burası Esnaf services that we have implemented within the scope of Aras Burası delivery model
- Expanding our sustainable and responsible service range by transporting cargo with reusable canvas sack instead of disposable tags in our recyclable and internal transfers

**8** DECENT WORK AND ECONOMIC GROWTH

**9** INDUSTRY INNOVATION AND INFRASTRUCTURE

**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



## Innovative and Sustainable Service Approach

As Turkey's leading and innovative cargo company, today we have a wide service network with a total of 28 transfer centers, more than 800 branches and agencies and a fleet of more than 6,300 vehicles. In addition to providing the safest, efficient and effective service to our customers with our existing products and services, we shape our business in accordance with today's technological developments, needs and expectations and improve our understanding of service.

With the effect of the COVID-19 pandemic, we are going through a period where shopping channels change, the responsibility of the cargo and logistics sectors increase and the effect of digital transformation and facilitation service understanding felt. We are aware that the digital transformation in our industry simplifies business processes while increasing productivity and capacity. For this reason, we define the transformation process for Aras Kargo as a transformation from an operation company to a technology company.

In this transformation process, we accept change as our compass and continue our investments that started before the pandemic, especially with the expectation of growth and digitalization in the e-commerce sector. We invest in our technology infrastructure in order to manage changing consumer habits and increasing business volume in the most accurate way. In this context, we carry out our technological investments under two headings: branches and transfer centers.

### Within the framework of investments for our branches;

- We started our **Uninterrupted Data Security** project by backing up our machines so that our business is not interrupted even in cases of natural disasters and earthquakes.
- With our Central **Data System** project, we collected customer data previously kept in branches in a single center and prevented erroneous data.
- With the **Self-Service application**, we pioneered our SMEs to step into the digital world.
- To manage the increased address and data operation, we have developed our map infrastructure and launched the **Route Optimization project**.

- We have invested in our handheld terminals to access the data instantly.
- We have developed our Self Service applications. We have renewed our voice response system and mobile application.

### Within the framework of investments for our transfer centers;

- In order to manage time and capacity better, **we have achieved a capacity increase of over 300 percent with our automation investments** in our 8 transfer centers, and we have become one of the most important players in the sector developing business with automation with a 3-fold increase in hourly processing capacity.
- In order to manage our increasing small package delivery volume better, we launched mi sorter machine investments that separated small packages in Istanbul, Izmir, Ankara, Bursa and Adana in 2020 and 2021.
- With the 2 mi-sorter investments we made in our İkitelli Transfer Center, we have increased our hourly processing capacity to level of 30 thousand. We increased our capacity to 20 thousand with the loop mi-sorter investment in our Boğaziçi Transfer Center. With our mi-sorter investments in two transfer centers near Anadolu where e-commerce warehouses are dense, we have reached an hourly processing capacity of 20 - 25 thousand in each of these centers.
- As Turkey's leading and innovative cargo company, we continue to do our part to minimize environmental risks. **We support a sustainable environment understanding with low energy consumption** as well as having a capacity of over 12 thousand hours in each of our new generation loop- sorter units that we are planning to implement through our operation in Boğaziçi and Marmara Transfer Centers in the upcoming period.
- In addition to Istanbul, we increased our hourly processing capacity to 25 thousand in Izmir, 20 thousand in Ankara and 10 thousand in Adana and Bursa with similar investments in our large cities where trade is intense.

In addition to our technological and digital transformation, we are also in the process of change and development in our service areas. We are working to diversify the delivery areas of end-consumer shipments and our next-generation delivery shipping points. In this context, we continue to grow our business on **Aras Burası Esnaf** and **Aras Burası Dolap** delivery points, which we have implemented within the scope of the Aras Burası delivery model that started in 2021. As of the end of 2021, we serve with more than 100 active **Aras Burası Dolap** locations and more than 1,000 **Aras Burası Esnaf**. In the future, we aim to reach 5,000 Aras Burası Esnaf delivery points with the new e-commerce platforms that we will integrate. At the same time, we focus on our growth plan to activate Aras Burası Esnaf delivery points in mobile areas. We continue our work with a business partner within the scope of our Dolap delivery points, and as of the second half of 2022, as Aras Kargo, we aim to offer our own locker cabinets for use in the field. We are working hard to add new ones to our e-commerce platform business partners that we work with within the scope of the Aras Burası delivery model. At the same time, in addition to the fact that our Aras Burası delivery points are shipment delivery areas, we are in the final stage in the tests we carry out to start the return acceptance from these delivery points. In second term of the 2022, we will also implement the return cargo acceptance service at our Aras Burası points.

In this area, we are creating new goals for ourselves both as an output of our sustainability efforts and as a part of our growth goals. Within the scope of our 2025 targets, we aim to complete our IT customer integration by 100% and to increase our share in the total delivery of Aras Burası Dolap and Aras Burası deliveries at a rate of 20%. Within the scope of our shorter-term goals, we aim to become a cargo company that supports e-export by implementing an integration modeling that will send products not only within Turkey but also abroad with all of the e-commerce companies that have reached a certain size starting from the second half of 2022.

The delivery points we have implemented within the scope of the Aras Burası delivery model, which started in 2021:



Aras Burası Esnaf



Aras Burası Dolap

As Aras Kargo, operational excellence is one of the areas that we prioritize while providing innovative and sustainable service. We are working meticulously for timely and undamaged delivery of the cargo and we are introducing many new projects to improve ourselves. In order to reduce the damage rate of the deliveries, we arrange damage compensation in monthly or 3-month periods. In this area, we work on units with a high damage compensation rate and carry out improvement trainings.

İşletmeniz  
Aras Burası ile  
teslimat noktası olsun,  
hem trafiğiniz artsın  
hem de geliriniz!



In addition, regarding the **Top Reading** project we have developed, we aim to reveal the journey of the cargo more clearly by reading the cargo in every transfer we make and to remove the process from the user initiative.



#sustainabilityroute

## Customer Experience and Satisfaction

The way companies, individuals, in other words, all stakeholders in the economic value chain have done business has changed in the face of extraordinary conditions created by the COVID-19 pandemic process, which the modern world has encountered for the first time in 2020. In this direction, lifestyles, purchasing habits and indirectly customer expectations have also been radically affected all over the world. This situation also has important repercussions on the cargo and transportation sector. In particular, the increase in the share of e-commerce in the current trade imposes an important responsibility on the cargo sector. The demand from our marketplace and e-commerce customers and the number

of packages requested to be carried have increased nearly three times the number in the first days and campaign periods of the pandemic in our country. In this direction, we continue to invest in improving our quality-oriented customer experience with increasing business volume.

As Aras Kargo, we serve many sectors in a wide range from e-commerce to retail, from automotive to telecommunications. We define our current customer base in 4 main groups. In addition, there is a standard and special service classification in domestic and international operations for the needs of these customers.

On the one hand, meeting the increasing customer demand in the most accurate way over the years and on the other hand, keeping customer satisfaction at the highest level are among our primary goals. In order to support the experience journey of our customers while walking towards this goal and to be the first preferred brand in the sector;

- Developing practices that promote the continuity of open communication,
- To be easily accessible from all channels in order to increase stakeholder satisfaction and service quality,
- To handle and resolve complaints objectively and impartially, adhering to the principles of transparency and confidentiality,
- To provide service at the targeted time by showing a customer-oriented approach,
- Being an organization that constantly improves itself and can account for itself with the experience gained from customer feedback and full support of management,
- In accordance with our ethical rules and core values, we are committed to meeting the requirements of standards related to our activities, applicable legal and other requirements and compliance obligations.

Alternative delivery models such as Aras Burası Dolap and Aras Burası Esnaf, real-time cargo tracking convenience and recipient flexibility projects play an important role in improving the customer experience. We continue our operational processes in the focus of developing customer experience and capacity with our digitalization, automation and route optimization investments as well as our existing services, details of which are mentioned in the "Products and Services" section.

When we look at the dynamics that constitute customer satisfaction under the umbrella of Aras Kargo; we see that the order of importance of our corporate and individual customers varies and we carry out our plans in this direction. The main issues that our corporate customers attach the most importance to are service competence, delivery performance and branch service performance and the topics that our individual customers attach the most importance to, similarly, the adequacy of information services in delivery and grievance mechanism performance which are evaluated and followed by our operation teams.

In order to strengthen the experiences of the different customer groups that we serve, we act with an appropriate perspective and understanding of doing business to each of them. In this context, we follow our customers' experience journey through 4 critical processes; emergence of need and company preference, cargo transfer process, cargo delivery process and post-delivery process. We follow the first two processes only in shipments and the last two processes within the framework of both senders and recipients.



Emergence of Need and Company Preference



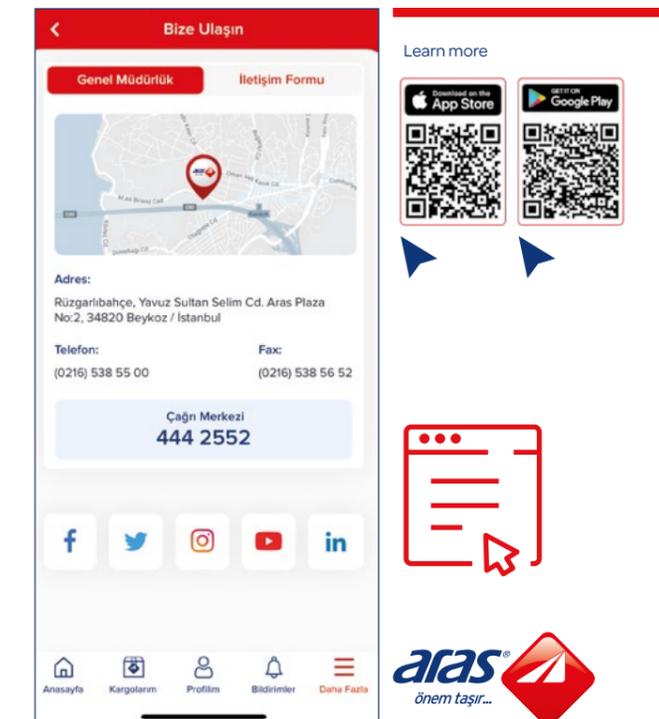
Cargo Transfer Process



Cargo Delivery Process



Post-Delivery Process



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### Individual Clients

Customers who receive cargo services individually by both shipping and receiving

### SMEs

Small and medium-sized enterprises operating predominantly in the field of retail trade

### Large Corporate Customers

Businesses included in the Fortune 500 list and also in the key customer definition for Aras Kargo

### E-Commerce Customers

Businesses that do e-commerce and businesses that provide marketplace services

In order to manage the COVID-19 pandemic and the process after it in the healthiest way and to ensure that our customers can reach us at any time, our call management processes have been developed from top to bottom and the capacity of our call center has been increased 2.5 times. While providing services to corporate and individual customers with special representatives, all feedback and complaint issues are handled within the framework of ISO 10002 Customer Satisfaction Standard and the management of the relevant process is followed accordingly.

We see the “Customer Satisfaction Surveys” conducted in line with our customer-oriented working approach as an integral part of the stakeholder feedback mechanism. In order to make customer satisfaction at a high level and sustainable and to carry out both a transparent and a stronger communication model, we conduct corporate customer representative satisfaction survey, inbound and outbound call representative satisfaction survey, satisfaction and recommendation surveys through mobile application, Aras Routing Platform (ARP) post-delivery service, courier and application evaluation surveys. **In line with our 2025 sustainability goals, we aim to keep the customer satisfaction rate at 95% within the framework of the focus on excellence in customer satisfaction.**

**%95 Corporate Customer Satisfaction in 2021**  
**%98 Individual Customer Satisfaction in 2021**

In addition to all these, we take action in accordance with the results of the “Customer Experience” research we have carried out in the past period. We observe both the loyalty indicators and the dimensions of experience of our customers through the **“Customer Experience”** research we conduct in order to examine the experience we provide to our customers in all dimensions and to measure the processes experienced by their customers within the scope of individual cargo shipment, their satisfaction with Aras Kargo in this context and to identify areas open to development.

These and similar researches continue in line with our 2025 sustainability goals. Within the scope of the research conducted, a total of 1,210 people were interviewed with four stakeholders ICE (52) - C2X (799) - Individual Buyer (417) - B2X (342)<sup>8</sup> through qualitative and quantitative methods, and depending on the results of the research, the projects were developed within the framework of **“Star Projects”**.

Aras Kargo, Turkey’s leading and innovative cargo company, has been awarded prizes on platforms where brands that best manage customer experience compete and customer experience is measured with the participation of brands from different sectors. We proudly share with our employees and stakeholders all the values that are common to our success journey, some of the awards that we are deemed worth winning every period.

## 2021 Awards

- Marketing Türkiye**  
The ONE Awards - the most prestigious brand in the cargo industry at the Integrated Marketing Awards
- Marketing Türkiye**  
A.L.F.A Awards - First prize in the cargo category
- Marketing Türkiye**  
First prize in the A.L.F.A Awards - Complaints Management Experience category

- Marketing Türkiye**  
ECHO Awards - First prize in the shipping category
- Adba Analytics**  
The Most Popular Brand of 2021

Within the scope of the A.L.F.A Awards, the relationship with the consumer of the brand at every stage of the process is evaluated with the headings such as pre-sale relationship development, post-sale customer continuity, not receiving complaints and returning to complaints, multi-channel access, customer-oriented technology use. In this direction, we are happy to be appreciated by our customers with the first prizes received on behalf of all Aras Kargo brand and the ideal of perfecting the customer experience.

Aras Kargo, which once again achieved a great success by being selected as the best cargo company of e-commerce within the scope of ECHO Awards, is considered to be the most frequently worked and highest working volume cargo company among e-commerce companies. We share the pride of being the winner of the year once again by reaching the first place in the cargo category in the competition organized with the title of “Best of E-Commerce”.

We have accelerated customer satisfaction with 3 main projects that support excellent customer experience: Feedback Management, Transition to New CRM Application, Development of Self Service Channels.

- 66% of our customers give feedback to get information, 15% to create a transaction request, 18% to submit a complaint, and 1% to express their satisfaction.
- 66% of customer feedback is from the telephone channel; 7% is from marketplace customer integration; 27% comes from other channels (website, mobile application, live support, social media, complaint web sites, BTK, e-mail, QR code).

- Our goal in feedback management is to be accessible and to provide fast solutions.
- In 2021, 90% improvement was achieved in the reachability target within the scope of the call management project. While advancing towards the goal of accessibility, it is aimed to increase the use of self-service channels in order to increase both customer satisfaction and productivity. ARP stop-by-stop tracking feature, voice response system improvements, chatbot project, mobile and website renewal projects stand out as innovations that support this purpose.
- In 2021, 18% improvement was achieved in the rapid resolution target within the scope of the grievance mechanism project. A personalized experience was created by multiplexing the texts for responding to the complaints received on the social media, and the speed of resolution was increased by establishing dedicated teams to manage the feedback received from the social media and complaint web sites. Best practices were rewarded by raising awareness on complaint and solution management by organizing company-wide competitions.
- In 2021, a new CRM system was introduced for customer relations. The screens of our representatives have been simplified, enabling them to open faster and healthier records. Screens of our branches have been simplified and control mechanisms have been established, enabling faster return to opened records.

### Engagement Indicators:

- General satisfaction
- Advice
- Rework
- Taking advantage
- Feeling lacking
- Ease of operation
- Value for money

### Experience Dimensions:

- Shipment
- Delivery
- Returns
- Indemnity
- Information services
- Branch
- Call center
- Website
- Mobile application
- Issue / Grievance Procedure
- Remuneration and Price Policy

<sup>8</sup> ICE: It refers to a qualitative model to examine the whole process experienced by the customer in detail and to determine the necessary points and actions needed. C2X: It refers the companies that have sent a cargo from Aras Kargo in the last month and the decision makers about choosing a cargo company. Individual Recipient: It refers to individual customers who have received delivery from Aras Kargo in the last month. B2X: It refers to individual cargo sender.

## Responsible Supply Chain

In Aras Kargo, the sustainable continuity of the operation and its integration into the entire value chain are of great importance for service processes. All our solutions and business partners, especially subcontractors, service providers, agencies and representatives in our operations, are called "suppliers". All our solution partners are seen as an important part of the value chain and while developing our sustainability route, the supply chain is also considered as a part of this development. In this direction, the sustainable development of each of our business partners is closely monitored.

In the selection of suppliers, the document "Code of Conduct for Suppliers", which is included in the online supplier portal with which we have access with the Austrian Post Office and includes a summary of the rules that all our business partners must comply with, is taken as a guide. In this context, environmental and social company standards such as human dignity, compliance with legal regulations, equal opportunities and diversity,

prohibition of child labor, prohibition of forced labor, working conditions, freedom of association and assembly, occupational health and safety, environmental protection, anti-corruption, gifts and invitations and avoidance of conflicts of interest have been determined and underlined. These rules apply to all our suppliers and there is no specific approach to supplier classes. As a signatory to the United Nations Global Compact, we closely monitor our existing business activities and take the necessary actions to combat all forms of corruption, including anti-corruption, anti-bribery, and anti-torture.

