

GLOBAL COMPACT PROGRESS REPORT

2007-2016



Forwarding



Road Freight



Port



Koko



Warehousing



International
Commerce

INTEGRATED

INTERCONNECTED

INNOVATIVE

ekol | LOGISTICS 4.0

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Industry 4.0.



Industry 4.0 is a human-focused era equipped with information technologies.

It is a smart world in which intelligent factories can self-manage production processes. Robots communicate with each other, perceive the environment with sensors, and detect needs by analyzing data. As a consequence, the production model is more efficient, faster, and more efficient with higher quality output.

Industry 4.0 also offers endless opportunities for the logistics industry, which carries out every process, from the first manufacturer to the final consumer. There is a transformation in the seven rights of logistic: supplying the right product with the right amount, in the right way, at the right time, from the right source, on the right path, with the right price.

As an integrated logistics company operating in its own facilities in 15 countries in the fields of transportation, contract logistics, intermodal, foreign trade, customs, and supply chain management, our approach to operational excellence is inspired by Industry 4.0, bringing an era-defining perspective to the industry.

As Ekol, we believe in continuous and dynamic transformation to achieve more in the age of Industry 4.0. We are ready not only to change the future of our industry, but also to transform the world by integrating mind, heart and consciousness through our business practices comprising our experience and know-how.

We will radically change the traditional business model with our Logistics 4.0 strategy and will offer INTEGRATED, FLEXIBLE, and EFFICIENT solutions to you, to our customers, who always deserve the best. We will use our cutting-edge technology and excellent service to provide advanced solutions. Thanks to our commitment to ethical values and sustainability, we will also create environmental, financial, and social benefits. Most importantly, we will create value with you.

Ahmet Musul
Chairman of the Board of Directors of Ekol Logistics

About Ekol

Ekol, an integrated logistics company founded in 1990, provides best-in-class international freight, warehousing, domestic distribution, foreign trade, customs, and supply chain management services in 15 countries.

Ekol's business model is bolstered by technological inspiration which blends mind, heart and consciousness while constantly offering customers integrated, interconnected and innovative solutions. Ekol is always one step ahead and it never settles for good enough. This boosts our customers' accomplishments and creates environmental, financial, and social benefits.

Ekol is one of Europe's major logistics providers, boasting distribution centers with 1,000,000 square meters of total indoor space in Turkey, Germany, Italy, Greece, France, Ukraine, Bosnia-Herzegovina, Romania, Hungary, Spain, Poland, Czechia, Bulgaria, Iran and Slovenia in addition to allowing for Intermodal transportation with the utilization of its 6 Ro-Ro vessels, 48 block trains per week and 5,500 vehicles .

In fulfilling its promises, Ekol derives greatest strength from its workforce and its powerful distribution network. A multinational team of more than 6,500 staff members - wholly dedicated to delivering impeccable customer satisfaction - plays a vital role in Ekol's success story.

Our Values

HI-TECH

We do more than just invest in technology. We trust that technology is Ekol's most essential enabler. For us, technology lights our path rather than being a necessity to which change guides and leads. This approach, in conjunction with our tailored and innovative solutions, inspires the entire logistics community.

INNOVATIVE

For us, imagination is a true "treasure" and the method, with which you preserve this source, is crucial. All new and fresh initiatives contribute spirit to our imagination. We appetite for novel, value-add initiatives creating competitiveness and generating new opportunities for our customers.

ENTREPRENEURIAL

Exploring new ideas and integrating creativity throughout every business process is fundamental to our success. This may be a brand-new solution, product, or service. Our desire for original perspectives and bold initiatives strengthens not only us but also our customers.

CAN-DO-CULTURE

We are confident and shall never give up when faced with challenges. We owe our business success to working efficiently and our strong will to achieve all. As a team with our high motivation, passion and positive attitude, we can implement the most ideal solutions for our customers.

HUMANIST-CULTURE

We show empathy in our interactions with individuals - our customers, colleagues and the world at large. Our people are our most precious building-block in value creation and goal accomplishment. We believe that sincerity is a golden key to open any door, and we are fortunate to be in possession of it.

RESPONSIBLE

Our customers come first. We hold great respect for our customers and their achievements. This respect also extends to the environment, and the society. Ethical values are essential for us. As responsible citizens, we are accountable for our actions and we are well-aware of the fact that this is the only path to a sustainable future for everyone.

Our Manifesto

Being “good enough” has never been sufficient for us. Our belief in continuous and dynamic transformation guides us to growth and development every day. We are aware of the fact that any other means cannot lead to success.

We bring a new perspective to the logistics industry by integrating mind, heart and consciousness through our business practices comprising our experience and know-how.

We continue to inspire our industry by engaging cutting-edge technology to offer advanced solutions to our customers alongside our understanding of excellent service.

For us, people come first. We do forge ahead - determined through the strength of our people - so that we are able to understand each other more efficiently, protect our common values, and meet our goals.

Believing that our customers deserve the best, we provide each and every one with excellent service in all that we do. At the forefront of our minds is the fact that success of our customers is our own success.

We carry out novel ideas with our positive attitude, allowing us to overcome any challenge and become stronger with every advance.