Aras Kargo states the right to terminate the contract and to terminate the business relations in all employment contracts based on the contract clauses made in cases where it detects the violation of the minimum legal and social standards or anti-corruption regulations specified within the framework of the code of conduct by the supplier.

| Within the Scope of Commercial Terms   | Within the Scope of Product and Service  | Within the Scope of the Sales Organization Presented                              | Within the Scope of Customer Services  | Within the Scope of the Current Certification Evaluation  |
|--|--|---|--|---|
| <ul style="list-style-type: none"> <li>Competitive Prices</li> <li>Competitiveness of Commercial Terms</li> <li>Compliance with Order Conditions</li> <li>Compliance with Delivery Conditions and On-Time Delivery</li> <li>Compliance with Invoicing Processes and Issuing Accurate Invoices</li> </ul> | <ul style="list-style-type: none"> <li>Product / Service Quality</li> <li>Product / Service Range</li> </ul> | <ul style="list-style-type: none"> <li>Confidence</li> <li>Flexibility</li> </ul> | <ul style="list-style-type: none"> <li>Ability to Solve Quality / Service Problems</li> <li>After Sales Service Quality</li> </ul> | <ul style="list-style-type: none"> <li>Management Systems Certifications (ISO 9001, ISO 10002, ISO 14001, ISO 27001 and ISO 45001) ) and Approach of Sustainability Topics</li> </ul> |



As we determine and share our supplier rules, we work within the framework of our sustainable and responsible supply chain targets with routine control processes. Monitoring and evaluation of the performance of our suppliers are among the important criteria for our understanding of the sustainable supply chain. In this context, the performance evaluation of our business partner is carried out every 6 months, 12 months or 24 months according to the determined risk category. Our supplier evaluation criteria, which we consider within the scope of this process, consist of 5 main and sub headings.

In addition to the Code Of Conduct for Suppliers, it is aimed to closely follow the supply chain within the framework of sustainability route with risk management and evaluation, supplier selection and evaluation processes, supplier audits, relevant trainings, and supplier communication activities. In this context, a survey was conducted in 2021 to evaluate the sustainability understandings and activities of our critical suppliers. In the light of the feedback received based on the evaluation results, development areas have been determined for our solution partners and comprehensive studies have been started in line with our 2025 sustainability goals.

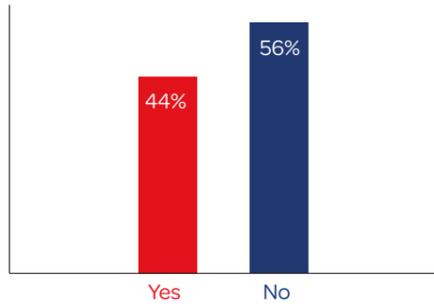
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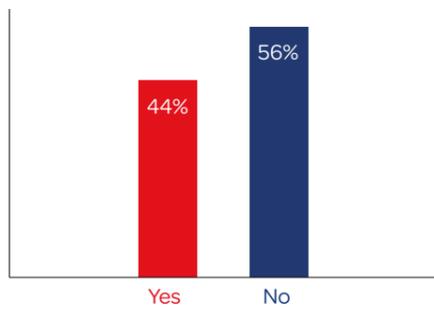
## The Questionnaire For Our Critical Suppliers;

In your company;

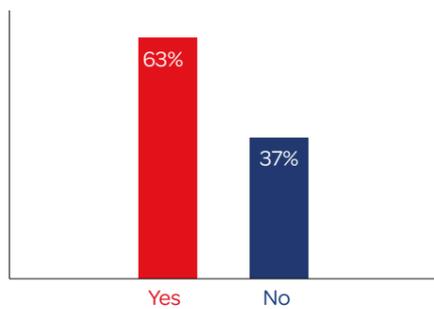
**1** Is there a manager responsible for social and environmental sustainability?



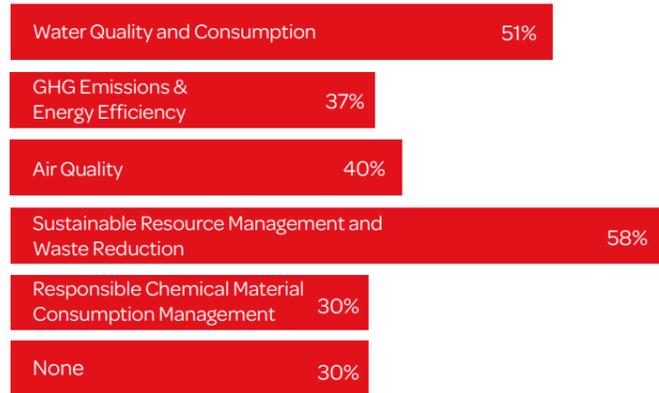
**2** Is there a health and safety management system for the workplace?



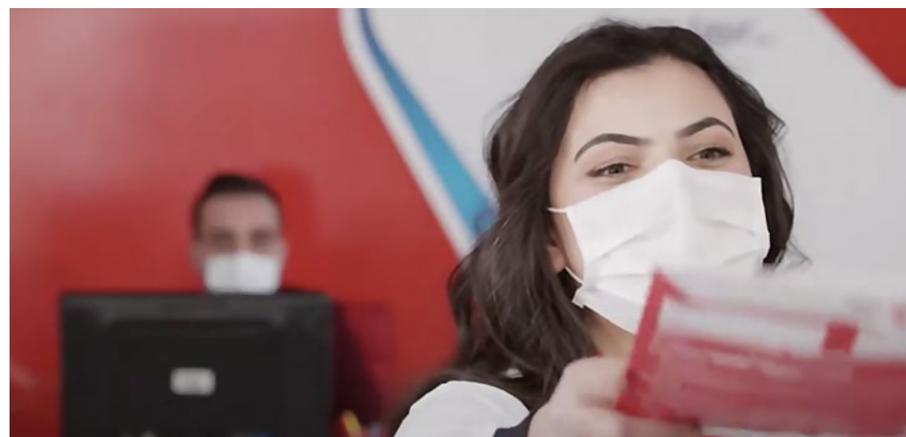
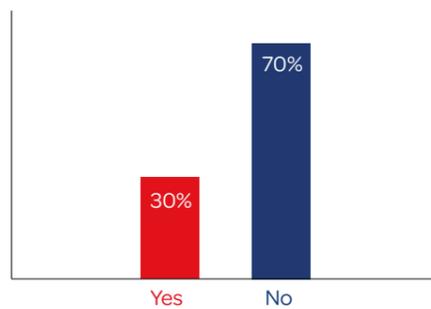
**3** Is there a formal policy covering business ethics?



**4** Is there an environmental policy that includes commitments to compliance, continuous measurement and continuous improvement on environmental performance?



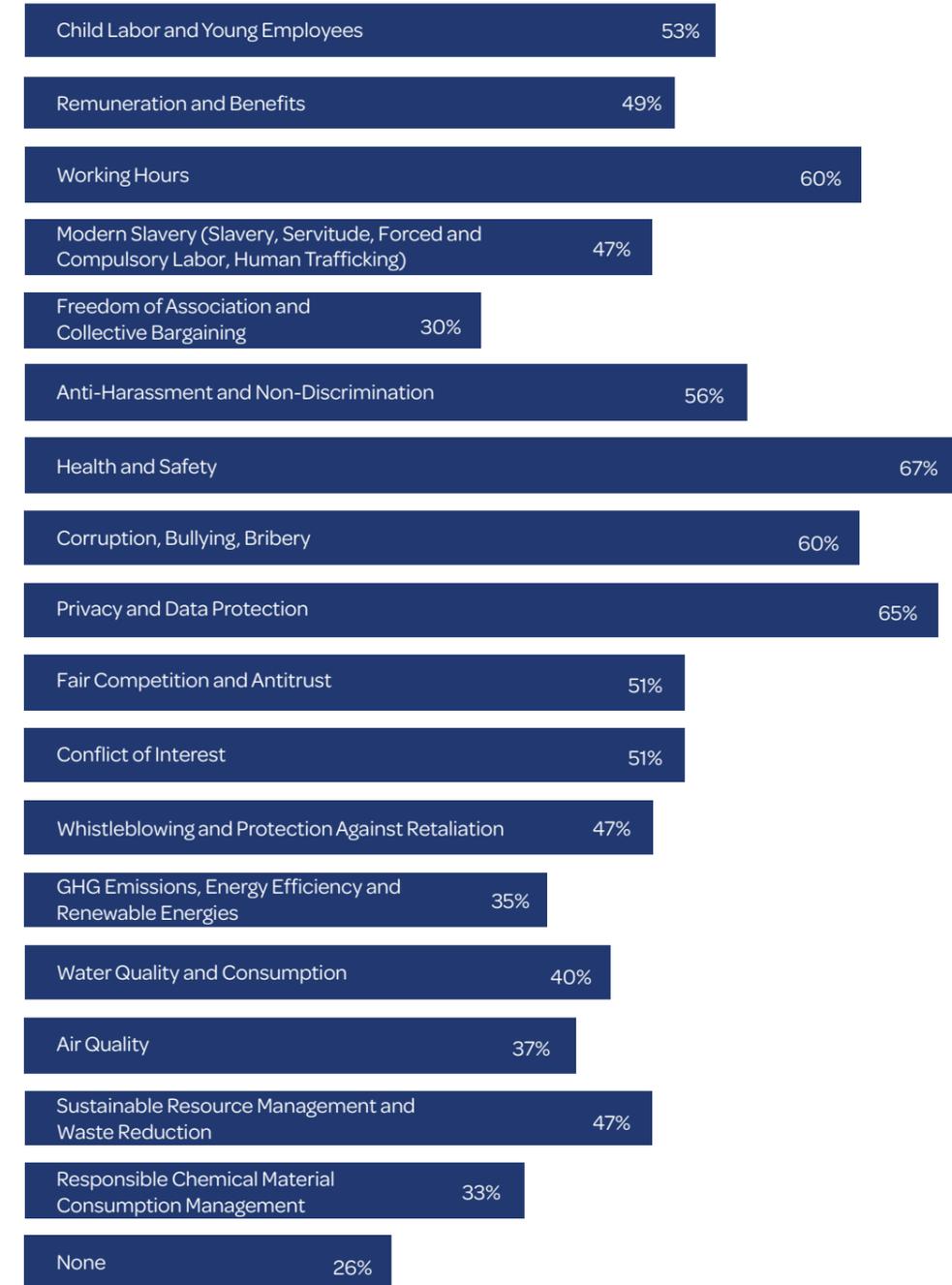
**5** Is there an environmental management system at the work site?



## The Questionnaire For Our Critical Suppliers;

In your company;

**6** Have "Sustainability Requirements" for suppliers been determined?



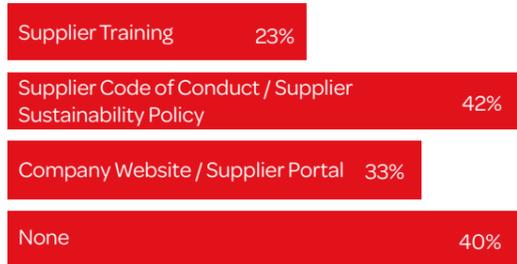
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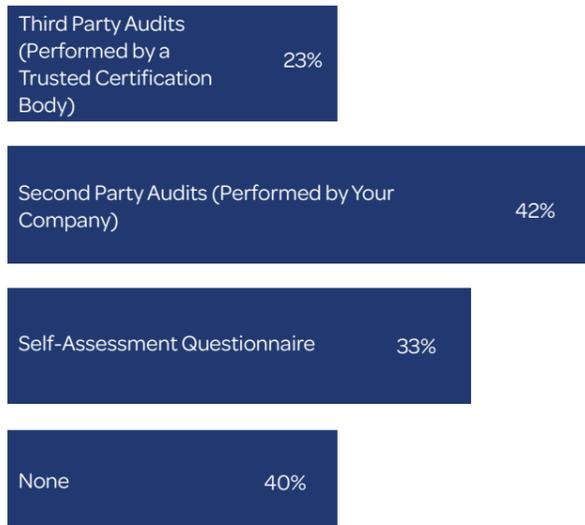
## The Questionnaire For Our Critical Suppliers;

In your company;

**7** What are the channels used to communicate their "Sustainability Requirements" to your suppliers?



**8** Are there processes for inspection purposes to see if suppliers are meeting your requirements?



## Aras Kargo Local Supplier Coverage

**98.6%** Local Supplier

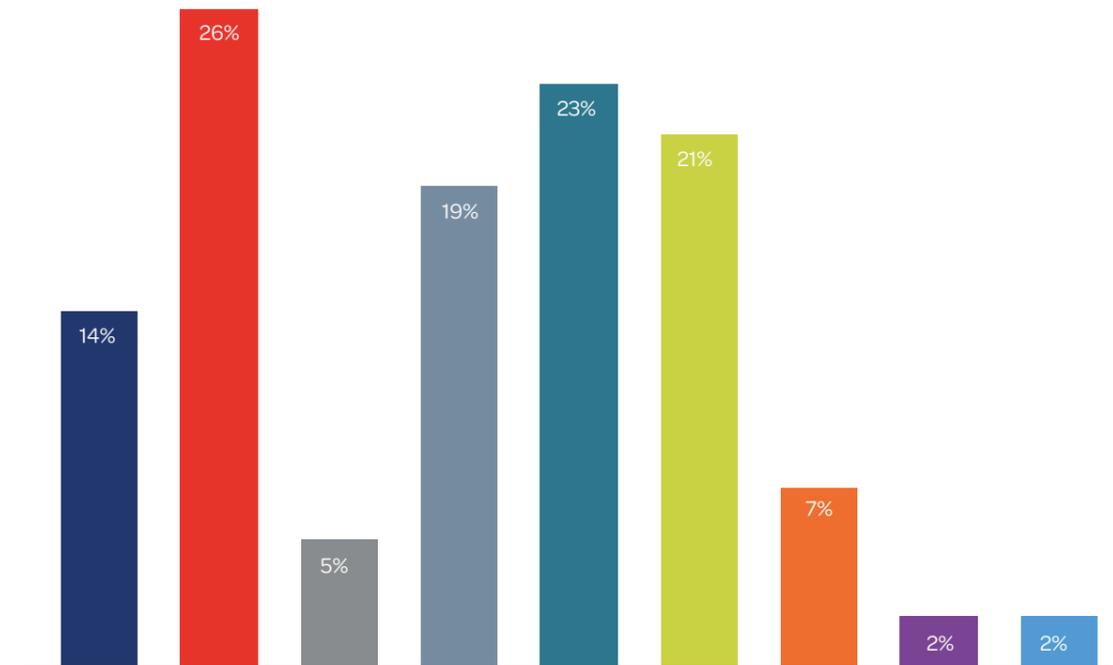
In Aras Kargo, diversification of suppliers and orientation towards local suppliers are adopted in order to manage the uninterrupted supply chain operation. With the awareness that we can support local development through our value chain, we mainly work with local suppliers in our service network scattered all over Turkey.

In light of this understanding, 205 of our 208 suppliers included in our 2021 approved supplier list are local suppliers.

## The Questionnaire For Our Critical Suppliers;

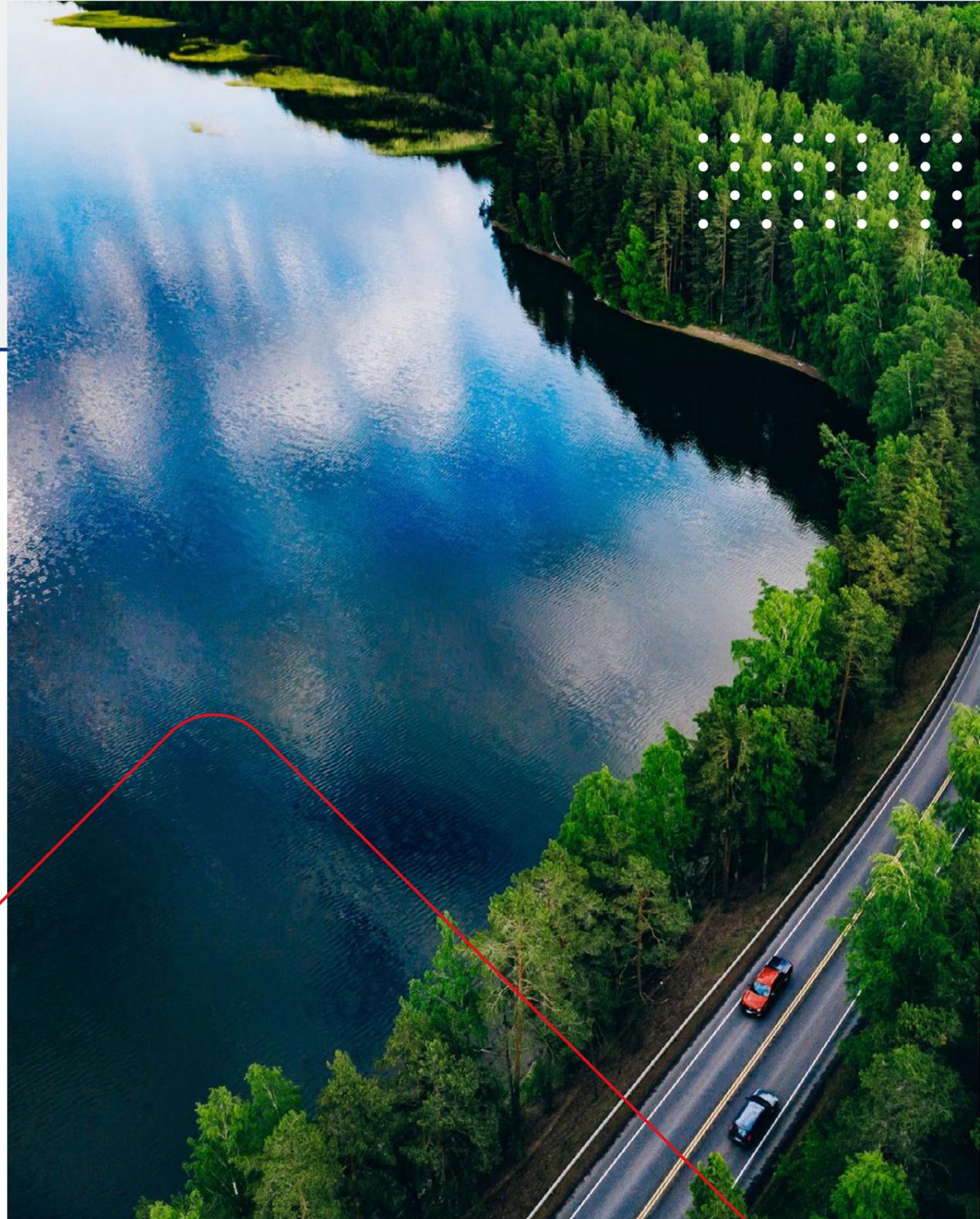
In your company;

**9** What are the additional integrated management systems and policies used?



- Sustainability Policy
- ISO 14001 Environmental Management System
- ISO 50001 Energy Management System
- ISO 27001 Information Security Management System
- ISO 45001 Occupational Health and Safety Management Systems
- ISO 9001 Quality Management System
- ISO 10002 Customer Satisfaction and Complaints Management System
- ISO 20000 Information Technology Service Management System
- ISO 22301 Business Continuity Management System

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# Route: Zero Carbon

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## Environmental Impact Management

As Aras Kargo, in line with our experience, we always manage our operations in a way that respects the environment and the rights of future generations. We are committed to reducing our environmental impact in cargo operation activities in line with our 2025 targets in the **"Route: Zero Carbon"** journey, where we focus on combating climate change and the sustainability journey.

The most efficient use of our natural resources, which are our only heritage, by adopting the task of leaving a more livable world to future generations, is our basic principle that we have acquired in all our studies. In this context, as a leading company in the sector, we believe that our innovative and sustainable service approach will carry our success even higher at every step of this journey. As a result of the strategic efforts we have carried out with all our stakeholders and Aras Kargo management team, we are conducting an environmental perspective in which we integrate "Energy, Resource Management and Efficiency", "Green and Efficient Transportation", "Water Management" and "Circular Economy and Waste Management", which are our environmental focus, into our business.

We have mapped our activities, which we carry out with the understanding of respect for our planet and the environment, with our **Environmental Policy**. In this respect, we integrate the material topics such as preventing environmental pollution, protecting the environment, efficient use of resources, protecting the ecosystem and biodiversity in all our operational activities and business practices.

In line with our sustainability goals, Headquarter and 7 Regional Directorates in Ankara, Batı Karadeniz, Boğaziçi, Bursa, Ege, Trakya and İstanbul Anadolu and 7 Transfer Centers in Ankara, Bursa, Boğaziçi, Ege, İkitelli, Marmara and Orhanlı have been certified with ISO 14001 Environmental Management System in order to minimize the impact we have left on the environment for years in our operational journey. **In this field, we aim to certify all our units in Turkey by the end of 2023.**

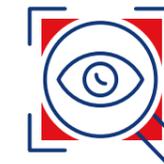


As the "Ten Principles" signatory of the **UN Global Compact** (United Nations Global Compact), one of the most valuable milestones in the sustainability route we

walk with firm steps, we undertake to take the "Environmental Principles" as a guide in all new projects that we will develop in order to achieve our zero carbon target.



**Principle 7: Businesses should support a precautionary approach to environmental challenges.**



**Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.**



**Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.**

While managing our environmental impact, we closely monitor and ensure compliance with the legal obligations followed in accordance with the Ministry of Environment, Urbanization and Climate Change in line with all the measures we take as well as achieving our company-based goals. In this context, we do not have any environmental penalties in the relevant reporting period.

In addition to all these efforts, we integrate our employees, our business practices and our understanding of respect for nature regarding to the "Nature Friendly Aras" platform we created with our volunteer employees in 2014 with the vision of protecting nature. In this direction, we care about the protection of the environment and natural resources and with the active participation of our employees, we cooperate in the field of coastal cleaning, seedling planting, carbon footprint projects and environmental applications that contribute to recycling through the "Nature Friendly Aras" platform.

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### Material Topics

- Green and Efficient Transportation
- Energy and Resource Management and Efficiency
- Water Management
- Circular Economy and Waste Management



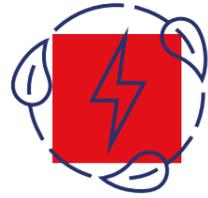
### Main Targets

- Increasing the number of electric vehicles
- Ensuring the transition to the use of renewable energy in our buildings
- Ensuring efficient and effective fuel use with the route optimization project
- Conducting feasibility studies in order to have our own renewable energy generation
- Switching to LED lighting in all Aras Kargo buildings and new building for energy efficiency
- Establishing an efficient data collection infrastructure regarding the distance traveled and the amount of fuel consumed for all our fleet vehicles
- Using recycled paper and recycling of used paper



## Energy Efficiency and Emission Reduction

As the leading cargo company in our sector, we act with the awareness that it is one of our most important responsibilities to minimize our environmental impact by using efficient energy and thus reducing emissions during our operations and in the buildings in which we operate. Being aware of the consequences of the climate crisis, we are working with all our strength to set an example not only for the sector but also for Turkey. We maintain the Aras Kargo brand and trust we have built together with all our stakeholders with many projects we have carried out within the scope of energy and resource efficiency and emission reduction.



### Energy / Resource Management and Efficiency

Considering that measuring and monitoring our environmental performance is the first and most important step, we have made significant progress in the last two years. We measure our energy and fuel consumption both in the headquarter, regional directorates, transfer centers, agencies and branches

we operate and in our entire vehicle fleet. We continue our efforts to transform our energy performance governance mechanism, which we started with manual measurement, into a more systematic way. With the IT infrastructure we have created and will start to use in 2022, we aim to measure our data more systematically through the monthly data collection platform in accordance with all our locations and related units. With this study, we plan to achieve the goal of creating and using the data collection infrastructure for all our operations, which is one of the targets we have set for our company within the scope of 2025.

As a result of our measurements covering all our locations and operations, the total energy consumption in our buildings in 2021 was calculated as 22,516.43 MWh and a 14% decrease was observed compared to the 2020 consumption. As an output of our optimization works within the scope of our fleet energy consumption, the total energy consumption of the fleet decreased from 284,295.16 MWh to 266,533.54 MWh between 2020 and 2021 and an energy saving of 6% was achieved. Detailed information about our fleet is included in the Green and Efficient Transport section. Another factor of the reduction in our 2020 and 2021 comparative energy data was our more systematic and accurate data collection in 2021. The data we estimated in 2020, the real data that was reached in 2021 and energy consumption for 2021 was reported in a more traceable and transparent dimension.

| Energy Consumption in Buildings       | 2020             | 2021             |
|---------------------------------------|------------------|------------------|
| Diesel (kWh)                          | 137,179          | 107,739          |
| Natural Gas (kWh)                     | 10,521,789       | 8,055,394        |
| Electricity (kWh)                     | 15,616,458       | 14,353,298       |
| <b>Total Energy Consumption (MWh)</b> | <b>26,275.42</b> | <b>22,516.43</b> |

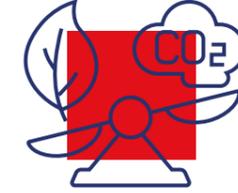
| Utility Consumption                   | 2020              | 2021              |
|---------------------------------------|-------------------|-------------------|
| Self Vehicle Consumption (kWh)        | 34,996,010        | 38,248,153        |
| Rental Vehicle Consumption (kWh)      | 249,299,155       | 228,285,392       |
| <b>Total Energy Consumption (MWh)</b> | <b>284,295.16</b> | <b>266,533.54</b> |

Regarding our 2025 targets, our 2025 targets, which we have set within the scope of our sustainability route, we are increasing our existing energy reduction efforts. Our first goal in the zero carbon route that we have created with our value-creating delivery perspective is to provide 51% of Aras Kargo's total electricity consumption from renewable sources by 2025 in order to start implementing renewable energy use in all locations. At the same time, it is aimed to provide 35% renewable energy by 2025 in our branch operation network spread throughout Turkey.

In order to obtain our own renewable energy, feasibility studies are carried out through Aras Kargo operation centers. In this context, in order to install photovoltaic energy plant, the feasibility studies regarding the project are carried out. With this project, which includes all self-owned buildings among our future plans, we are taking firm steps towards the goal of zero impact on the nature caused by electricity consumption..

Another goal of this journey, where we consider energy efficiency as a key point in the operation, is led lighting transformation in all Aras Kargo buildings and new buildings to be built. In line with the relevant project, the start was made and changes were planned in regional directorates, branches and agencies, especially in our headquarter building. With the led lighting transformation implemented, 206.980 kWh savings was achieved in the average electricity consumption of 2021 in 7 transfer centers in total. In this direction, revision studies are continued and at the same time, the current lighting intensity (Lux) values are regulated within the framework of personnel working norms.

While constructing today's efficiency, we attach importance to the supply of economical devices within the scope of purchasing activities in order to continue to progress with the same perspective in the future. In this respect, we evaluate the products to be purchased by giving priority to the A+ + criterion. In the air conditioning systems used for heating the operation areas, we proceed by minimizing the purchasing consumption values and choosing the appropriate heat value for the operation area.



### Emission Management and Reduction

Industrialization, urbanization and rapid population growth and fossil resources consumption also increase in direct proportion worldwide. Due to this increase, we, Aras Kargo, take action to prevent the significant increase in the amount of greenhouse gases in the atmosphere from threatening our future. By embracing the fact that there is only one planet to live on, we are moving in our zero carbon route. In this context, the main purpose of our energy efficiency practices is to reduce our carbon footprint resulting from activities and operational transportation in our buildings and to take the lead in the transition to low carbon economy.



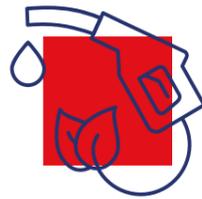
Like our energy consumption data, our carbon emission data is evaluated within the scope of measuring and monitoring our environmental performance. In order to manage our activities in the most accurate and efficient way, our emissions are accordingly measured and reported transparently. As a result of our activities in 2021, our carbon emissions have been calculated within the framework of Scope 1, Scope 2 and Scope 3.

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| Carbon Emissions* (tonnes CO <sub>2</sub> e)                           | 2020          | 2021          |
|--|---------------|---------------|
| Scope 1  | 11,000        | 11,336        |
| Scope 2  | 8,027         | 7,378         |
| Scope 3  | 63,562        | 58,275        |
| <b>Total Carbon Emission</b>   | <b>82,589</b> | <b>76,989</b> |
| <b>Carbon Emission Density (tonnes of CO<sub>2</sub>e/employee) **</b> | <b>1.26</b>   | <b>1.30</b>   |

\* Based on "Corporate Accounting and Reporting Standard of GHG Protocol" to guide the emission calculation process. Scope 3 Carbon Emissions includes the emission calculation of the rental vehicles used in the interconnection and outline transfer line and the rental vehicles used by the agencies and branches in the delivery. These vehicles only have diesel fuel.  
 \*\* Carbon Emission density has been reported in accordance with Scope 1 and Scope 2 emission calculations and average number of employees. It does not contain the Scope 3 data.

In addition to all these works, we donated seedlings on behalf of all our employees within the scope of the "Nature Friendly Aras Members Forest" project, details of which are mentioned in the "Our Partnerships Based on Social Responsibility and Volunteering" section. By our Nature Friendly Aras Members platform created within the institution to minimize carbon footprint in business processes, we have enabled 140 thousand seedlings to be planted by 2021. We show Aras Kargo's sensitivity to the environment by donating 48,000 seedlings in 2021.



### Green and Efficient Transportation

We are aware that our biggest task in combating the climate crisis is to carry out transportation, which has an important share in our operational activities, with efficient and clean resource use. In this context, we focus on green transportation in our sustainability route and continue to develop projects in this regard.

As it is known, today, climate change has become an issue that all humanity emphasizes, going beyond being a situation that only companies care about. In this context, it is an inevitable fact that customer perspective and demand are moving towards more sustainable delivery when climate change awareness is taken into consideration as well as internet shopping, which has gained rapid acceleration with the COVID-19 pandemic.

One of the most important issues for us on this road, which we set out with the 2025 sustainability vision, is to keep up with the efficient fuel consumption and green transportation transition process carried out all over the world, as well as the operational activities of Aras Kargo. **In 2021, we make this transition planning through our more than 6,300 owned and rental car fleet.**

We act with the awareness that one of the important steps to be taken to achieve our goals on this journey with zero carbon route is to increase the preference for electric vehicles by moving away from the use of fossil fuels as much as possible in a way that is worthy of value-generating delivery. In today's Turkey conjuncture, we carry out our planning by being aware of the difficulties in this process due to the limited infrastructure for the use of electric vehicles and the restriction of the access of electric vehicles with capacity suitable for the cargo sector at a certain point. The most important issue addressed in infrastructure evaluations in our country is that charging stations do not show parallelism with the increase in the number of electric vehicles. In this respect, the fact that the market in Turkey is very new and open to development coincides with our goal to carry out sectoral pioneering activities as Aras Kargo.



We increase our awareness as a company in line with our green and efficient transportation goal in this challenging transformation process for our country. In 2014, we established Turkey's largest **100% electric commercial vehicle fleet** and started to renew our existing vehicles. In this direction, our first goal is to increase the number of 35 electric vehicles in 2021. On the other hand, we see converting all our motorcycles into electric mopeds as an important step in the green transportation transformation process. In addition, we continue our efforts to increase the number of electric forklifts we use in operational activities as of 2021. **In this context, we aim to improve the route zero carbon motion by increasing our number of electric vehicles by 30% by 2025.** In Aras Kargo operations, the number of electric vehicles is monitored as a performance indicator and this transformation

process is closely monitored under the guidance of our stakeholder Austrian Post Office. In this context, we have started to work not only to increase the number of electric vehicles but also to replace our fuel motorcycles with electric vehicles in order to implement our project in the near future.

In addition to the transformation movement in our vehicle fleet, we are carrying out our **route optimization** project, which we believe will contribute to the efficient use of vehicle fuels within the scope of green and efficient transportation. In order to manage the increasing address and data operation, we develop our map infrastructure and plan to ensure efficient and efficient fuel use in vehicles with the route optimization project. In this way, we aim to reach our customers with minimum mileage, maximum efficiency and speed and to complete the journey of the cargo with the least carbon emission. In line with the delivery information received by us within the scope of this project, the delivery route is determined with the best route recommendation for our vehicles and teams, and thus we aim to reduce fuel consumption per kilometer and to use fuel efficiently. Dissemination of the Route Optimization project throughout Turkey as of 2022 is one of our primary objectives. With this study, we aim to achieve efficient fuel use, as well as to ensure more transparent monitoring of kilometers and fuel consumption in 2022 and to improve our current data collection quality.

Another project that will improve our data quality and provide an efficient driving experience is the **dissemination of our vehicle tracking system within the scope of our entire fleet.** In addition to our own property vehicles, it aims to implement the vehicle tracking system by the end of 2022 for more than 5,000 rental vehicles that are used extensively and have an important place in our operations. Thus, it is planned to make product deliveries to our customers in the most effective way by providing tracking not only of self-propelled vehicles but also of rental vehicles.

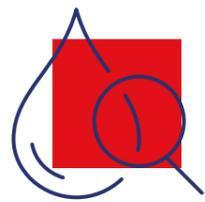
We aim to save energy within the scope of the last delivery with the **driver courier** project, which is another project we carry out within the scope of green and efficient transportation. Under the scope of the Driver Courier project, we aim to make both transportation and cargo delivery with our driver employee instead of having both distribution and driver employees in our vehicles.

#sustainabilityroute

With our project that we plan to expand all over Turkey, we plan to increase our target single-person business rate to 75% in the first stage.

We believe that another key point in the understanding of green and efficient transportation in Aras Kargo is the awareness raising of vehicle drivers and **effective driving training**. In this direction, we continue to work on the preparation of effective and efficient driving training and the access of all our drivers to this training. Underlining that awareness raising training is an important factor in efficient transportation, we aim to complete defensive and eco-driving trainings organized in 2022 for all drivers.

In addition to all these studies, as in our energy consumption and carbon emission data in our buildings, we carry out our studies within the scope of creating an infrastructure for effective data collection regarding the distance covered and the amount of fuel consumed in all our self and rental fleet vehicles. Within the framework of our business conduct approach that does not compromise on transparency, we continue to develop projects in order to be **100% traceable** in our sustainability route, where we always prioritize the trust of all our stakeholders. In this context, as another study, we are planning to install a digital platform connected to the delivery note system in order to report the mileage of self-propelled, rental and market rental vehicles in 2022. We aim to ensure that all operational vehicles are tracked and managed with a more transparent and traceable platform, especially following the driving kilometers with vehicles of 3.5 tons and above.

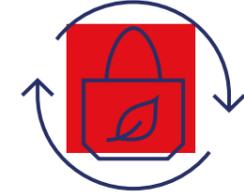


### Water Management

Water is a vital element for the continuity of all biological life. We continue our operational activities in this direction, not forgetting the fact that the structure that sustains all activities on our planet is water. As a company that is aware of the value of natural resources and the water scarcity caused by climate change, although water is not a critical point due to the sectors and operations we are in, we develop projects for the efficient use of water in all our locations and provide awareness training to all our employees. As a first step in this direction, sensory taps are planning to be used in Aras Kargo regional directorates,

transfer centers and headquarter building.