We know there is no obstacle we cannot overcome if we work hard with passion. Our intimate commitment to ethical values and sustainability not only guides us to change the future of the logistics industry, but also to transform the world.

Milestones

- ❖ Ekol Logistics was established in **1990** and served in the international land transportation until **1993**.
- ❖ In 1994, the company made the biggest one-time fleet investment in Turkey and expanded its service network with the addition of air and sea transportation and customs clearance services. That was the first step in the way to becoming a complete logistics services supplier.
- ❖ In 1996, the company opened its first foreign branch office in Germany.
- ❖ Ekol began to serve in the field of contract logistics with the Kardelen and Orkide Logistics Centers established respectively in 1997 and 2001.
- ❖ In 2002, the company leaped forward with the acquisition of the most important forwarding company of the time, Unok/Unatsan. Realizing a first in the industry, Ekol also founded Process Development Department where only industrial engineers are employed.
- ❖ In the period 2002-2010, the company opened a stream of warehousing and distribution centres in almost all parts of Turkey to create its existing service network, and now renders its services at 26 locations in Turkey and Europe.
- ❖ In 2003, Ekol introduced another achievement in its industry thanks to its robust technology infrastructure, and began to use its quadro™ software which was designed in-house to accelerate operation of logistics processes and bring transparency to the customers. Furthermore, SAP was put to active commission.
- ❖ Within this perspective, in 2007, a Management Systems Development Group was established to introduce integrated management systems, and to develop integrated systems with its R&D team.
- ❖ In 2008, Ekol began the first "Block Train" service between Trieste and Ludwigshafen terminal.
- ❖ End of 2009 saw Ekol gaining another strength by joining forces with a minor partner, Invest AD of Abu Dhabi.
- ❖ In December 2010, Ekol acquired a leading Scandinavian forwarder, STS International Transport, to achieve industry leadership in that route also.

- ❖ With a quick start in year 2011, Ekol opened Ekol Italy. The last quarter of the year saw an acquisition in Romania, registering a 300% growth in the Eastern Europe Line, and establishing Ekol Romania. With a substantial focus on Medical Logistics, Ekol opened the largest pharmaceutical distribution warehouse of Turkey in Tuzla Logipark Campus.
- ❖ In 2012, Ekol was granted the Europe Eco Performance Award. It established the first and only R&D Centre in the logistics sector in Turkey. New facilities were established in 4 different locations in Europe (France, Bosnia, Greece and Ukraine). Ekol was the winner of the ETİKA 2012 Turkey's Ethics Award granted by Ethical Values Center Association (EDMER).
- ❖ Ro-Ro trips started in 2013, Ekol Logistics was awarded with AEO certificate (Authorized Economic Operator) by the Ministry of Customs and Trade, making export operations easier. Ekol's Hungary and Spain branches were founded and the number of European countries in which Ekol Logistics operates reached to nine in 2013. Ekol Logistics was awarded with Green Office Diploma by the World Wildlife Fund Turkey the very same year.
- ❖ By opening Spain Branch in 2014, organization of European market was expanded. Ro-Ro transportation between İzmir and Sete port was started with new the Ro-Ro vessel called AYSHE. Once again, Ekol was awarded with ETİKA 2013 Turkey's Most Ethical Companies prize given by EDMER. It became the first company obtaining "Sustainable Logistics Document" which is developed by UTİKAD and Bureau Veritas cooperation in Turkey as world pioneer. In Capital 500 Most Admired Companies Research, which was organized with participation of 1,620 middle and senior managers from 650 different companies, Ekol was chosen Turkey's Most Admired Logistics Company.
- ❖ 2015 Ekol celebrated our 25th anniversary. Ekol continued to invest in Europe by launching Ekol Poland. Customs clearance services was started to provide at the Novara Facility with Ekol Italy. The fifth Ro-Ro Fadiq was added to the fleet.
- ❖ 2016 Ekol continued to make new investments by launching Ekol Bulgaria. The sixth Ro-Ro ship MELEQ was commissioned. Ekol has taken an important step for sea transport operations to and from the United States, by being licensed as a Non-Vessel Operating Common Carrier (NVOCC). Ekol began offering direct service between Verona, Italy and Sosnowiec, Poland via a new train route. The new Intermodal route between Trieste and Novara was launched. The Konya facility was included in the Integrated Management Systems.

Major Awards

- ❖ 2016- Ekol was recognized by the Turkish Exporters' Assembly (TIM) with a "Turkey's 500 Large Service Exporters" award.
- ❖ 2016- Ekol Spain has been named National Champion in the European Business Awards.
- ❖ 2016- Won the award for the largest increase in the number of female employees in the Women-Friendly Companies Award Ceremony.
- ❖ 2016- Ranked among the top 100 on this year's "The Most Valuable Brands of Turkey" list, released by Brand Finance, an international company specializing in brand valuation.
- ❖ Chosen "The Logistics Company of the Year" in the 2016 Achievement in Logistics Awards.
- ❖ 2016- Became the Turkey Finalists at the European Business Awards for the Environment with the Intermodal.
- ❖ 2015 - Ekol once again named Turkey's most admired logistics company by Capital magazine's "Turkey's Most Admired Companies Survey 2015."
- ❖ 2015 - Ekol won a Special Jury award at the first TEGEP Learning and Development Awards thanks to our Hezarfen Vocational and Technical High School project.
- ❖ 2015 - Ekol recognized as the Best 3PL for Automotive Supply Chains and the Best 3PL for Consumer Goods Supply Chains by customer vote at eft's European Customer Choice Awards.
- ❖ 2014- With it's Sustainability and Environmental Management System Practices, Ekol became the first Turkish finalist logistics company in European Environmental Rewards.
- ❖ 2014- Ekol became one of the national champions in European Business Rewards.
- ❖ It was ganted with "The Most Ethical Companies 2012 and 2013 of Turkey" award in 2013 – 2014 by the Center of Ethical Values Association (EDMER) for two years in a row.
- ❖ 2012 - Thanks to its economic success, and environment and social responsibility projects, Ekol was granted the European Eco Performance Award 2012 by St. Gallen University on the basis of an assessment of companies' environmental awareness in their economic business models.

- ❖ 2012- In World Logistics Success Rewards given by Dünya newspaper in five categories, Ekol was awarded with prizes in categories "Storage", "Intermodal Transportation" and "Most Successful Logistics Company".
- ❖ 2011 - Ekol Logistics received “Business Partner Excellence Award” in the Logistics Field granted by Procter & Gamble every year to its strategic partners worldwide thanks to its strategic innovations and investments.
- ❖ 2011 - In the 4th International Logistics Conference held jointly by the Logistics Association (LODER) and Mersin Chamber of Industry and Commerce (MTSO), Ekol Logistics won the enterprise achievement award in the National Logistics Project Contest, with its intermodal project.
- ❖ 2011 - Ekol became the only firm in Turkey to purchase and lease to firms the packages used for production and shipment of EPAL licensed automotive and automotive supply industry products produced in Turkey, thanks to the certificate received from EPAL (European Pallet Association).
- ❖ 2011 - Ekol's German Branch received the AEO (Authorised Economic Operator) Certificate which will enable it to complete customs operations even more quickly within the borders of EU. A status serving to prove compliance of the supply chain, AEO makes the certified firms' life easier in international trade. Certified operators are assumed to be reliable and compliant, and are able to utilize facilities which help faster access through security and protection related controls in EU countries, as well as simplifications in relevant customs regulations.
- ❖ 2008 - Ekol is now a SAP Global Success Story. The same year saw Ekol as the first Turkish firm to make a presentation in the Global Success Stories category in the global Sapphire event.
- ❖ Ekol's intermodal project awarded by European Union project Cream.
- ❖ 2008 - Ekol's projects were among the finalists in the ‘Logistics& Fulfilment’ and ‘Environmental Improvements’ categories in European Supply Chain Excellence Awards.
- ❖ Ekol realized one of the first 10 applications globally for SAP version CRM2007S.

Logistics 4.0. and R&D

Industry 4.0 incorporates improvements for each line of business within the logistics industry. These enhancements include cost-effective smart warehouses with flexible design and software systems, enabling real-time tracking and intervention. Their infrastructures will be adapted for new technologies, facilitating effective supply chain management. Structures able to eliminate security vulnerabilities will also be offered, with the potential to monitor and control environmental factors while enabling data-based decisions to be taken within each service network.

In view of the above, Ekol will shift its skills and resources into Logistics 4.0.

In light of Industry 4.0 developments, Ekol is turning data into meaningful information by making objects detectable, carrying out research on self-determining technologies, and conducting pilot projects.

In line with the strategy of applying the principles of Industry 4.0, Ekol's R&D focus has put "Logistics 4.0" at its center through digitalization and visualization, process integration via the internet and mobile applications, the creation of networks between objects, cloud computing and communications technologies, and simulation and robotic systems.

Ekol carries out R&D activities in conjunction with universities and other institutions in a range of fields, such as fleet optimization and route planning, load and network improvements with 3D loading models, business model development for warehouse management, delivery and delivery, automation systems design, flexible order preparation and packaging processes, order management software, demand management system design, and transportation alternatives.

Ekol and Management Systems:

- ❖ After receiving ISO 9001:2000 Quality Management System certificate in year 2004, Ekol established in 2005 OHSAS 18001 Occupational Health and Safety system.
- ❖ As of 2010, Ekol moved on to ISO 9001:2008, and was the first logistics firm to certificate Design in the industry. The move to Integrated Management System was completed with the establishment of ISO 14001 Environment Management System.
- ❖ The bonded warehouse compliant with ISO 22000 Food Safety Management System, a first in Turkey, allows Ekol Logistics to meet customer requirements, and develop and commission new systems.
- ❖ With the most comprehensive Quality Management System in the industry, Ekol Logistics pioneered R&D activities through its custom solutions tailored for its customers.
- ❖ In 2011, Ekol was able to extent the scope of ISO 14001 Environment Management System, receiving certification for its all 3 large facilities.
- ❖ In 2011, Ekol Logistics decided to undergo Safety Quality Assessment (SQAS) organized by the European Chemical Industry Council (CEFIC), with respect to International Road Transportation, and was able to pass the assessment in February 2012. By underlining the significance it attaches to Health, Safety, Environment, Security, and Quality in its services offered to Chemical Industry, it trained the drivers assigned to international transportation operations accordingly.
- ❖ Within the framework of the “We Are Listening” project, the customer feedback is used as an asset of the company. The Customer Complaints Handling - Customer Satisfaction System received ISO 10002 certificate in 2010. By establishing the Customer Complaints & CRM department in 2011, Ekol emphasized the importance it attaches to the consideration of internal and external feedback.
- ❖ Each year, Ekol Logistics carries out customer satisfaction research through an independent firm, Gfk. By acting on the results of the research for 2010, which showed a 78% overall satisfaction rate, Ekol Logistics was able to improve its operations where there was room for improvement, and to achieve a 90% overall satisfaction rate in 2011. Overall satisfaction rate was 86% in 2012.
- ❖ In order to prove our carbon dioxide reports which we regularly send to our customers, and our greenhouse gas inventory related to all locations and activities of Ekol Logistics, which have a significant effect on our winning of the Eco Performance Award; a project has been commenced within the scope of the "ISO 14064-1 Quantification and Reporting of Greenhouse Gas Emissions

at the Organization Level" standard. A project team was formed for the project to be implemented by Management Systems Development and Process Development Departments, and the team received a 3-day (126 person/hour) training. Project activities began in the last quarter of 2012, and field supervisions were completed in February 2013 as part of the project plan. Ekol Lojistik A.Ş. The Greenhouse Gas Inventory Report has been published.

- ❖ Improvement activities are carried on interruptedly in order to provide all stakeholders with more efficient, fast, reliable and quality service. In this regard, works have begun to be the first company to apply for the AEO Program entered into force in 2013 by T.R. Ministry of Customs and Trade, and to become entitled to receive certification.
- ❖ ISO 27001:2005 "Information Security Management System" is activated at Ekol. Protecting data integrity and confidentiality/privacy, preventing unauthorized access, and maintaining the continuity of the system are criteria of great importance for activating this system.
- ❖ In line with FSR standarts which is determined by Mobile Assets Protection Association (TAPA), Ekol Logistics has obtained A level security document for space and facilities which are used for storage and carriage.
- ❖ Ekol started to stage theater performances with an Occupational Health and Safety theme for its colleagues to enjoy and learn in 2015 and 2016.
- ❖ As required by the HSE legislation, Ekol started to receive services from OSGB at Ekol as of June 2013 and appointed 37 Health and Safety personnel, 28 physicians, and seven health care personnel across Turkey in 2016.



Most valuable entities which are not shown in our financial statements; OUR EMPLOYEES



Responsibility towards Employees: Ekol Logistics believes that its most important asset omitted from the balance sheet is its "employees". In this respect, it realizes sustainable projects to improve the working conditions, to ensure compliance with certain standards with respect to such conditions, to protect social benefits of employees, and to create more efficient communication platforms through various social activities.

Ekol, as part of its vision to become a preferred multi-national employer, brought its complete employee network from Turkey to Poland, under a single umbrella, through the ONE EKOL project to set the employee value proposition with reference to a shared corporate culture and values analysis.

Human Resources Strategy:

Ekol, as part of its vision to become a preferred multi-national employer in 2015, has gathered with **ONE EKOL** project where it determined a shared corporate culture, values' analysis and employees' value proposition, his employees' network from Turkey throughout Czech Republic under one umbrella.

Ekol Logistics, with its **One Ekol** project, realized an innovative project in its communications policy. One Ekol will help all Ekol Employees feel themselves as part of a greater whole, by developing a "**Shared Corporate Culture and Shared Values**", hence building an employer brand strategy in line with the corporate brand. The aim is to provide positive employee experiences for all Ekol staff, from Turkey to Poland, with a view to reinforcing their loyalty and to rendering the firm a center of attraction for new prospects.

Ekol Logistics has sites in 15 countries, and employs more than 7000 employees of all nations and languages, with various skills and experience levels. Once the supplier staff are added into the count, Ekol consists of a huge family of 8,000 families, touching the lives of 30,000.

In order to reach out to all its employees, and to make them feel the same terms and value, Ekol named "**Value Ambassadors**" from among its staff. Having built a communications network with its value ambassadors, on the basis of its vision to become the most preferred employer, Ekol thus will be able to set a single corporate culture and language, extending to each and every member of the organization.

The "**Dialog for the Future**" process, overseen by the senior management of Ekol, helped defining the desired corporate identity. Ekol employees were given the "**Employee Views, Loyalty, and Corporate Culture Assessment Survey**", in order to have a clearer picture of areas where there is room for development. Ekol, indeed was the first Turkish name to take part in the "**Great Place to Work**" survey which reviews the most successful and innovative firms worldwide. The results of the "**Workplace Culture Analysis**" and "**Employee Confidence Index Survey**" carried out in this context helped defining the road map for the project. The project executed by the Human Resources, Corporate Communications, and Internal Communications Agency, embraces all employees with "**One Ekol One Team**" Spirit.