**In line with our 2025 sustainability goals, we aim to reduce the amount of water consumption per employee by 5%.**



### Circular Economy and Waste Management

One of the main causes of global climate change is the rapid population growth and changing consumption habits. In addition to the increasing waste load in landfills, it cannot be ignored that wastes that are not disposed of correctly pose a serious threat to both the environment and human health. In this context, as Aras Kargo, we act with the awareness of protecting our environment by restoring the wastes that can be recycled, recycled and reused to the economy and integrate our environmental waste reduction activities into our business model.

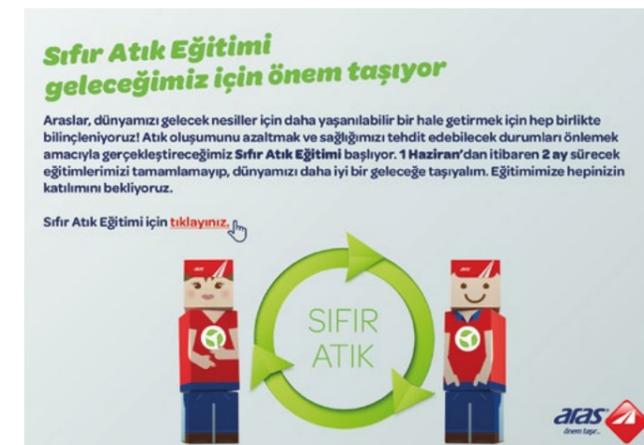


Within the framework of our waste management model, we take the necessary steps to minimize the wastes arising from our operations and to improve our processes by adopting the recycling principle.

In this direction, we are working with all our strength to serve all kinds of customers with sustainable products from the company to the end user with the recycling projects we carry out specifically for recyclable cargo bags and products. We aim to increase awareness by including informative labels on the cargo packages received by the end user that the cargo packages are produced from recyclable materials.

In addition to expanding our efforts to increase the recycling rate, we think that the use of recycled materials has an important share within the scope of waste management. We eliminate the use of unnecessary bags by developing reusable solutions instead of using disposable bags in our transportation processes between our transfer centers and branches.

With the multi-use bag project, we plan to switch to reusable tarpaulin sacks instead of disposable bags for the bulk transportation of 2-decare cargos between transfer centers and between branches. Thus, we will prevent the use of 400,000 disposable bags on a monthly basis. We aim to disseminate this change in all transfer centers as of the end of 2022 and in all branches as of the end of 2025. As the first step in the project, we will integrate all transfer centers in the second step by starting the preference of sacks that can be used again, especially for the cargo journey carried out by the 7 transfer centers. In this direction, we believe that results that make a difference in the sector will be obtained within the scope of Aras Kargo waste management. The multi-use sack project has been receiving rapid results since the day the pilot was implemented, and in this context, it positively affects the process of spreading to the operation.



As Aras Kargo, we attach importance to waste management in our buildings. We annually report and monitor the amounts of hazardous and non-hazardous waste. Considering the fact that our paper consumption is quite high due to our industry,

we plan to switch to use of paper certified as sustainable product. At the same time, we know the value of each tree cut in paper production, and in this context, we aim to maximize recycling.

**In line with our 2025 goals, we aim to increase the amount of paper that passes through the sustainable production process by 30% and to change product purchasing preferences.**

| Non-Hazardous Waste (kg) | 2019    | 2020    | 2021    |
|--------------------------|---------|---------|---------|
| Recycled                 | 963,312 | 401,656 | 556,293 |

| Paper Consumption (tonnes) | 2020  | 2021  |
|----------------------------|-------|-------|
|                            | 1,687 | 2,048 |

Wastes, which are expressed as "dangerous" in the sector, may show sharp changes on a yearly basis since they are caused by the content of cargo packages. Package contents that are not received by the customer and that show features that can be considered dangerous in accordance with the relevant waste legislation are evaluated in this context.

| Hazardous Waste (kg) | 2019  | 2020  | 2021  |
|----------------------|-------|-------|-------|
| Recycled             | 6,085 | 3,275 | 5,290 |

In our sustainability journey, which we have acquired as a principle of recycling, we increased by 38.69% compared to 2020 by recycling a total of 561,583 kg of hazardous and non-hazardous waste in 2021, and we are proud of this success. **We would like to state that we are committed to increasing the amount of waste to be sent for recycling on our 2025 sustainability route with the contributions of our employees.**

#sustainabilityroute



# Route: Developing Business Environment and Society

#sustainabilityroute



## Material Topics

- Employee Health and Safety
- Equal Opportunity and Diversity
- Employee Development, Employee Engagement and Employee Communication



## Main Targets

- Establishing necessary processes and policies within the scope of employee development and gender equality
- Improvement day by day in order to achieve zero work accidents
- Providing trainings to our suppliers and drivers within the scope of OHS
- Obtaining ISO 45001 and ISO 14001 certificates for all locations
- Increasing the number of woman employees
- Developing employee training more efficient and digitizing
- Increasing the employee engagement score and expanding one-on-one HR employee interviews



## Developing Business Environment

As Aras Kargo, we are always closely following the change in employee demographics and stakeholder expectations in this way, which we aim to become the "preferred employer brand". We keep our strategic goals determined with all our stakeholders, especially our employees and customers, in our focus area in order to respond to the change in the best way.

As of 2021, we offer a decent, fair and egalitarian, healthy and safe work environment to all our direct and indirect employment under the brand of Aras Kargo within the framework of our corporate values. Considering fairness and equality of opportunity, we create opportunities for the individual and professional development of our employees in line with the requirements of the age and support them at every opportunity. Being aware of our responsibility, we define the area where our employees need, work with devotion, respect ethical values, feel egalitarian and value themselves as "developing working environment" while carefully doing our job.

Together with all our activities, decisions and existing policies, we support our understanding of "developing working environment". At Aras Kargo "Code of Conduct and Ethics" booklet prepared in the light of corporate values, we include the rules necessary for all our employees to behave and make decisions in an ethical and legal way.

### Araslar ile gelişim ve iyileştirme çalışmalarımıza devam ediyoruz!

Araslar, Kurumsal Kalite Yönetimi projesi kapsamında Araslar, sektörümüzde ilk tercih edilen marka olma vizyonu ile "Sürekliliğe Başlıyoruz ve Metodolojik Problem Çözme Teknikleri" eğitimlerine başlıyoruz. Haziran ve Temmuz ayı boyunca, gelişim ve iyileştirme çalışmalarını tüm birimlerimizin performansını artırmayı hedeflediğimiz eğitimimizde sizleri de aramızda görmek istiyoruz.



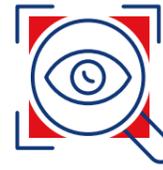
**Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.**



**Principle 2: Businesses should make sure that they are not complicit in human rights abuses.**

As we mentioned in the "Code of Conduct and Ethics" booklet, we oppose all kinds of discrimination; we comply with international laws and regulations; we state that we are completely against child labor, forced and forced labor defined by the ILO (International Labor Organization) and United Nations treaties and national legislation. Our rules in the booklet cover all employees as well as our other stakeholders, especially suppliers, business partners and authorized agencies, and play an active role in our relations with stakeholders. At the same time, the fact that we are signatories of the United Nations Global Compact reflects our compliance and support for the Human Rights Policy, which is based on international treaties and ethical standards.

#sustainabilityroute



**Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.**

When it comes to employee rights, we are very meticulous about supporting the unionization and collective bargaining freedom of employees, which is one of our most important areas. In this context, we are growing together with our 4,905 unionized and 5,073 collective bargaining employees within Aras Kargo.

**Equal Opportunity and Diversity**

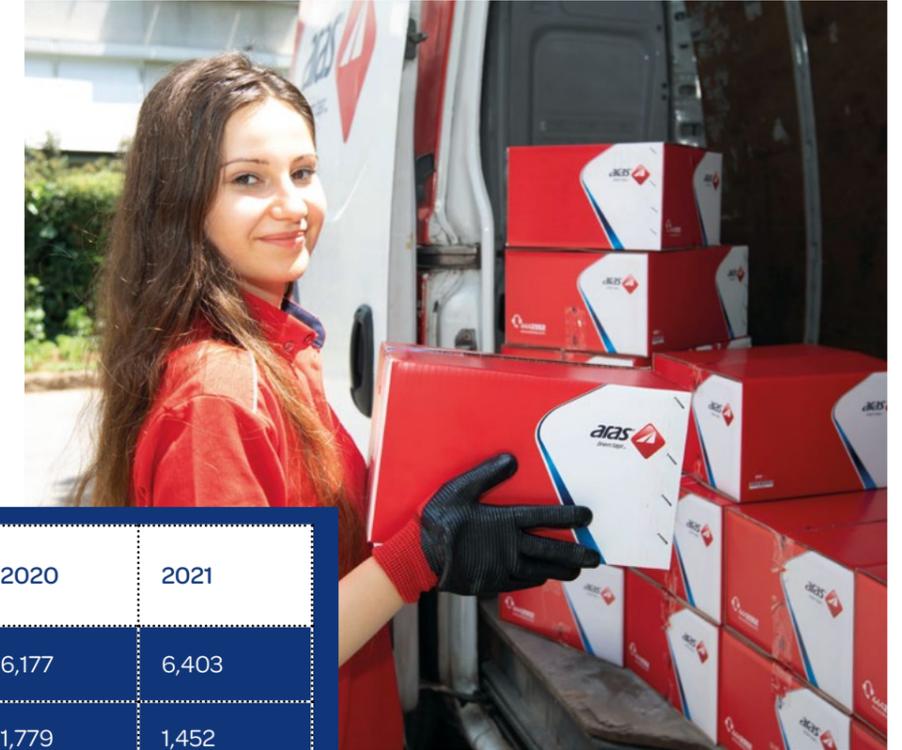
As Aras Kargo, we offer equal rights, equal understanding and equal development model to each of our employees and always lead all stakeholders in order to move forward in line with this awareness. We use our existing operational workforce with maximum efficiency in all our activities and work to develop new solutions that will meet the problems and needs of the future beyond today. In line with our sustainability goals, we carry out our efforts to create the necessary processes and policies within the scope of inclusiveness and gender equality and make a commitment to improve ourselves within this framework.

Our company adopts a welfare, peaceful and professional working environment for all its employees, regardless of gender, sexual orientation, religion, language, race, opinion, bodily difference or personal characteristics. We see each Aras Kargo employee as a separate talent and adopt a transparent approach in transferring career opportunities. With our uncompromising understanding in this field, we are proud to share that no discrimination has been encountered in our operation so far.

In addition to the policies and guidelines applicable within the company, we are committed to complying with all legal and other requirements related to our activities. In case of encountering a situation contrary to our existing regulations and principles, we manage our processes through various channels. In this context, if it is seen that local, regional and international characteristics differ from the company's guidance rules and codes of conduct as a result of any examination, " Aras Kargo Risk Management, Internal Control and Compliance Directorate and Legal Departments" is informed, and necessary actions are taken. On the other hand, within the scope of Aras Kargo operational activities, there is a working team that sets up the follow-up mechanism and conducts the investigation processes through the information shared by the business units. Feedback is received anonymously through the "Ethics Hotline", which we also use as a communication channel with our stakeholders, and in case of negativity in related issues, discipline and investigation steps are carried out under the leadership of the process owners.

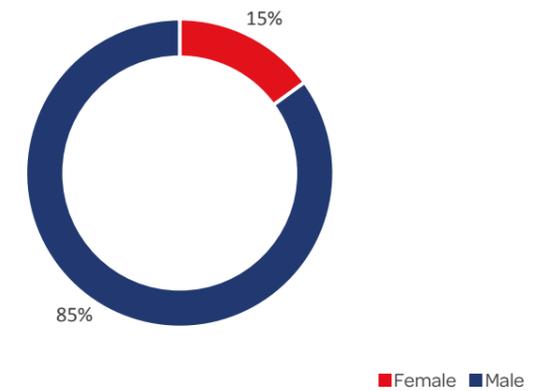
We have a feedback line +90 (541) 667 44 45 and an e-mail communication tool with the address bildirim@araskargo.com.tr in order to inform our Compliance Office and in this context, to inform our employees and stakeholders in the event that the laws or the Code of Conduct and Ethics are found to be violated.

As Aras Kargo, as of 2021, we continue our operational activities with 6,403 permanent, 1,452 subcontractors and 5,175 agency employees, especially headquarter, regional directorates, branches and agencies. With the understanding of "We are developing with our employees", we have increased our employee range by almost 4% this year compared to 2020 within the scope of Aras Kargo permanent employees.



| Employee Demographics             | 2020  | 2021  |
|-----------------------------------|-------|-------|
| Aras Kargo Permanent Employee     | 6,177 | 6,403 |
| Aras Kargo Subcontractor Employee | 1,779 | 1,452 |
| Aras Kargo Agency Employee        | 5,432 | 5,175 |

Employee Gender Distribution



Although women's employment in the cargo and logistics sector has developed over the years, Aras Kargo is aware of the low rate of development compared to other sectors and we take firm steps to lead the sector in this process. We would like to share that Aras Kargo is above the female employment rate given as 9.1% as a result of sector-specific research conducted by Wilat (2021). In this respect, we make reports on gender balances in administrative and field operation staff. We aim to make all our operational positions more demanded by female candidates every year. We lead the sector with the projects we have developed for our female employees with the title of the first cargo company, which is the signatory of the United Nations Women Empowerment Principles. As a result of the encouraging steps taken for this purpose, we emphasize that we attach importance to the female employment of **nearly 1,000 permanent female employees**, including headquarters managers, branch managers and representatives, courier, spare parts manager and technicians.

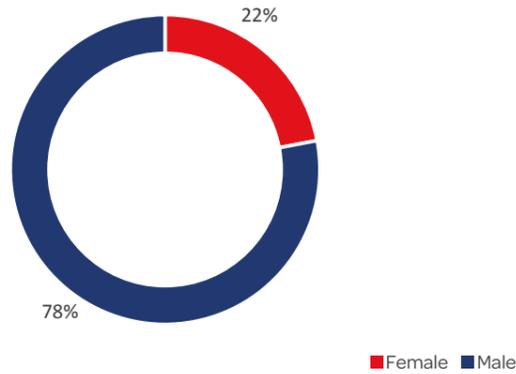
We care about the share of our female employees in the total number of employees, as well as their roles in the decision-making mechanism. In this context, we are advancing with precision in our ratio of women employees in Aras Kargo executive and management staff. According to our 2021 data, the ratio of female managers in the total number of managers was 22%, and our ratio of female managers at the level of deputy general managers was 38%.

#sustainabilityroute

In our recruitment processes, we maintain our egalitarian demographic structure by the projects we carry out with our female employees.

In line with our 2025 sustainability journey, we aim to increase the number of female employees in traditional roles.

#### Executive Gender Distribution



| Executive Demographics | 2021   |      |
|------------------------|--------|------|
|                        | Female | Male |
| Deputy General Manager | 3      | 4    |
| Director               | 3      | 5    |
| Manager                | 10     | 46   |

In line with the 2025 sustainability target, we aim to reduce the employee turnover rate by 5%.

We offer special services for the needs of our customers through more than 800 branches and agencies in all corners of Turkey. We achieve this giant operation with Aras Kargo employees, who always protect their smiling faces in the delivery of hundreds of thousands of cargos every day. While conducting our operational activities, we care about the motivation, happiness and harmony of our employees, and at the same time, we support all our employees in their development-oriented journeys. In this respect, we consider the performance management process of our employees as an integral part of the talent management process.

We believe in the importance of feedback and open communication, acting not only on the business needs of today but also tomorrow, and we adopt a team approach that develops and develops with a coaching culture. With the implementation of the individual development plan, we carry out in the light of this understanding, all employees and managers can come together and follow the development plan specially prepared for them throughout the year. We use different position-based competency tools in the promotion and assignment processes carried out within the scope of talent management studies. We plan both the strengths of our employees and their individual development journeys on their development areas and share these evaluation outputs with them. With the development journey prepared for each of our employees to use their talent, power and creativity at the highest level, we are working together and non-stop to develop and grow the leaders of today and the future.

Our priority for the required working staff in line with operational needs is our current company employees where their career plans are also considered. In order to create the necessary opportunities, environments and resources, the relevant processes are followed by the human resources team and our employees, who are the most important assets of our company, are allowed to progress horizontally and vertically. In line with this business model that we carry out, we evaluate all our employees on their development journey through objective and versatile tools and support them with feedback and trainings in related processes.

With the right strategies and communication channels in accordance with these strategies, we reach an audience that adopts Aras Kargo values, has a high level of education, is open to innovation and changes, entrepreneurial, dynamic, result-oriented, and aims to improve itself and its business. In recruitment processes, we attach importance to employee and candidate selection experience based on the principle of "Equal Opportunity".

As signatories of the United Nations Global Compact and the Ten Principles, which are based on the Universal Declaration of Human Rights and the International Labor Organization (ILO) Declaration of Fundamental Principles and Rights in Working Life, we commit to ending discrimination in the recruitment and placement processes.



Aşkın Kepe (Ring Driver)

"I have been working under the roof of Aras Kargo for more than three years. After working in a different department for two years, I stated to our relevant manager that I wanted to be a driver and received a great support from him. I've been working as a ring driver for a year. We work as a team and as a family in what we do. I wake up happy in the

morning and come to work. I am very happy at my job and I love my job. We always see the appreciation of our managers, our chiefs, the branches and people we go to, and we love it. I wish for the days when all the women in the world work honestly, decisively and without fear.



Nurdane Cengiz (Ring Driver)

"I have been working at Aras Kargo, where I started as a courier, for seven years. We use large vehicles because of the work we do. At the beginning of the process, I had questions in my head. Understanding my concerns, our manager has always shown me great support that I can do my job in the best

way. There's no gender in this business. The cargo sector is seen as a sector where men work. I would disagree. With the developments in today's technology, our women can come to Aras Kargo without fear and with peace of mind."





**Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.**

As Aras Kargo, we base all our processes related to employee evaluation, new recruitment and remuneration on gender equality under equal and fair conditions. In line with this principle, our remuneration policies are carried out by job valuation methodology on a position basis regardless of gender and are carried out under equal conditions with the focus of each of our employees. An equality-based remuneration policy covering all Aras Kargo employees is applied with the independent consultancy remuneration company with which we conduct business partnership, regardless of gender.

Within the scope of the business processes management of Human Resources and related teams, legal legislation is complied with in the processes of quitting the job or implementing important operational changes that may affect employees. For the changes in the scale affecting the ordinary flow, the employee is notified in writing at least 6 days in advance of the final decision, duty and duty change by forming a decision of the strategy committee.

Employee rights of all employees determined by the laws of Turkey are protected during operational activities. As a company, we support our employees who are mothers to establish work-private life balance with various policies, especially maternity leave, legal breastfeeding leave, and report card leave on the first and last days of school. In line with the importance we attach to employee experience, in addition to the benefits required by law, we also include side benefits practices for the expectations and needs of employees.



Among the benefits and opportunities offered to Aras Kargo employees there are;

- Meal fee support,
- Position-based road support,
- Vehicle and fuel support for manager and above positions,
- Private health insurance for manager and above positions, Inpatient Complementary Health Insurance for other white-collar employees, personal accident insurance for all employees,
- Bonus for in-scope employees,
- Child education allowance,
- Fuel aid,
- Ramadan and Eid al-Adha gifts,
- Non-employer group Personal Retirement System,
- Family allowance and death compensation in case of death,
- Support package in case of marriage,
- Support package in case of birth,
- Support package for graduate and doctoral education.

Among the opportunities offered to Aras Kargo employees other than legal leave rights there are;

- Maternity leave as specified by law for female employees who give birth,
- 5 working days parental leave for male employees whose spouse gives birth,
- In case of marriage, 5 calendar days marriage permit,
- 3 calendar days paid leave in case of death of mother, father, spouse and children or siblings,
- Paid leave for mothers and single parent fathers on the first or last day of school of their children in primary and secondary education,
- Paid leave under the name of "Baby Care Leave" for mothers whose babies are between 1-3 years old to leave their children to the nursery or caregiver in the morning or for a total of 1 hour during the day according to the hours of taking their children in the evening,
- Mothers are entitled to paid leave under the name of "Baby Care Leave" on the days of the baby's vaccination and illness,
- Pregnant mothers are entitled to paid leave on examination and examination days during the pregnancy period,
- Mothers with babies between the ages of 1-3 years old are allowed to not work on Saturdays and to be with their children,
- Hygienic breastfeeding rooms are offered in Headquarter and Transfer Centers.

# Employee Development, Employee Engagement and Employee Communication



We attach great importance to the professional and personal development of our employees, who are one of our most important stakeholders. In this field, we base employee development, which is one of our priorities on our sustainability route, on two principles: talent-oriented and corporate development.

In the development journey carried out within the framework of all our employees; we follow a road map that complies with national/international commitments, such as equality of opportunity, diversity and inclusiveness, supporting sustainability, ethical and legal compliance awareness, quality perspective awareness, supporting technological transformation, ensuring professional standards. Orientation, professional, personal and leadership development trainings in line with internally sourced annual training planning; We continue talent management and development activities within the scope of outsourced trainings.

Basic principles adopted in talent development and corporate development approach;

- 1 Equal Opportunity
- 2 Diversity and Inclusion
- 3 Supporting Sustainability
- 4 Ethical and Legal Compliance Awareness
- 5 Quality Perspective Awareness
- 6 Supporting Technological Transformation
- 7 Ensuring Professional Standards
- 8 Compliance with National / International Commitments



#sustainabilityroute

We take care to provide equal training opportunities to all our employees. In this respect, we appeal to a wide range of people from new employees to senior management with our existing training and development programs. In this context, technical, professional and social development-oriented training opportunities are offered to each of our employees, and a structure aimed at achieving continuous development and sustainable growth goals is carried out. We offer orientation and related trainings from the first working days in order to contribute to the rapid adaptation and professional development of our new employees. Our orientation program is re-evaluated in every new period in order to provide our employees an efficient work environment and ease of adaptation. Our studies on our development areas determined in relation to this evaluation are also carried out by authorized units.

A total of 71,000 hours of training was given to all our employees in 2021 within the scope of employee training. Our training time per employee was 10.1 hours for 2021 and nearly doubled compared to 2020. We aim to continue our development journey by growing in line with our 2025 sustainability goals.

We shape our inclusive employee development and training programs under the conflict of **Aras Academy**. We analyze the needs of our employees and design and determine the trainings we will offer through the Academy. We include all our processes related to employee training from the needs analysis we carry out to the completion of the development journey in detail in the Training and Development Management Procedure.

As Aras Kargo, we work with all our strength to ensure that the knowledge and skills we have gained for all our employees are applicable and sustainable with our strategic training platform "Aras Academy", which we designed to produce solutions to changing stakeholder needs. Supporting both individual and organizational learning, **Aras Academy** designs an effective learning process that is compatible with the competencies of our employees in professional training processes. As Aras Kargo, we make a commitment to all our stakeholders in order to make employee training more efficient in line with our sustainability goals and to provide the necessary work to keep up with the digitalizing world of our processes.

With Aras Academy, we aim to develop the professional competencies of our employees in a way that is sensitive not only to our company but also to the era and society we are in. In this direction, with the philosophy of "continuous learning", we aim to contribute to the realization of company strategies and to benefit business outputs.

With Aras Academy, the standard of our company's training and development programs has been established and integrated with Human Resources processes. In this way, the development steps and competencies of all our employees have been put into a scalable systematic. Through our contribution to the educational content in the collaborations we carry out with universities, we have integrated academic knowledge into the business world and integrated theory and practice.

### İlk Adım Okulları

With Aras Academy İlk Adım Okulları, we carry out simulations with our branch employees within the framework of the cases they encounter in operational processes. We are inspired by the ideas and suggestions of our employees on the walls of innovation and we care about their ideas in terms of progress in our development areas. While strengthening our communication with our employees with İlk Adım Okulları, we aim to provide them with an area where they can have a pleasant and relaxing time.



Under the umbrella of **Aras Academy** with a wide range of activities, with 3 main brands; We accompany the professional and personal development of our field employees with Compass Training, the professional and personal development of the Regional, Transfer and Headquarters Administrative teams with Inter-Campus Trainings, and the development journeys of Aras Leaders with Inter-Leader Trainings.



Total Employee Training Hours: **71,000 hours**



Total Online Training Hours: **10,997 saat**



Training Hours Per Person: **10.1 hours / person**





As an important part of our field teams and corporate identity, we aim to keep our promise of "ARAS Carrying Importance" alive in the light of the trainings. We aim to provide a working environment where our employees realize that their business focus is more than just carrying and delivering a cargo, and where they meet with content that supports the search for meaning. Within the scope of the offered training platform, there are content for technical requirements, mainly "Excellence in Customer Relations", "Technical Package: Lobby Management, Law and Compliance" and "Risk and Asset Management".



Inter-campus trainings are an educational platform where new ideas and application seeds that will carry ARAS to the future are thrown with training and certificate programs covering the competencies and skill sets required by the new world. Within the scope of the platform;

- Customer Experience and Design
- Technology and Digital Transformation
- Work Management
- Trainings, workshops and webinars in special areas such as "Work and Life" are organized.



Micro and / or long-term education, measurement and evaluation practices, experience sharing, online tips, mentoring and coaching interviews are carried out within the Talent and Leadership Programs. Leadership models that give feedback, communicate openly, transform, and learn from their mistakes, especially our first-tier managers, are being studied.

In addition to individual development, the academy is one of the strategic partners of the change and transformation processes of the institution.

## Employee Health and Safety

In our operations, we work to create a decent, healthy and safe working environment and to protect it at all times. For this purpose, our Integrated Management System (IMS) and Occupational Health and Safety (OHS) policy, which has been adopted as a company culture, are implemented in order to prevent direct or indirect harm to our employees. Within the framework of the relevant legislation and obligations, continuous monitoring of safe and healthy working conditions is provided in all our workplaces; in our operation areas and offices.

The Integrated Management System Handbook, which we have prepared for the internalization of IMS applications, the description and effective implementation of the ISO 45001 Occupational Health and Safety Management System, has been made available to all our employees. The operational and other risks foreseen for the OHS and Management System are determined as defined within the scope of the IMS Risk and Opportunity Assessment Procedure and evaluated by the relevant teams.

OHS risk assessment arising from operational hazards, as stated in the relevant Hazard Identification and Risk Assessment Procedure, potential OHS hazards and risk assessment activities are handled by considering the "preventive measure" approach, the foreseen activities are put into practice and the effectiveness of these activities is monitored periodically. Risk assessment forms related to OHS hazards are regularly kept and maintained by the relevant teams.

Within the scope of the Integrated Management System, Aras Kargo operations have been certified within the framework of ISO 45001 and ISO 14001 as of 2014. In line with our continuous improvement and development principle we aim to be certified in Turkey-wide ISO 14001 and ISO 45001 management systems by 2023.



- Headquarter
- Ankara Regional Directorate
- Batı Karadeniz Regional Directorate
- Boğaziçi Regional Directorate
- Bursa Regional Directorate
- Ege Regional Directorate
- İstanbul Anadolu Regional Directorate
- Trakya Regional Directorate
- Ankara Transfer Center
- Boğaziçi Transfer Center
- Bursa Transfer Center
- Ege Transfer Center
- İkitelli Transfer Center
- Marmara Transfer Center
- Orhanlı Transfer Center



In addition to the projects that we carry out and plan to increase employee loyalty, we conduct periodic employee loyalty/satisfaction surveys to measure existing employee loyalty. Our 6,247 employees in 2020 and 9,239 employees in 2021 participated in these surveys. Within the scope of the survey, an increase of 0.2% to 4.8% was achieved in all EFQM<sup>9</sup> criteria. According to the results of the survey, the highest increase is seen in the field of "Development and Career". When we look at the overall employee loyalty rate, we see that there is a high employee loyalty rate of 80% in 2021. With the 2025 sustainability vision, we are committed to increasing this rate to 85%. We share the details of the employee loyalty and employee satisfaction survey conducted during the reporting period in the "Social Performance Indicators" section.

We think that another step in increasing employee engagement and satisfaction, as well as creating a thriving work environment, is to receive, evaluate and apply employee feedback. In line with our belief in the importance of feedback and open communication, all our employees can submit their complaints and requests directly to the relevant human resources officer via e-mail, phone or face-to-face communication channel. Within the scope of the employee loyalty survey conducted, employee opinions are collected every year, and these suggestions are detailed and reported to the senior management with the focus working groups for regional operations and headquarter. Within the framework of the feedback received, the operations and targets of the next activity period are also evaluated by the relevant units.

<sup>9</sup> The European Quality Management Foundation (EFQM) is a management framework model that supports organizations in managing change and improving their performance.

Training needs are determined within the framework of legal regulations, relevant management system and company requirements at the points where all our operations are carried out and comprehensive training programs are implemented in this direction. These trainings, which have started to be given from the first working day of the employees, are regularly supported by OHS trainings with technical content in field operations. Employees working in the field of Occupational Health and Safety are mainly provided with Onboarding Training, Occupational Safety Training, Occupational Health Training, First Aid Training, Emergency Training, HSE Management System Training, Coronavirus (COVID-19) Training, Hazardous Material Training, Advanced Driving trainings.

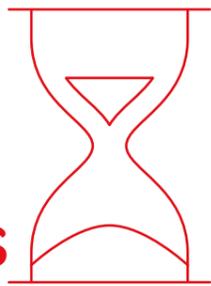
During 2021, there are a total of **30,003 hours** of digital and face-to-face training records within the scope of occupational health and safety. Through these trainings, **7,037** employees were reached and the average training hour per person was recorded as **4.26** in terms of OHS.

At the same time, we constantly monitor and evaluate our performance in the field of occupational health and safety. In this respect, we record and monitor certain OHS performance indicators such as the number of accidents at all operation points, the number of occupational diseases, the number of work-related fatal cases and absenteeism due to occupational accidents. Details of all these performance indicators are included in the "Social Performance Indicators" section.

In the 2021 period, with the measures we took and the trainings we provided to our employees, advanced applications were carried out to cover all our fields of activity. The total number of absenteeism days due to the accident recorded in our records decreased by 20% compared to the 2020 - 2021 period.

OHS training hours per employee:

**4.26 hours**



| OHS Performance                  | 2020    | 2021    |
|----------------------------------|---------|---------|
| Incidence Rate (IR)*             | 5.75%   | 6.56%   |
| Occupational Disease Rate (ODR)* | 0.00    | 0.00    |
| Lost Day Rate (LDR)*             | 0.00121 | 0.00092 |
| Absence Rate (AR)*               | 0.01299 | 0.00356 |

\* IR is calculated specifically for permanent employees that are included in Aras Kargo payroll.

We aim to improve our OHS performance indicators, which are monitored periodically by our expert team, day by day. In line with our sustainability goals, we are working towards the goal of reducing the rate of casualties by **5%** by 2025 through the activities we carry out in order to provide a safe and healthy work environment for all our employees.

In addition to Aras Kargo employees, we attach importance to increasing the awareness of our suppliers in the field of occupational health and safety. In this context, we support our suppliers with the additional OHS trainings. At the same time, we monitor absenteeism data arising from work accidents and occupational diseases in order to monitor the OHS performance of our suppliers.

### #stayathome, We Work for You with Our Strength ...

As it has affected all of humanity, the COVID-19 pandemic has significantly affected the cargo industry in particular. As a part of the sector that continues to work continuously during the pandemic, we have worked with all our strength with the measures we have taken in the name of the health and safety of our employees.

As in all processes, as Aras Kargo, we have carried out additional studies to ensure that our employees and customers feel safe while taking necessary measures to protect their health. In this direction, we have carried out activities in line with the nature of the business and the sector in order to ensure that all our employees, who continue to serve continuously throughout the pandemic period, are not deprived of the rights determined by the laws that they had in the pre-pandemic period.

In line with the "Aras Kargo COVID-19 Action Plan", we closely followed the developments related to the COVID-19 pandemic that affected the whole world and our country and continued our operations by expanding the measures and measures according to the recommendations of the World Health Organization and the Ministry of Health in order to protect both customers and employees in this process.

#### Within the framework of information and protection for our employees;

- Against the COVID-19 outbreak, Aras Kargo personnel were informed to recognize this virus, to take their preparations and precautions against the virus, and to take the necessary measures by creating the necessary action plans to act in a coordinated manner.
- Emergency committee and action teams have been established against the epidemic, and emergency managers and reserves have been determined in order to ensure that business processes are not disrupted.
- Contactless temperature measurement was made at the entrances in the Headquarter, Regional Directorates, Transfer Centers and Branches. In case of a negative health status, a coordinated process was carried out with our workplace physicians.
- Administrative leave was granted to our employees in the risky group during the period when the number of cases increased intensively.
- The card pass system has been activated instead of the finger reading system used in the inputs and outputs of our employees.

- During the period when the number of cases was intense, Aras Kargo General Manager Utku Ayyarkın shared information about the actions taken, things to be considered, positive feedback from customers and employees weekly by e-mail to all employees.

#### The sterilization and hygiene activities carried out in the operation units are mainly;

- In-vehicle sterilizations were performed in the transfer centers.
- Personnel services were internally sterilized at the required intervals.
- The branch receives a maximum of 3 customers and a verbal and written warning mechanism is applied in our branches in line with the distance rules. In accordance with the proposed distance rules, visual arrangements are included with floor marking tapes.
- Headquarter and all regional directorates, transfer centers, sterilization and cleaning processes are carried out at the necessary intervals in our branches.
- During the pandemic period, customers over 65 years of age are provided with free transportation of their cargoes.
- Necessary procurement and information processes are carried out for all our couriers to use the mask and disposable gloves when necessary. Disposable masks continue to be supplied in all our units.
- In all our units throughout Turkey, both our customers and our employees have hand sanitizers available for use.

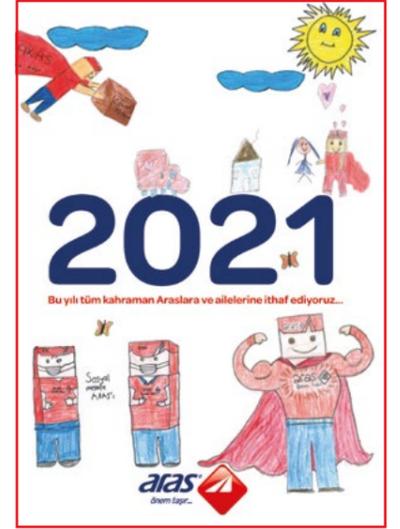
#### Within the scope of freight receipt and customer deliveries;

- In cargo purchases and deliveries, attention is paid to the social distance rules recommended by the Ministry of Health between our customers and couriers.
- In cargo delivery, attention is paid to contactless delivery. The contactless delivery process is carried out with the SMS code.
- In order to manage the process in the healthiest way and for our customers to reach us at any time, capacity evaluation is made in our call management processes.