In line with this strategy, objectives of Ekol are;

- ❖ Establishing international strategic human resources mentality, increasing employees' satisfaction and loyalty.
- ❖ Employing and maintaining correct employees with the objective of becoming best place to work for.
- ❖ Determining and organizing training needs in line with targeted competencies, ensuring improvement of employees' knowledge and skills and increasing their performances.
- ❖ Making possible that objectives which are expected from employees are stated openly and clearly, that individual achievements are measured objectively and rewarded duly, in order to increase corporations performance and make is sustainable.
- ❖ The establishment of career and back-up system serves to assign correct individuals in the corporation to the correct positions, at the correct time.
- ❖ Ensuring that employees working with salary system are rewarded in a realistic and fair way so that employees performing work at requested quality level are kept in the organization.
- ❖ Monitoring Employee's Satisfaction and Loyalty as an indicator, determining strong and open to improvement areas, taking right steps to maintain strong ones and improve other ones.

Helping to adopt corporate change culture by managing human resources within Ekol ideally, in order to realize organizational objectives and critical success factors.

Ekol respects its employees' union and collective contract rights.

Ekol believes that rational solutions as key to sustainable success and effective resource utilization can only be produced with qualified and happy human resources and therefore investing in employees in a sustainable sense.

Each employee has an employment contract containing the terms of service and job descriptions are defined in the contacts. Specifying the conditions regarding the termination of employment in the "Operational Procedure for Discipline Regulation", Ekol clearly states that purchases, receiving gifts, goods, or cash, or any benefits from legal or natural persons with which the company deals

with would constitute grounds for termination of employment, within the framework of the efforts to fight against corruption.

In order to create a more transparent and fair working order, Ekol has founded Ethic Board which is a full entitled organization.

In order to adopt ethical values that is practiced during business processes, Ekol has published Ekol Regulation on Corporate Principles in 2012. The regulation emphasizes the main topics of Protecting Social Benefits, Compliance to Laws and Other Regulations, Protecting Worker Rights and Working Conditions, Efficiency of Business Partners and Social Stakeholder Communication, Protecting Company Rights, and Transparency.

Ekol has never been accused of forced labor or named with this issue. Besides this, compliance with the legal requirements concerning employee rights, confidentiality principle, equal benefits for employees, safety, security, and health had always been important parts of its Human Resources Policies. Ekol stands against any discrimination based on race, color, gender, religion, political view, nationality, marital status etc., and acts in line with established procedures. In March 2009, Ekol signed the "Declaration for Management as a Women's Right" sponsored by KalDer, underlining the importance it attaches to gender equality.

Employee distribution in years 2009 –2013:

| Female Staff / Total Staff Count | 2009 | 2010 | 2011 | 2012 | 2013 |
|----------------------------------|--------|--------|--------|--------|--------|
| Number of Male Employees | 2480 | 2888 | 4229 | 5366 | 4231 |
| Number of Female Employees | 389 | 431 | 798 | 1425 | 1314 |
| Rate of Female Employees | 13.55% | 12.98% | 15.87% | 20.98% | 23.69% |

Employee distribution in years 2014-2016:

| Female Staff / Total Staff Count | 2014 Medium | 2015 Medium | 2016 Medium |
|----------------------------------|-------------|-------------|-------------|
| Number of Male Employees | 3463 | 4205 | 4.550 |
| Number of Female Employees | 719 | 835 | 843 |
| Rate of Female Employees | 17.2% | 16.6% | 15,6% |
| Number of Foreign Employees | 963 | 1.170 | 1.601 |
| Total | 5145 | 6.210 | 5.393 |

Recruitment Process:

In line with One Ekol corporate culture and values, 4 main core competences are looked for during recruitment process;

These are:

- ❖ Customer Focus
- ❖ Passion
- ❖ Confidence
- ❖ Human Oriented

Purpose of recruitment process in Ekol is; recruiting people who are needed according to human resources planing at the beginning of each year; who are willing to adapt Ekol's corporate strategy,

objectives, corporate culture and values, who are ready to provide added value, owning correct knowledge, skills, qualifications and competences for the position.

The skills and qualifications required for each position are determined for hiring and assignment process comprising the sub-processes of determination of necessity, application management, preliminary screening, selection, approval, assignment, and monitoring. The candidates are required to meet these skills and qualifications.

Ekol, continuing his objective being a preferred employer brand, uses recruiting tools like competence based interview in line with needs of job position, personality inventory, general aptitude test, assessment center applications, foreign language examination and reference checks for recruitment processes.

Ekol believes that human rights are an absolute and universal standard. Company acknowledges the Human Rights of the United Nations and the Universal Declaration of Children's Rights Convention. Ekol doesn't employ child worker and doesn't support employment of children.

Organization remains committed to equal opportunity in the workplace; stands against any kind of racist / discriminatory approach based on fundamentals like religion, language, race, ethnicity, disability, gender, marital status, relationship and age.

Performance Management System:

The objective of the Ekol performance management system is to increase and sustain the business performance and support employee development by recognizing personal contributions and achievement.