The contents published by the Ministry of Health continue to be shared with our employees simultaneously.

### Within the scope of Motivation Support for Our Employees During the Pandemic Process;

As Aras Kargo, the 12 paintings determined as a result of the competition held with the theme of "Your Mother/Father are Aras heroes" with the participation of the children of our employees between the ages of 6 and 12, took place on the tables of our employees throughout the year in the calendar prepared for 2021.



As Aras Kargo, the new year of our employees, who served with enthusiasm and sacrifice during the pandemic period, was celebrated with a surprise film prepared with the contributions of their children. In the film, where the song "Would not have been possible without you" was adapted, our employees supported their parents who worked devotedly with the song they sang.

During our COVID-19 period, the employees working in the transfer center and branches took part in the video that Aras Kargo filmed for its employees. Aras Members, in other words, the heroes of the movie said, "Our customers started to buy all their needs from the internet without leaving their house. We feel very happy when we see their happiness while receiving the cargo at the door." In addition, positive comments from social media also has increased the motivation of all Aras Kargo employees.





### Social Contribution

As Aras Kargo, "Nature Friendly Aras Members" platform was created in 2014 with the voluntary participation of our employees in order to be a pioneer in the sector we serve and to raise awareness in the society. Under the umbrella of this platform, with the voluntary participation of our employees and their families, coastal cleaning, seedling planting, animal-friendly feeding activities and many other awareness raising projects are carried out regularly every year. In this direction, we aim to continue our activities to protect the environment and instill volunteerism in our employees and their families.



### Seedling Donations

With the Nature Friendly Aras Members platform, which plays a key role in the realization of our environmental mission, more than 140 thousand seedlings were planted in different regions of Turkey until 2021, and all our employees showed unity for the "Nature Friendly Aras Members Forest". As Turkey's leading and innovative cargo company Aras Kargo, sixteen thousand seedlings were donated to the Aegean

Forest Foundation and thirty-two thousand seedlings were donated to the TEMA Foundation during the reporting year. In addition to our donation activities, sapling planting ceremonies were held in various areas of our country under the leadership of Aras Kargo General Manager Utku Ayyarkin and Deputy General Managers in order to increase the environmental awareness of all our employees.



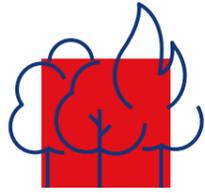
### Turkish Marine Environment Protection Association (TURMEPA) Coastal Cleaning Activities

As Aras Kargo, we integrate our respect for our nature into our business. In this respect, we care about the protection of the environment and natural resources and we carry out our cooperation with the active participation of our employees. With this understanding, we carry out the coastal cleaning movement together with the "Nature Friendly Aras" platform and TURMEPA, and we proudly and happily share that we have played a role in preventing more than four tons of waste from entering the seas with the voluntary contributions of more than 600 employees and their families. As a reflection of our environmental vision, the NatureFriendly

MembersCoastal Cleaning Project was awarded success in the "Corporate Citizenship" category in the "Prevention of Environmental Pollution" at the UK-based International Corporate Social Responsibility Excellence Awards (The International CSR Excellence Awards), which evaluated successful corporate social responsibility projects and mass communication studies in 17 categories. This project, which we started as Aras Kargo, was awarded in the Corporate Social Responsibility category at the International Stevie Awards, another reputable organization in its field.



#sustainabilityroute



### Free Transfers in Disasters

In order to heal the wounds of disasters such as floods and fires that affect our country, on site one-on-one interviews were held with state institutions and related teams to determine the needs in the regions. In the disasters that deeply affected our country in 2021, as Aras Kargo, material collection points were established within the scope of the determined needs lists, and all aid materials sent to the regions to meet the needs of the disaster regions were delivered to the needy free of charge and in the fastest way with the assurance of Aras Kargo.



Aras Kargo General Manager Utku Ayyarkin visited the fire area.



### HAÇİKO Feeding Activity

With our awareness of adding value to the society and protecting the environment, the Nature Friendly Aras Members platform and the Society for the Protection of Animals from Despair and Indifference (HAÇİKO) organized a feeding activity for street animals within the scope of October 4, Animal Protection Day.

In the event, hundreds of unattended dogs struggling for their lives were provided with food supplements and in addition, as Aras Kargo, we have supported tens of thousands of food and water container distributions in all branches, regional directorates and transfer centers for street animals.





# Annex

#sustainabilityroute

## Environmental Performance Indicators

| Energy Consumption in Buildings (kwh) | 2020              | 2021              |
|---------------------------------------|-------------------|-------------------|
| Natural Gas (kWh)                     | 10,521,789        | 8,055,394         |
| • Owned (kWh)                         | 2,154,456         | 1,026,880         |
| • Leased (kWh)                        | 8,367,333         | 7,028,513         |
| Electricity (kWh)                     | 15,616,458        | 14,353,298        |
| • Owned (kWh)                         | 1,973,236         | 1,235,839         |
| • Leased (kWh)                        | 13,643,222        | 13,117,460        |
| Diesel (kWh) - Generator Fuel         | 137,179           | 107,739           |
| <b>Total Energy Consumption [kWh]</b> | <b>26,275,426</b> | <b>22,516,430</b> |

| Fleet Energy Consumption              | 2020               | 2021               |
|---------------------------------------|--------------------|--------------------|
| Owned Vehicle Consumption (liters)    | 3,656,740          | 4,023,026          |
| • Fuel (litres)                       | 6,295              | 67,032             |
| • Diesel (litres)                     | 3,593,565          | 3,879,295          |
| • Adblue (litres)                     | 56,880             | 76,698             |
| Leased Vehicle Consumption (liters)   | 25,780,678         | 23,614,916         |
| Owned Vehicle Consumption (kWh)       | 34,996,010         | 38,248,153         |
| Leased Vehicle Consumption (kWh)      | 249,299,155        | 228,285,392        |
| <b>Total Energy Consumption [kWh]</b> | <b>284,295,165</b> | <b>266,533,545</b> |

| Aras Kargo Fleet Information    | 2020         |
|---------------------------------|--------------|
| Total Number of Leased Cars     | 5,365        |
| Number of Electric Vehicles     | 35           |
| Number of Owned Vehicles        | 911          |
| <b>Total Number of Vehicles</b> | <b>6,311</b> |

| Carbon Emissions* (tonnes CO <sub>2</sub> e) | 2020          | 2021          |
|--|---------------|---------------|
| Scope 1                                      | 11,000        | 11,336        |
| Scope 2                                      | 8,027         | 7,378         |
| Scope 3                                      | 63,562        | 58,275        |
| <b>Total Carbon Emission</b>                 | <b>82,589</b> | <b>76,989</b> |

\* Based on "Corporate Accounting and Reporting Standard of GHG Protocol" to guide the emission calculation process. Scope 3 Carbon Emissions includes the emission calculation of the rental vehicles used in the interconnection and outline transfer line and the rental vehicles used by the agencies and branches in the delivery.

## Social Performance Indicators

| Aras Kargo Employees (GRI 401-1) (GRI 405-1) | 2019   |       | 2020   |       | 2021   |       |
|--|--------|-------|--------|-------|--------|-------|
|  | Female | Male  | Female | Male  | Female | Male  |
| Number of Full-Time Employees                | 951    | 5,173 | 957    | 5,208 | 978    | 5,419 |
| Number of Part-time Employees                | 1      | 9     | 3      | 9     | 1      | 5     |
| Total Number of Employees                    | 952    | 5,182 | 960    | 5,217 | 979    | 5,424 |
| Number of Employees with Disabilities        | 19     | 132   | 23     | 121   | 21     | 137   |

| Aras Kargo Employees (GRI 401-1) (GRI 405-1) | 2019  | 2020  | 2021  |
|--|-------|-------|-------|
|  | Total | Total | Total |
| Number of Subcontracted Employees            | 974   | 1,779 | 1,452 |

| Employees by Age and Gender (GRI 401-1)           | 2019   |       | 2020   |       | 2021   |       |
|---|--------|-------|--------|-------|--------|-------|
|   | Female | Male  | Female | Male  | Female | Male  |
| Number of Employees - 50 years old and above      | 20     | 486   | 29     | 537   | 35     | 604   |
| Number of Employees - between 30 and 50 years old | 590    | 3,435 | 616    | 3,452 | 671    | 3,632 |
| Number of Employees - under 30 years old          | 342    | 1,261 | 315    | 1,228 | 273    | 1,188 |

| Senior Management (GRI 405-1)                 | 2019   |      | 2020   |      | 2021   |      |
|---|--------|------|--------|------|--------|------|
|   | Female | Male | Female | Male | Female | Male |
| Strategic Management Office and Board Members | 2      | 1    | 0      | 4    | 1      | 8    |
| Deputy General Managers                       | 3      | 3    | 4      | 4    | 3      | 4    |
| Directors                                     | 2      | 2    | 2      | 2    | 3      | 5    |
| Managers                                      | 7      | 43   | 8      | 44   | 10     | 46   |

| Employee Turnover (GRI 401-1) | 2019   |       | 2020   |       | 2021   |       |
|-------------------------------|--------|-------|--------|-------|--------|-------|
|                               | Female | Male  | Female | Male  | Female | Male  |
| Employee Turnover Rate        | 14.3%  | 15.9% | 12.2%  | 14.8% | 9%     | 15.8% |
| Total Employee Turnover Rate  | 15.6%  |       | 14.4%  |       | 15.2%  |       |

| New Employee Hires* (GRI 401-1)                   | 2019   |      | 2020   |      | 2021   |      |
|---|--------|------|--------|------|--------|------|
|   | Female | Male | Female | Male | Female | Male |
| Number of Employees - 50 years old and above      | 2      | 7    | 0      | 11   | 1      | 32   |
| Number of Employees - between 30 and 50 years old | 23     | 176  | 35     | 352  | 49     | 178  |
| Number of Employees - under 30 years old          | 34     | 193  | 85     | 665  | 59     | 318  |

\* Those who are included in the payroll and those who have been employed in the relevant year are reported.

## Social Performance Indicators

|   | 2019   |      | 2020   |      | 2021   |      |
|---|--------|------|--------|------|--------|------|
|   | Female | Male | Female | Male | Female | Male |
| <b>Maternity Leave (GRI 401-3)</b>                                  |        |      |        |      |        |      |
| Number of Employees Benefiting from Maternity Leave During the Year | 48     | -    | 13     | -    | 18     | -    |
| Number of Employees Returning from Maternity Leave During the Year  | 34     | -    | 8      | -    | 21     | -    |

|   | 2019   |       | 2020   |       | 2021   |       |
|---|--------|-------|--------|-------|--------|-------|
|   | Female | Male  | Female | Male  | Female | Male  |
| <b>Forming Labour Unions (GRI 407-1)</b>                                |        |       |        |       |        |       |
| Number of Unionized Employees   | 431    | 3,931 | 477    | 4,493 | 487    | 4,418 |
| Number of Employees Who Are Covered by Collective Bargaining Agreements | 491    | 4,289 | 519    | 4,828 | 513    | 4,560 |

|   | 2019   |        | 2020   |        | 2021   |        |
|---|--------|--------|--------|--------|--------|--------|
|   | Female | Male   | Female | Male   | Female | Male   |
| <b>Employee Trainings (GRI 404-1)*</b>      |        |        |        |        |        |        |
| Total Training Hours                        | 6,957  | 19,599 | 9,654  | 30,404 | 15,070 | 55,930 |
| Total Training Hours - Digital              | 303    | 624    | 212    | 512    | 3,370  | 7,627  |
| Total Training Hours Per Employee           | 7.5    | 3.7    | 9.9    | 5.0    | 15.4   | 9.2    |
| Total Training Hours Per Employee - Digital | 0.3    | 0.1    | 0.2    | 0.1    | 3.4    | 1.3    |

|                                   | 2019   |      | 2020   |       | 2021   |      |
|-----------------------------------|--------|------|--------|-------|--------|------|
|                                   | Female | Male | Female | Male  | Female | Male |
| <b>Ethics Training</b>            |        |      |        |       |        |      |
| Total Training Hours              | -      | -    | -      | 36    | 16     | 99   |
| Total Training Hours Per Employee | -      | -    | -      | 0.006 | 0.02   | 0.02 |

|                                   | 2019   |       | 2020   |        | 2021   |        |
|-----------------------------------|--------|-------|--------|--------|--------|--------|
|                                   | Female | Male  | Female | Male   | Female | Male   |
| <b>OHS Trainings</b>              |        |       |        |        |        |        |
| Total Training Hours              | 859    | 3,838 | 2,760  | 13,589 | 3,253  | 26,750 |
| Total Training Hours Per Employee | 0.88   | 0.63  | 2.82   | 2.24   | 3.33   | 4.41   |

\*While calculating the training indicators, the target number of people is taken as the basis, not the total number of employees. While calculating the number of target persons, interns, part-time employees, servants, Board Member, Vice Chairman of the Board of Directors, Agency Payrolls were excluded from the current employee lists. Agencies are excluded from the scope while calculating the training hours. OHS training hour is included in the total training hour.

## Social Performance Indicators

|  | 2019        |       | 2020        |       | 2021        |       |
|--|-------------|-------|-------------|-------|-------------|-------|
|  | Female      | Male  | Female      | Male  | Female      | Male  |
| <b>OHS-Company Employees (GRI 403-2)</b> |             |       |             |       |             |       |
| Number of Work - Related Mortal Cases    | 0           | 0     | 0           | 0     | 0           | 1     |
| Number of Occupational Diseases          | 0           | 0     | 0           | 0     | 0           | 0     |
| Absenteeism Due to Accident              | 86          | 1,797 | 38          | 2,118 | 51          | 1,660 |
| Incidence Rate (IR)*                     | 7.5%        |       | 5.75%       |       | 6.56%       |       |
| Occupational Disease Rate (ODR)*         | 0           |       | 0           |       | 0           |       |
| Lost Day Rate (LDR)*                     | 0.001065894 |       | 0.001211933 |       | 0.000927842 |       |
| Absence Rate (AR)*                       | 0.004094127 |       | 0.012997663 |       | 0.003569811 |       |

|                                       | 2019   |      | 2020   |      | 2021   |      |
|---------------------------------------|--------|------|--------|------|--------|------|
|                                       | Female | Male | Female | Male | Female | Male |
| <b>OHS-Suppliers (GRI 403-2)</b>      |        |      |        |      |        |      |
| Number of Accidents                   | -      | -    | -      | -    | 28     | 383  |
| Number of Work - Related Mortal Cases | -      | -    | -      | -    | 0      | 0    |
| Number of Occupational Diseases       | -      | -    | -      | -    | 0      | 0    |
| Absenteeism Due to Accident           | -      | -    | -      | -    | 37     | 898  |



## Stakeholder Communication

| Stakeholder                           | Communication Channel  | Frequency of Communication | Stakeholder Expectation / Stakeholder Materiality   | Report Section with Actions Taken   |
|---------------------------------------|--|----------------------------|---|---|
| Employees                             | Telephone, Internal Messaging, Teleconference, Mail, Website, Social Media, Kahvearası Magazine, Suggestion System, Ethics Hotline, Aras Academy                                   | Perpetual                  | <ul style="list-style-type: none"> <li>Operational Excellence and Security</li> <li>Digitalization and Innovation</li> <li>Sustainable / Responsible Product Range</li> <li>Customer Satisfaction</li> </ul>                            | Route: Unique Customer Experience<br>Route: Developing Business Environment and Society |
|                                       | Employee Satisfaction Survey   | Yearly                     |   |   |
| Senior Management                     | Meetings, Mail, Website, Telephone, Internal Messaging, Teleconference   | Perpetual                  | <ul style="list-style-type: none"> <li>Green and Efficient Transportation</li> <li>Operational Excellence and Security</li> <li>Customer Satisfaction</li> <li>Energy / Resource Management and Efficiency</li> </ul>                   | Route: Unique Customer Experience<br>Route: Zero Carbon                                 |
|                                       | Online Broadcast   | At Regular Intervals       |   |   |
| Non-Governmental Organizations (NGOs) | Telephone, Teleconference, Mail, Website, Social Media, Meetings   | Perpetual                  | <ul style="list-style-type: none"> <li>Sustainable / Responsible Product Range</li> <li>Customer Satisfaction</li> <li>Location Based Emission Management</li> <li>Circular Economy and Waste Management</li> </ul>                     | Route: Unique Customer Experience<br>Route: Zero Carbon                                 |
|                                       | Fieldwork  | At Regular Intervals       |   |   |
| Customers                             | Telephone, Teleconference, Mail, Website, Social Media, Ethics Hotline, Call Center, Aras Kargo Mobile Application   | Perpetual                  | <ul style="list-style-type: none"> <li>Customer Satisfaction</li> <li>Operational Excellence and Security</li> <li>Digitalization and Innovation</li> <li>Equal Opportunity and Diversity</li> <li>Data Security and Privacy</li> </ul> | Route: Unique Customer Experience<br>Route: Developing Business Environment and Society |
|                                       | Field Visit  | At Regular Intervals       |   |   |
|                                       | Customer Satisfaction Survey   | Yearly                     |   |   |
| Contractors                           | Telephone, Internal Messaging, Teleconference, Mail, Website, Social Media, Kahvearası Magazine, Suggestion System, Ethics Hotline   | Perpetual                  | <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>Employee Health and Safety</li> </ul>                    | Route: Unique Customer Experience<br>Route: Developing Business Environment and Society |
| Suppliers                             | Meeting, Telephone, Teleconference, Mail, Ethics Hotline   | Perpetual                  | <ul style="list-style-type: none"> <li>Operational Excellence and Security</li> <li>Data Security and Privacy</li> <li>Customer Satisfaction</li> <li>Location Based Emission Management</li> </ul>                                     | Route: Unique Customer Experience<br>Route: Zero Carbon                                 |
|                                       | Supplier Evaluation Survey   | Yearly                     |   |   |
| Public Institutions                   | Meeting, Telephone, Teleconference, Mail, Official Correspondence  | At Regular Intervals       | Operational Excellence and Security   | Route: Unique Customer Experience   |
|                                       | Audits, University Events  | Perpetual                  | Data Security and Privacy   |   |
| Society                               | Website, Social Media, Meeting, Memberships, Call Center, Aras Kargo Mobile Application  | Perpetual                  | Customer Satisfaction   | Route: Unique Customer Experience   |
| Union                                 | Telephone, Internal Messaging, Teleconference, Mail, Website, Social Media, Kahvearası Magazine, Suggestion System, Ethics Hotline, Aras Academy, Meeting, Official Correspondence | Perpetual                  | <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: Unique Customer Experience<br>Route: Developing Business Environment and Society |
|                                       | Employee Satisfaction Survey   | Yearly                     |   |   |