In line with the Balanced Scorecard (BSC) approach, the Ekol performance management system is based on four different aspects; finance, process, customer and human/sustainability. Three main financial objectives: gross profit, net profit and budget adherence, are assigned to Scorecards of employees of all levels according to their role groups. Other objectives are added to employees' Scorecards in line with the General Directorate that they report to. After the objectives are added, the employee and their immediate supervisor should reach a face-to-face agreement. We use the S.M.A.R.T approach to set our objectives. Ekol performance management evaluation is carried out on an annual basis and review periods are conducted biannually.

The follow-ups during the review periods include a meeting between the employee and their immediate supervisor to revise objectives if necessary in line with conditions. The main performance evaluation is carried out annually at the year-end, and is based on the year-end data. The data from

the performance management system is used for wage management, career management, and to create training and development plans.

Competency Evaluation System:

This system is used for various areas including Competencies, Recruitment, Organizational Change, Identifying Potential & Development Planning, Back-Up Planning and Position Change.

Scholarships and Charity Facilities: Ekol Logistics provides employees' children studying in primary and secondary degree schools with scholarship and charity facilities. In addition to providing scholarships to students successful in OKS, all students are provided school supplies and clothing assistance.

| Education Aid | | |
|---------------|-------------------|--------------|
| Year | Number of Persons | Total Figure |
| 2007 | 500 | 63.000 |
| 2008 | 550 | 70.000 |
| 2009 | 550 | 70.126 |
| 2010 | 745 | 95.433 |
| 2011 | 800 | 120.000 |
| 2012 | 1.504 | 225.600 |
| 2013 | 1.760 | 264.000 |
| 2014 | 2.003 | 300.450 |
| 2015 | 2,070 | 300,450 |
| 2016 | 2,200 | 385,00 |

Carrier Management:

The output of the performance assessment system helps draw the career track of the person, taking into consideration the training requirements, training results and the factor of meeting the requirements of the position. The employees who achieve high scores with respect to all these criteria are included in the skill pool. These employees are trained for and progress toward becoming the future directors of Ekol.

Employer Brand:

- ❖ The "1 Of Us" Project aims to strengthen information flow between Ekol employees from 15 different Ekol countries and improve communication by finding common ground. The project "1 One Us" is shared with all Ekol employees once in every 15 days. In this project, we interview Ekol employees about their hobbies and aspirations and share them on Ekol's local communication channels and LinkedIn page with related photos. This way, we create an opportunity for Ekol employees sharing common hobbies, interests and aspirations to meet each other and continue their journeys together.
- ❖ We have seen an increase in company recognition and employee interest through employer brand projects. At this point;
 - Brand recognition showed an increase of 17 percent.
 - The number of followers increased by 87 percent on LinkedIn, a professional employment network.
 - The followers of other Ekol countries on LinkedIn also rose by 34 percent in six months period.
- ❖ Ekol is the leading company in terms of strong brand recognition and number of followers on LinkedIn within the logistics industry.
- ❖ We compared the 2015 and 2016 numbers of advertisement views and job applications through LinkedIn to see the affect of employer brand and corporate culture projects. Here are the results:
 - Advertisement views rose by 212 percent,
 - and job applications had an increase of 262 percent.

Training and Improvement:

Training and Improvement activities are carried out in line with our corporate strategy, objectives, priorities and values and performance goals and improvement activities of Ekol employees. By determining training requirements, training plans are prepared and necessary organizations are made to conduct trainings.

Training and Improvement are aiming at the ability of all Ekol employees that they are doing their job correct, that they can think multi directional, innovative, and becoming best persons in their jobs creating added value, developing their professions and competency in line with their responsibilities and personal skills. So, it is provided that employee satisfaction/loyalty is increased, quality awareness is made perfect, employees' performance, operational efficiency and productivity are increased.

Training programs, subjects and contents are determined in line with educational and development needs, also surveys carried out in line with company's corporate strategy, goals and values, workshops, negotiations with employees and managers, improvement fields set by employees by themselves, and recommendations of managers are considered, too.

In Ekol, beside educations for white collar workers, also a great importance is given to trainings for blue-collar workers and financial resources are allocated for these. The trainings received by our blue collar workers throughout the year can be categorized under the titles personal development, quality management systems, occupational health and safety, environment management systems, and technical and professional trainings. Training programs approved by Ministry of National Education and Vocational Training Center with the aim of certifying professional development of warehouse employees are continuing.

Within the scope of orientation program, all new drivers starting to work for Ekol receive trainings from driving instructors, Occupational Health and Safety Specialists and Occupational Workplace Physician. Besides Ekol's sensibility to environment, ensuring that drivers take necessary information on consuming minimum amounts of fuel in order to use resources efficiently and reduce costs, contribution to drivers' professional developments are among most important objectives. In addition to this, Defensive Driving and Fatigue Fighting training for drivers continue.