## Memberships

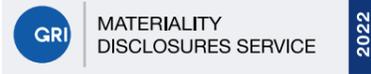
| Other main institutions and organizations that Aras Kargo is a member of; |
|---|
| Turkey Cargo, Courier and Logistics Operators Association (KARID)         |
| TEID (Ethics and Reputation Association)                                  |
| The Union of Chambers and Commodity Exchanges of Turkey (TOBB)            |
| Istanbul Chamber of Commerce (ITO)  |
| International Investors Association (YASED)                               |
| Turkish Quality Association (KALDER)                                      |

## UNGC Progress Report

| United Nations Global Compact  |  |             |
|--|--|-------------|
| Principles   | Relevant Section of the Report                     | Page Number |
| Human Rights   |  |             |
| <b>Principle 1:</b> Businesses should support and respect the protection of internationally proclaimed human rights.                         | Route: Developing Business Environment and Society | page 79     |
| <b>Principle 2:</b> Businesses should make sure that they are not complicit in human rights abuses.  | Route: Developing Business Environment and Society | page 79     |
| Labour   |  |             |
| <b>Principle 3:</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. | Route: Developing Business Environment and Society | page 80     |
| <b>Principle 4:</b> Businesses should uphold the elimination of all forms of forced and compulsory labour.                                   | Route: Developing Business Environment and Society | page 79     |
| <b>Principle 5:</b> Businesses should uphold the effective abolition of child labour.  | Route: Developing Business Environment and Society | page 79     |
| <b>Principle 6:</b> Businesses should uphold the elimination of discrimination in respect of employment and occupation.                      | Route: Developing Business Environment and Society | page 84     |
| Environment  |  |             |
| <b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges.  | Route: Zero Carbon                                 | page 69     |
| <b>Principle 8:</b> Businesses should undertake initiatives to promote greater environmental responsibility.                                 | Route: Zero Carbon                                 | page 69     |
| <b>Principle 9:</b> Businesses should encourage the development and diffusion of environmentally friendly technologies                       | Route: Zero Carbon                                 | page 69     |
| Anti-Corruption  |  |             |
| <b>Principle 10:</b> Businesses should work against corruption in all its forms, including extortion and bribery.                            | Route: Unique Customer Experience                  | page 46     |



GRI Index



| GRI Standard                      | Disclosure  | Page Number/Direct Source   | Explanation of Information Not Provided   |  |
|-----------------------------------|---|---|---|--|
| GRI 101: Foundation 2016          |   |   |   |  |
| Organizational Profile            |   |   |   |  |
| GRI 102: General Disclosures 2016 | 102-1   | page 8, About the Report  |   |  |
|                                   | 102-2   | page 8, About the Report  |   |  |
|                                   | 102-3   |   | Rüzgarlıbahçe Mahallesi Yavuz Sultan Selim Caddesi Aras Plaza No:2, 34820 Kavacık / Beykoz / İstanbul               |  |
|                                   | 102-4   | page 11-13, Aras Kargo: Carrying Importance<br>page 18-19, Aras Kargo at a Glance   |   |  |
|                                   | 102-5   |   | Austrian Post owns 80% of Aras Kargo shares.  |  |
|                                   | 102-6   | page 56-59, Route: Unique Customer Experience - Customer Experience and Satisfaction  |   |  |
|                                   | 102-7   | page 11-13, Aras Kargo: Carrying Importance<br>page 18-19, Aras Kargo at a Glance   |   |  |
|                                   | 102-8   | page 80-84, Route: Developing Business Environment and Society - Equal Opportunity and Diversity<br>page 101-103, Annex - Social Performance Indicators |   |  |
|                                   | 102-9   | page 14-15, Aras Kargo: Carrying Importance - Value Chain   |   |  |
|                                   | 102-10  |   | There has not been any significant changes regarding the organization or our suppliers during the reporting period. |  |
|                                   | 102-11  | page 8, About the Report  |   |  |
|                                   | 102-12  | page 8, About the Report<br>page 94-97, Route: Developing Business Environment and Society - Social Contribution<br>page 105, Annex - Memberships       |   |  |
|                                   | 102-13  | page 105, Annex - Memberships   |   |  |
|                                   | Strategy  |   |   |  |
|                                   | 102-14  | page 5-7, Strategic Management Office   |   |  |
|                                   | 102-15  | page 24-31, Aras Kargo Sustainability Journey - Mega Trends and Aras Kargo Compliance   |   |  |
|                                   | Ethics and Integrity  |   |   |  |
| 102-16                            | page 45-46, Our Sustainable Governance Model - Our Corporate Governance Approach      |   |   |  |
| 102-17                            | page 47, Our Sustainable Governance Model - Ethics and Compliance                     |   |   |  |
| Governance                        |   |   |   |  |
| 102-18                            | page 48-49, Our Sustainable Governance Model - Our Sustainability Management Approach |   |   |  |
| 102-19                            | page 48-49, Our Sustainable Governance Model - Our Sustainability Management Approach |   |   |  |
| 102-20                            | page 48-49, Our Sustainable Governance Model - Our Sustainability Management Approach |   |   |  |

GRI Index

| GRI Standard | Disclosure             | Page Number/Direct Source   | Explanation of Information Not Provided |  |
|--------------|------------------------|---|---|--|
|              | 102-21                 | page 34-37, Aras Kargo Sustainability Journey - Our Material Topics   |   |  |
|              | 102-22                 | page 48-49, Our Sustainable Governance Model - Our Sustainability Management Approach   |   |  |
|              | 102-23                 | page 48-49, Our Sustainable Governance Model - Our Sustainability Management Approach   |   |  |
|              | 102-24                 | page 80-84, Route: Developing Business Environment and Society - Equal Opportunity and Diversity  |   |  |
|              | 102-25                 | page 48-49, Our Sustainable Governance Model - Our Sustainability Management Approach   |   |  |
|              | 102-26                 | page 48-49, Our Sustainable Governance Model - Our Sustainability Management Approach   |   |  |
|              | 102-27                 | page 48-49, Our Sustainable Governance Model - Our Sustainability Management Approach   |   |  |
|              | 102-28                 | page 48-49, Our Sustainable Governance Model - Our Sustainability Management Approach   |   |  |
|              | 102-29                 | page 32-33, Aras Kargo Sustainability Journey - Our Sustainability Strategy   |   |  |
|              | 102-30                 | page 24-31, Aras Kargo Sustainability Journey - Mega Trends and Aras Kargo Compliance   |   |  |
|              | 102-31                 | page 48-49, Our Sustainable Governance Model - Our Sustainability Management Approach   |   |  |
|              | 102-32                 | page 48-49, Our Sustainable Governance Model - Our Sustainability Management Approach   |   |  |
|              | 102-33                 | page 48-49, Our Sustainable Governance Model - Our Sustainability Management Approach   |   |  |
|              | 102-34                 | page 48-49, Our Sustainable Governance Model - Our Sustainability Management Approach   |   |  |
|              | 102-35                 | page 80-84, Route: Developing Business Environment and Society - Equal Opportunity and Diversity  |   |  |
|              | 102-36                 | page 80-84, Route: Developing Business Environment and Society - Equal Opportunity and Diversity  |   |  |
|              | 102-37                 | page 80-84, Route: Developing Business Environment and Society - Equal Opportunity and Diversity  |   |  |
|              | Stakeholder Engagement |   |   |  |
|              | 102-40                 | page 104, Annex - Stakeholder Communication   |   |  |
|              | 102-41                 | page 79-80, Route: Developing Business Environment and Society - Developing Business Environment<br>page 101-103, Annex - Social Performance Indicators |   |  |
|              | 102-42                 | page 104, Annex - Stakeholder Communication   |   |  |
|              | 102-43                 | page 104, Annex - Stakeholder Communication   |   |  |
|              | 102-44                 | page 104, Annex - Stakeholder Communication   |   |  |



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| GRI Standard                                     | Disclosure | Page Number/Direct Source  | Explanation of Information Not Provided  |
|--|------------|--|--|
| Reporting Practice                               |            |  |  |
|  | 102-45     | page 8, About the Report   |  |
|  | 102-46     | page 8, About the Report   |  |
|  | 102-47     | page 34-37, Aras Kargo Sustainability Journey - Our Material Topics                              |  |
|  | 102-48     |  | During the reporting period, no re-arrangements were made in this scope.   |
|  | 102-49     |  | During the reporting period, no significant changes were made in terms of material topics and boundaries of the previous period. |
|  | 102-50     | page 8, About the Report   |  |
|  | 102-51     |  | Aras Kargo's first sustainability report.  |
|  | 102-52     |  | The Sustainability Report is planned to be published annually.   |
|  | 102-53     | page 8, About the Report   |  |
|  | 102-54     | page 8, About the Report   |  |
|  | 102-55     | page 106-117, Annex - GRI Index  |  |
|  | 102-56     |  | External assurance has not been taken.   |
| <b>GRI 200: Economic Performance Series 2016</b> |            |  |  |
| Economic Performance                             |            |  |  |
| GRI 103: Management Approach 2016                | 103-1      | page 48-49, Our Sustainable Governance Model - Our Sustainability Management Approach            |  |
|  | 103-2      | page 48-49, Our Sustainable Governance Model - Our Sustainability Management Approach            |  |
|  | 103-3      | page 48-49, Our Sustainable Governance Model - Our Sustainability Management Approach            |  |
| GRI 201: Economic Performance 2016               | 201-1      | page 18-19, Aras Kargo at a Glance   |  |
|  | 201-2      | page 24-31, Aras Kargo Sustainability Journey - Mega Trends and Aras Kargo Compliance            |  |
|  | 201-3      | page 80-84, Route: Developing Business Environment and Society - Equal Opportunity and Diversity |  |
|  | 201-4      |  | The Company does not receive any direct or indirect financial support from the government.                                       |
| Market Presence                                  |            |  |  |
| GRI 103: Management Approach 2016                | 103-1      | page 80-84, Route: Developing Business Environment and Society - Equal Opportunity and Diversity |  |
|  | 103-2      | page 80-84, Route: Developing Business Environment and Society - Equal Opportunity and Diversity |  |
|  | 103-3      | page 80-84, Route: Developing Business Environment and Society - Equal Opportunity and Diversity |  |
| GRI 202: Market Presence 2016                    | 202-1      | page 80-84, Route: Developing Business Environment and Society - Equal Opportunity and Diversity |  |
|  | 202-2      | page 80-84, Route: Developing Business Environment and Society - Equal Opportunity and Diversity |  |

## GRI Index

| GRI Standard                            | Disclosure | Page Number/Direct Source  | Explanation of Information Not Provided                                 |
|---|------------|--|---|
| Indirect Economic Impacts               |            |  |   |
| GRI 103: Management Approach 2016       | 103-1      | page 94-97, Route: Developing Business Environment and Society - Social Contribution   |   |
|   | 103-2      | page 94-97, Route: Developing Business Environment and Society - Social Contribution   |   |
|   | 103-3      | page 94-97, Route: Developing Business Environment and Society - Social Contribution   |   |
| GRI 203: Indirect Economic Impacts 2016 | 203-1      | page 94-97, Route: Developing Business Environment and Society - Social Contribution   |   |
|   | 203-2      | page 94-97, Route: Developing Business Environment and Society - Social Contribution   |   |
| Procurement Practices                   |            |  |   |
| GRI 103: Management Approach 2016       | 103-1      | page 60-65, Route: Unique Customer Experience - Responsible Supply Chain   |   |
|   | 103-2      | page 60-65, Route: Unique Customer Experience - Responsible Supply Chain   |   |
|   | 103-3      | page 60-65, Route: Unique Customer Experience - Responsible Supply Chain   |   |
| GRI 204: Procurement Practices 2016     | 204-1      | page 60-65, Route: Unique Customer Experience - Responsible Supply Chain   |   |
| Anti-Corruption                         |            |  |   |
| GRI 103: Management Approach 2016       | 103-1      | page 46, Our Sustainable Governance Model - Anti-Corruption and Anti-Bribery   |   |
|   | 103-2      | page 46, Our Sustainable Governance Model - Anti-Corruption and Anti-Bribery   |   |
|   | 103-3      | page 46, Our Sustainable Governance Model - Anti-Corruption and Anti-Bribery   |   |
| GRI 205: Anti-Corruption 2016           | 205-1      | page 46, Our Sustainable Governance Model - Anti-Corruption and Anti-Bribery<br>page 47, Our Sustainable Governance Model - Ethics and Compliance  |   |
|   | 205-2      | page 46, Our Sustainable Governance Model - Anti-Corruption and Anti-Bribery<br>page 47, Our Sustainable Governance Model - Ethics and Compliance<br>page 101-103, Annex - Social Performance Indicators |   |
|   | 205-3      |  | There was no notification about corruption during the reporting period. |



## GRI Index

| GRI Standard                                 | Disclosure | Page Numarası/Doğrudan Kaynak   | Explanation of Information Not Provided   |
|--|------------|---|---|
| Anti-competitive Behavior                    |            |   |   |
| GRI 103: Management Approach 2016            | 103-1      | page 45-46, Our Sustainable Governance Model - Our Corporate Governance Approach  |   |
|  | 103-2      | page 45-46, Our Sustainable Governance Model - Our Corporate Governance Approach  |   |
|  | 103-3      | page 45-46, Our Sustainable Governance Model - Our Corporate Governance Approach  |   |
| GRI 206: Anti-Competitive Behavior 2016      | 206-1      |   | There were no lawsuits filed regarding anti-competitive behavior, trust or monopoly activities during the reporting period.   |
| GRI 300: Environmental Standards Series 2016 |            |   |   |
| Materials                                    |            |   |   |
| GRI 103: Management Approach 2016            | 103-1      | page 74-75, Route: Zero Carbon - Circular Economy and Waste Management  |   |
|  | 103-2      | page 74-75, Route: Zero Carbon - Circular Economy and Waste Management  |   |
|  | 103-3      | page 74-75, Route: Zero Carbon - Circular Economy and Waste Management  |   |
| GRI 301: Materials 2016                      | 301-1      |   | There is no significant consumption of materials and raw materials in our products and services due to our field of activity, so no reporting has been made within the scope of this indicator. |
|  | 301-2      |   | There is no significant consumption of materials and raw materials in our products and services due to our field of activity, so no reporting has been made within the scope of this indicator. |
|  | 301-3      |   | There is no significant consumption of materials and raw materials in our products and services due to our field of activity, so no reporting has been made within the scope of this indicator. |
| Energy                                       |            |   |   |
| GRI 103: Management Approach 2016            | 103-1      | page 70-75, Route: Zero Carbon - Energy Efficiency and Emission Reduction   |   |
|  | 103-2      | page 70-75, Route: Zero Carbon - Energy Efficiency and Emission Reduction   |   |
|  | 103-3      | page 70-75, Route: Zero Carbon - Energy Efficiency and Emission Reduction   |   |
| GRI 302: Energy 2016                         | 302-1      | page 70-75, Route: Zero Carbon - Energy Efficiency and Emission Reduction<br>page 100, Annex - Environmental Performance Indicators |   |
|  | 302-2      | page 70-75, Route: Zero Carbon - Energy Efficiency and Emission Reduction<br>page 100, Annex - Environmental Performance Indicators |   |
|  | 302-3      | page 70-75, Route: Zero Carbon - Energy Efficiency and Emission Reduction<br>page 100, Annex - Environmental Performance Indicators |   |
|  | 302-4      | page 70-75, Route: Zero Carbon - Energy Efficiency and Emission Reduction<br>page 100, Annex - Environmental Performance Indicators |   |
|  | 302-5      | page 70-75, Route: Zero Carbon - Energy Efficiency and Emission Reduction<br>page 100, Annex - Environmental Performance Indicators |   |