Driver Trainings per Year:

- ❖ 2007: 378 hours training / 90 drivers / 2802 man-hours
- ❖ 2008: 280 hours training / 110 drivers / 2,792 man-hours
- ❖ 2009: 440 hours training / 572 drivers / 3,288 man-hours
- ❖ 2010: 416 hours training / 160 drivers / 1,728 man-hours
- ❖ 2011: 150 hours training / 260 drivers / 1,620 man-hours
- ❖ 2012: 218 hours training / 307 drivers / 2,077 man-hours
- ❖ 2013: 519 hours training / 781 drivers / 4,115 man-hours
- ❖ 2014: 529 hours training / 940 drivers / 4,970 man-hours
- ❖ 2015: 528 hours training / 475 drivers / 4.582 man-hours
- ❖ 2016: 928 hours training / 1449 drivers / 8.223 man-hours

In line with Training and Development Plans, Ekol employees join many programs in the field of orientation, adaptation to work, personal, technical, professional, and leadership development. In addition to trainings in classrooms, e-learning, on-the-job training, seminars, conferences, and panels are offered as distinct training solutions, to contribute to the professional and personal development of our employees, with a view to raising their knowledge levels higher, to come up with individuals to create value and increase performance each day.

With the necessity of contribution to society and social responsibility approach, Training and Development activities continue also outside of Ekol. A logistics class was opened in cooperation

with Hezarfen Vocational and Technical High School. With this project, where Ekol provides its support in the means of content and technical possibilities, high school students are provided with education and profession. As a continuation of the project, "Ekol Staff College Completion Project" began. With this project, Ekol employees providing necessary competencies are supported to complete the high school.

Total Training Hours:

- ❖ 2007: 1,254 hours training / 1,165 employees / 10,462 man-hours
- ❖ 2008: 1,858 hours training / 7,871 employees / 20,917 man-hours
- ❖ 2009: 2,450 hours training / 5,211 employees / 15,623 man-hours
- ❖ 2010: 2,900 hours training / 5,909 employees / 19,264 man-hours
- ❖ 2011: 3,573 hours training / 13,682 employees / 34,515 man-hours
- ❖ 2012: 6,547 hours training / 16,189 employees / 36,468 man-hours
- ❖ 2013: 3,586 hours training / 7,184 employees / 43,800 man-hours
- ❖ 2014: 5,525 hours training / 7,536 employees / 54,306 man-hours
- ❖ 2015: 9.364 hours training / 8.205 employees / 57.441 man-hours
- ❖ 2016: 11.891 hours training / 24.279 employees / 64.375 man-hours

Ekol and Social Responsibility

Our Corporate Social Responsibility Policy: Positively contribute to the future of the community

Since its foundation in 1990, Ekol Logistics always aimed to fulfil its responsibilities towards the society, the environment, and employees. In this framework, it tried to support Social Responsibility Projects to the extent of its capabilities. Ekol underlines its efforts in this respect with the frequently used slogan "logistics for a better world", and pays the due of its principles with countless projects it carried out through the years.

1) Ensure that new generations grow to be more socially conscious and well-equipped individuals



With its service network providing in different sectors, Ekol Logistics is working within a structure present at all fields of life. With a view to fulfilling its part in achieving a better society, Ekol engages in numerous education projects to raise modern and contemporary new generations according to the cultural, social values of the society.

2) Achieve sustainable growth by developing environmentally-sustainable projects and business processes



Natural resources are being exhausted with pace. Habitats are getting restricted. Each day harm done by humans on the environment increases logarithmically. Believing that the companies need to play their part on leaving a better world to future generations, Ekol strives to organize its processes with environment-awareness, to inform its employees, and to support non-governmental organizations working to protect wild life...

3) Ekol Voluntary Day

5th December World Voluntary Day is celebrated as Ekol Voluntary Day by employees in every year. Ekol Logistics's employees have internalized Social Responsibility Awareness within the framework of the corporate culture, and currently maintain their efforts in this respect. All employees engage in personal efforts in addition to company-wide efforts.

ENSURE THAT NEW GENERATIONS GROW TO BE MORE SOCIALLY CONSCIOUS AND WELL-EQUIPPED INDIVIDUALS

Hezarfen Technical and Industrial Vocational High School (2013-):

In 2013, Ekol Logistics has set an example for the industry by establishing an Application Depot and a Computer Lab for Hezarfen Technical and Industrial Vocational High School. Ekol, as part of its active support for education since day one, had set up a modern computer lab for 40 students of Ekol Class at Hezarfen Vocational and Technical Anatolian High School, as well as applied education depots, to meet the needs of the industry.

In order to gain students reading habit and improve their self expressions habit, in 2014, a library was founded, facilities are visited, specialists and experienced unit managers came together with students within the scope of on-site trainings, and seminars are organized, as well. Booklets on warehouse management, distribution, and customs procedures were drawn up to support education curriculum, in order to help raise well-equipped graduates for the industry.

Within this project, internships in Ekol facilities is offered to the students to do internships in Ekol facility.

Ekol won a Special Jury award at the first TEGEP Learning and Development Awards in Social Responsibility category thanks to Hezarefen Vocational and Technical High School project.



Ekol Employees–High School Education Project

Ekol supports its blue-collar employees with "The High School Education Project" organized in cooperation with Harmandere Vocational and Technical High School. While the first pilot group of "Ekol Employees - High School Education Project" are continuing their education, in the academic period 2014/15, 30 employees from Contract Logistics participated in the project and passed to the 11th grade after finishing the term successfully. Ekol is aiming to make sure that all our eligible employees benefit from this project. Accordingly, Ekol reached out to 104 employees from its facilities in Istanbul who indicated their willingness to finish their high school education in the academic year of 2015/16. Both face-to-face and e-learning methods are used in the program. At the weekends, students receive training on logistics at Harmandere Vocational and Technical School while they receive their general culture courses through e-learning.