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| GRI Standard                      | Disclosure | Page Number/Direct Source  | Explanation of Information Not Provided  |
|-----------------------------------|------------|--|--|
| Water                             |            |  |  |
| GRI 103: Management Approach 2016 | 103-1      | page 74, Route: Zero Carbon - Water Management                                       |  |
|                                   | 103-2      | page 74, Route: Zero Carbon - Water Management                                       |  |
|                                   | 103-3      | page 74, Route: Zero Carbon - Water Management                                       |  |
| GRI 303: Water 2016               | 303-1      |  | Due to our field of activity, no reporting has been made within the scope of water consumption and related resource management.                                |
|                                   | 303-2      |  | Due to our field of activity, no reporting has been made within the scope of water consumption and related resource management.                                |
|                                   | 303-3      |  | Due to our field of activity, no reporting has been made within the scope of water consumption and related resource management.                                |
| Biodiversity                      |            |  |  |
| GRI 103: Management Approach 2016 | 103-1      | page 69, Route: Zero Carbon - Environmental Impact Management                        |  |
|                                   | 103-2      | page 69, Route: Zero Carbon - Environmental Impact Management                        |  |
|                                   | 103-3      | page 69, Route: Zero Carbon - Environmental Impact Management                        |  |
| GRI 304: Biodiversity 2016        | 304-1      |  | Since we do not have a significant impact on biological diversity due to our field of activity, no reporting has been made within the scope of this indicator. |
|                                   | 304-2      |  | Since we do not have a significant impact on biological diversity due to our field of activity, no reporting has been made within the scope of this indicator. |
|                                   | 304-3      | page 94-97, Route: Developing Business Environment and Society - Social Contribution |  |
|                                   | 304-4      |  | Since we do not have a significant impact on biological diversity due to our field of activity, no reporting has been made within the scope of this indicator. |
| Emissions                         |            |  |  |
| GRI 103: Management Approach 2016 | 103-1      | page 70-75, Route: Zero Carbon - Energy Efficiency and Emission Reduction            |  |
|                                   | 103-2      | page 70-75, Route: Zero Carbon - Energy Efficiency and Emission Reduction            |  |
|                                   | 103-3      | page 70-75, Route: Zero Carbon - Energy Efficiency and Emission Reduction            |  |



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| GRI Standard                           | Disclosure | Page Number/Direct Source   | Explanation of Information Not Provided  |
|--|------------|---|--|
| GRI 305: Emissions 2016                | 305-1      | page 70-75, Route: Zero Carbon - Energy Efficiency and Emission Reduction<br>page 100, Annex - Environmental Performance Indicators |  |
|  | 305-2      | page 70-75, Route: Zero Carbon - Energy Efficiency and Emission Reduction<br>page 100, Annex - Environmental Performance Indicators |  |
|  | 305-3      | page 70-75, Route: Zero Carbon - Energy Efficiency and Emission Reduction<br>page 100, Annex - Environmental Performance Indicators |  |
|  | 305-4      | page 70-75, Route: Zero Carbon - Energy Efficiency and Emission Reduction   |  |
|  | 305-5      | page 70-75, Route: Zero Carbon - Energy Efficiency and Emission Reduction   |  |
|  | 305-6      |   | As we do not directly cause the release of the specified substances due to our field of activity, no reporting has been made within the scope of this indicator. |
|  | 305-7      |   | As we do not directly cause the release of the specified substances due to our field of activity, no reporting has been made within the scope of this indicator. |
| Effluents and Waste                    |            |   |  |
| GRI 103: Management Approach 2016      | 103-1      | page 74, Route: Zero Carbon - Water Management<br>page 74-75, Route: Zero Carbon - Circular Economy and Waste Management            |  |
|  | 103-2      | page 74, Route: Zero Carbon - Water Management<br>page 74-75, Route: Zero Carbon - Circular Economy and Waste Management            |  |
|  | 103-3      | page 74, Route: Zero Carbon - Water Management<br>page 74-75, Route: Zero Carbon - Circular Economy and Waste Management            |  |
| GRI 306: Effluents and Waste 2016      | 306-1      | page 74, Route: Zero Carbon - Water Management<br>page 74-75, Route: Zero Carbon - Circular Economy and Waste Management            |  |
|  | 306-2      | page 74-75, Route: Zero Carbon - Circular Economy and Waste Management  |  |
|  | 306-3      |   | Since we do not have a significant impact on any substance leakage due to our field of activity, no reporting has been made within the scope of this indicator.  |
| Environmental Compliance               |            |   |  |
| GRI 103: Management Approach 2016      | 103-1      | page 69, Route: Zero Carbon - Environmental Impact Management   |  |
|  | 103-2      | page 69, Route: Zero Carbon - Environmental Impact Management   |  |
|  | 103-3      | page 69, Route: Zero Carbon - Environmental Impact Management   |  |
| GRI 307: Environmental Compliance 2016 | 307-1      |   | There have not been any incidents of non-compliance with environmental laws and regulations or resulting in a penalty during the reporting period.               |

## GRI Index

| GRI Standard                                    | Disclosure | Page Number/Direct Source   | Explanation of Information Not Provided  |
|---|------------|---|--|
| Supplier Environmental Assessment               |            |   |  |
| GRI 103: Management Approach 2016               | 103-1      | page 60-65, Route: Unique Customer Experience - Responsible Supply Chain  |  |
|   | 103-2      | page 60-65, Route: Unique Customer Experience - Responsible Supply Chain  |  |
|   | 103-3      | page 60-65, Route: Unique Customer Experience - Responsible Supply Chain  |  |
| GRI 308: Supplier Environmental Assessment 2016 | 308-1      | page 60-65, Route: Unique Customer Experience - Responsible Supply Chain  |  |
|   | 308-2      | page 60-65, Route: Unique Customer Experience - Responsible Supply Chain  |  |
| GRI 400: Social Standards Series                |            |   |  |
| Employment                                      |            |   |  |
| GRI 103: Management Approach 2016               | 103-1      | page 80-84, Route: Developing Business Environment and Society - Equal Opportunity and Diversity  |  |
|   | 103-2      | page 80-84, Route: Developing Business Environment and Society - Equal Opportunity and Diversity  |  |
|   | 103-3      | page 80-84, Route: Developing Business Environment and Society - Equal Opportunity and Diversity  |  |
| GRI 401: Employment 2016                        | 401-1      | page 80-84, Route: Developing Business Environment and Society - Equal Opportunity and Diversity<br>page 101-103, Annex - Social Performance Indicators |  |
|   | 401-2      | page 80-84, Route: Developing Business Environment and Society - Equal Opportunity and Diversity  |  |
|   | 401-3      | page 80-84, Route: Developing Business Environment and Society - Equal Opportunity and Diversity<br>page 101-103, Annex - Social Performance Indicators |  |
| Labor/Management Relations                      |            |   |  |
| GRI 103: Management Approach 2016               | 103-1      | page 79-80, Route: Developing Business Environment and Society - Developing Business Environment  |  |
|   | 103-2      | page 79-80, Route: Developing Business Environment and Society - Developing Business Environment  |  |
|   | 103-3      | page 79-80, Route: Developing Business Environment and Society - Developing Business Environment  |  |
| GRI 402: Labor/Management Relations 2016        | 402-1      |   | In case of significant operational changes within Aras Kargo the notice periods are complied with legal deadlines. |
| Occupational Health and Safety                  |            |   |  |
| GRI 103: Management Approach 2016               | 103-1      | page 89-93, Route: Developing Business Environment and Society - Employee Health and Safety   |  |
|   | 103-2      | page 89-93, Route: Developing Business Environment and Society - Employee Health and Safety   |  |
|   | 103-3      | page 89-93, Route: Developing Business Environment and Society - Employee Health and Safety   |  |



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| GRI Standard                                  | Disclosure | Page Number/Direct Source   | Explanation of Information Not Provided                         |
|---|------------|---|---|
| GRI 403: Occupational Health and Safety 2016  | 403-1      | page 89-93, Route: Developing Business Environment and Society - Employee Health and Safety   |   |
|   | 403-2      | page 89-93, Route: Developing Business Environment and Society - Employee Health and Safety<br>page 101-103, Annex - Social Performance Indicators  |   |
|   | 403-3      | page 89-93, Route: Developing Business Environment and Society - Employee Health and Safety<br>page 101-103, Annex - Social Performance Indicators  |   |
|   | 403-4      | page 89-93, Route: Developing Business Environment and Society - Employee Health and Safety   |   |
| Training and Education                        |            |   |   |
| GRI 103: Management Approach 2016             | 103-1      | page 85-88, Route: Developing Business Environment and Society - Employee Development, Employee Engagement, Employee Communication  |   |
|   | 103-2      | page 85-88, Route: Developing Business Environment and Society - Employee Development, Employee Engagement, Employee Communication  |   |
|   | 103-3      | page 85-88, Route: Developing Business Environment and Society - Employee Development, Employee Engagement, Employee Communication  |   |
| GRI 404: Training and Education 2016          | 404-1      | page 85-88, Route: Developing Business Environment and Society - Employee Development, Employee Engagement, Employee Communication<br>page 101-103, Annex - Social Performance Indicators |   |
|   | 404-2      | page 85-88, Route: Developing Business Environment and Society - Employee Development, Employee Engagement, Employee Communication  |   |
|   | 404-3      | page 85-88, Route: Developing Business Environment and Society - Employee Development, Employee Engagement, Employee Communication  |   |
| Diversity and Equal Opportunity               |            |   |   |
| GRI 103: Management Approach 2016             | 103-1      | page 80-84, Route: Developing Business Environment and Society - Equal Opportunity and Diversity  |   |
|   | 103-2      | page 80-84, Route: Developing Business Environment and Society - Equal Opportunity and Diversity  |   |
|   | 103-3      | page 80-84, Route: Developing Business Environment and Society - Equal Opportunity and Diversity  |   |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1      | page 80-84, Route: Developing Business Environment and Society - Equal Opportunity and Diversity<br>page 101-103, Annex - Social Performance Indicators                                   |   |
|   | 405-2      |   | There is no gender-based wage discrimination within Aras Kargo. |
| Non-discrimination                            |            |   |   |
| GRI 103: Management Approach 2016             | 103-1      | page 80-84, Route: Developing Business Environment and Society - Equal Opportunity and Diversity  |   |
|   | 103-2      | page 80-84, Route: Developing Business Environment and Society - Equal Opportunity and Diversity  |   |
|   | 103-3      | page 80-84, Route: Developing Business Environment and Society - Equal Opportunity and Diversity  |   |

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| GRI Standard   | Disclosure | Page Number/Direct Source   | Explanation of Information Not Provided   |
|--|------------|---|---|
| GRI 406: Non-Discrimination 2016                               | 406-1      |   | No complaints of discrimination has been received within Aras Kargo.  |
| Freedom of Association and Collective Bargaining               |            |   |   |
| GRI 103: Management Approach 2016                              | 103-1      | page 79-80, Route: Developing Business Environment and Society - Developing Business Environment  |   |
|  | 103-2      | page 79-80, Route: Developing Business Environment and Society - Developing Business Environment  |   |
|  | 103-3      | page 79-80, Route: Developing Business Environment and Society - Developing Business Environment  |   |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | 407-1      | page 79-80, Route: Developing Business Environment and Society - Developing Business Environment<br>page 101-103, Annex - Social Performance Indicators |   |
| Child Labor  |            |   |   |
| GRI 103: Management Approach 2016                              | 103-1      | page 79-80, Route: Developing Business Environment and Society - Developing Business Environment  |   |
|  | 103-2      | page 79-80, Route: Developing Business Environment and Society - Developing Business Environment  |   |
|  | 103-3      | page 79-80, Route: Developing Business Environment and Society - Developing Business Environment  |   |
| GRI 408: Child Labor 2016                                      | 408-1      |   | Aras Kargo has no operations that carry the risk of child labor.  |
| Forced or Compulsory Labor                                     |            |   |   |
| GRI 103: Management Approach 2016                              | 103-1      | page 79-80, Route: Developing Business Environment and Society - Developing Business Environment  |   |
|  | 103-2      | page 79-80, Route: Developing Business Environment and Society - Developing Business Environment  |   |
|  | 103-3      | page 79-80, Route: Developing Business Environment and Society - Developing Business Environment  |   |
| GRI 409: Forced or Compulsory Labor 2016                       | 409-1      |   | Aras Kargo has no operations that carry the risk of forced or compulsory labor.   |
| Security Practices   |            |   |   |
| GRI 103: Management Approach 2016                              | 103-1      | page 89-93, Route: Developing Business Environment and Society - Employee Health and Safety<br>page 101-103, Annex - Social Performance Indicators      |   |
|  | 103-2      | page 89-93, Route: Developing Business Environment and Society - Employee Health and Safety<br>page 101-103, Annex - Social Performance Indicators      |   |
|  | 103-3      | page 89-93, Route: Developing Business Environment and Society - Employee Health and Safety<br>page 101-103, Annex - Social Performance Indicators      |   |
| GRI 410: Security Practices 2016                               | 410-1      |   | Since the security service was provided by a different company, no reporting was made within this scope, but Aras Kargo employees who took charge in this context received the relevant training. |



## GRI Index

| GRI Standard                               | Disclosure | Page Number/Direct Source  | Explanation of Information Not Provided  |
|--|------------|--|--|
| Rights of Indigenous Peoples               |            |  |  |
| GRI 103: Management Approach 2016          | 103-1      | page 80-84, Route: Developing Business Environment and Society - Equal Opportunity and Diversity |  |
|  | 103-2      | page 80-84, Route: Developing Business Environment and Society - Equal Opportunity and Diversity |  |
|  | 103-3      | page 80-84, Route: Developing Business Environment and Society - Equal Opportunity and Diversity |  |
| GRI 411: Rights of Indigenous Peoples 2016 | 411-1      |  | As there is no such risk due to our field of activity, no reporting was made within the scope of this indicator. |
| Human Rights Assessment                    |            |  |  |
| GRI 103: Management Approach 2016          | 103-1      | page 79-80, Route: Developing Business Environment and Society - Developing Business Environment |  |
|  | 103-2      | page 79-80, Route: Developing Business Environment and Society - Developing Business Environment |  |
|  | 103-3      | page 79-80, Route: Developing Business Environment and Society - Developing Business Environment |  |
| GRI 412: Human Rights Assessment 2016      | 412-3      | page 79-80, Route: Developing Business Environment and Society - Developing Business Environment |  |
| Local Communities                          |            |  |  |
| GRI 103: Management Approach 2016          | 103-1      | page 94-97, Route: Developing Business Environment and Society - Social Contribution             |  |
|  | 103-2      | page 94-97, Route: Developing Business Environment and Society - Social Contribution             |  |
|  | 103-3      | page 94-97, Route: Developing Business Environment and Society - Social Contribution             |  |
| GRI 413: Local Communities 2016            | 413-1      | page 94-97, Route: Developing Business Environment and Society - Social Contribution             |  |
|  | 413-2      | page 94-97, Route: Developing Business Environment and Society - Social Contribution             |  |
| Supplier Social Assessment                 |            |  |  |
| GRI 103: Management Approach 2016          | 103-1      | page 60-65, Route: Unique Customer Experience - Responsible Supply Chain                         |  |
|  | 103-2      | page 60-65, Route: Unique Customer Experience - Responsible Supply Chain                         |  |
|  | 103-3      | page 60-65, Route: Unique Customer Experience - Responsible Supply Chain                         |  |
| GRI 414: Supplier Social Assessment 2016   | 414-1      | page 60-65, Route: Unique Customer Experience - Responsible Supply Chain                         |  |

## GRI Index

| GRI Standard                             | Disclosure | Page Number/Direct Source   | Explanation of Information Not Provided  |
|--|------------|---|--|
| Public Policy                            |            |   |  |
| GRI 103: Management Approach 2016        | 103-1      | page 24-31, Aras Kargo Sustainability Journey - Mega Trends and Aras Kargo Compliance |  |
|  | 103-2      | page 24-31, Aras Kargo Sustainability Journey - Mega Trends and Aras Kargo Compliance |  |
|  | 103-3      | page 24-31, Aras Kargo Sustainability Journey - Mega Trends and Aras Kargo Compliance |  |
| GRI 415: Public Policy 2016              | 415-1      |   | Aras Kargo has no political support.   |
| Customer Health and Safety               |            |   |  |
| GRI 103: Management Approach 2016        | 103-1      | page 45-46, Our Sustainable Governance Model - Our Corporate Governance Approach      |  |
|  | 103-2      | page 45-46, Our Sustainable Governance Model - Our Corporate Governance Approach      |  |
|  | 103-3      | page 45-46, Our Sustainable Governance Model - Our Corporate Governance Approach      |  |
| GRI 416: Customer Health and Safety 2016 | 416-1      |   | As we do not have any products or services that have a significant impact on customer health and safety due to our field of activity, no reporting has been made within the scope of this indicator. |
|  | 416-2      |   | As we do not have any products or services that have a significant impact on customer health and safety due to our field of activity, no reporting has been made within the scope of this indicator. |
| Marketing and Labeling                   |            |   |  |
| GRI 103: Management Approach 2016        | 103-1      | page 16-17, Aras Kargo: Carrying Importance - Our Products and Services               |  |
|  | 103-2      | page 16-17, Aras Kargo: Carrying Importance - Our Products and Services               |  |
|  | 103-3      | page 16-17, Aras Kargo: Carrying Importance - Our Products and Services               |  |
| GRI 417: Marketing and Labeling 2016     | 417-1      | page 16-17, Aras Kargo: Carrying Importance - Our Products and Services               |  |
|  | 417-2      |   | There were no cases of non-compliance with regulations and voluntary rules regarding product and service information and labeling.   |
| Customer Privacy                         |            |   |  |
| GRI 103: Management Approach 2016        | 103-1      | page 56-59, Route: Unique Customer Experience - Customer Experience and Satisfaction  |  |
|  | 103-2      | page 56-59, Route: Unique Customer Experience - Customer Experience and Satisfaction  |  |
|  | 103-3      | page 56-59, Route: Unique Customer Experience - Customer Experience and Satisfaction  |  |
| GRI 418: Customer Privacy 2016           | 418-1      |   | There were no notifications within the reporting period.   |





# Sustainability Route

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