When they have collected enough credits, the blue-collar workers of Ekol will be awarded with their diplomas as the graduates of the Vocational High School - Logistics Department. "Ekol Employees - High School Education Project", which is essentially a social responsibility project, offers many social and economic advantages to its employees.

"Don't Wait, Donate" Campaign

Ekol organized "Don't Wait, Donate" Campaign in 2016, started to collect books with the support of its employees for filling the Harmandere Vocational and Technical School Logistics department library.

Aiming to increase the reading habits of students, contribute to raise them as efficacious people for the society, Ekol voluntary employees gave support to the campaign at the **book collection points** which were placed to the facilities.

Darüşşafaka- Kitapcan Parent

To give to fresh grade 5 students, of Darüşşafaka, Ekol, in 2014-2015 education period; became Book Parent of 5d class with 25 students making a cooperation for "Kitapcan Book Gift Card" project prepared by Book Everywhere for Anyone Foundation. Ekol supported this project by fulfilling needs for books of the class for 1 year.



Ekol Greece - Aid Campaign for Orphaned Babies

Ekol employees donated baby-care supplies to Agios Stylianos Orphanage.

The campaign covered all the basic needs of a baby, such as diapers, milk, diaper rash cream, disposable gloves and other necessary supplies.



Ekol Italy Sponsors a Disability Sports Team

Ekol Italy began sponsoring Disability Sports Team. Some of the athletes on the team earned the chance to compete in The 2016 IPC Athletics European Championships and Rio 2016 Paralympic Games.

On top of that, Ekol Italy employee Alina Alexandra Simion ran in the Golden Gala in Rome. Alina Alexandra Simion broke the Italy record in the 400 meters.

Thanks to this sponsorship Ekol not only supports sport, but also pays particular attention to improving access to sports for people with disabilities.

Ekol's Cooperation with Universities

Aware that the youth comprises the most important individuals of the society, Ekol Logistics acts in cooperation with universities. Opportunities to visit the facilities, internship agreements with important educational institutions, career days participated, and panels, as activities organized for or with universities, provide, on the one hand, university students a chance to prepare themselves better for the professional life, and fulfil, on the other, the role of the firm in supporting training of quality work-force, as part of its industrial responsibility.

Ekol reached an important success in 2012 as the first brand to establish the only R&D Centre in its sector in Turkey. Employing a young staff of more than 120 full-time personnel – 95% holding

graduate degrees, Ekol R&D Center implemented more than 100 projects to date, with the purpose of increasing productivity and developing new business models.

3 of 7 projects of R&D department supported by TUBİTAK are approved in 2014, for 4 R&D projects patent application are carried out.

Ekol R&D Center will create a ground for realization projects of SAN-TEZs (Thesis Studies Supported by Industry) and give opportunity of implementation to masters and doctorate students during which the ongoing cooperation of Ekol with academics will increase and publications of sector specific studies and case studies will have vast chances.

In 2016, Ekol Poland signed a cooperative agreement with the Poznan University of Logistics, the first higher education institution of Poland in the field of logistics.

Visits to Facilities:

Ekol provides tours of the highly-automated facilities equipped with advanced technology, for logistics clubs of universities, allowing the students to have a on-site glimpse on the processes. The students obtain a chance to get detailed information regarding the industry they intend to work in, in addition to an opportunity to see the wide range of services covered by the logistics industry.

Facility visits in year 2008:

İzmir University of Economics
Beykent University
Avcılar Mehmet Emin Horoz Vocational School of Logistics
İstanbul University

Facility visits in year 2009:

Bilgi University
Okan University
İzmir University of Economics
Bahçeşehir University



Facility visits in year 2010:

Boğaziçi University
Yeditepe University

Facility visits in year 2011:

İstanbul Kültür University
Bahçeşehir University
Yeditepe University

Facility visits in year 2012:

Okan University
Arel University
Yıldız Teknik University
Bilkent University
Kayseri Erciyes University

Facility visits in year 2013:

Bilkent University
Uludağ University
Nişantaşı University
Okan University

Facility visits in year 2014:

Bahçeşehir University
Fransa Sorbonne University
Okan University
Işık University
İstanbul Ticaret University
TOBB Ekonomi ve Teknoloji University
Türk Hava Kurumu University

Facility visits in year 2015:

Bilgi University
İstanbul Technic University
İstanbul Kültür University

Facility visits in year 2016:

İnegöl Commerce Vocational High School
FIATA Diploma Eğitimi Katılımcıları



Feriha Uyar Girl Vocational School
50.yıl Feridun Tümer High School
Bilgi University
Sakarya University
Hezarfen Vocational and Technical Anatolian High School
Dumlupınar Üniversitesi Şaphane MYO
Nuh Naci Yazgan University
Arel University

Seminars and Panels:

The executives of Ekol Logistics offer numerous seminars and participate in panels each year, in order to share their experiences accumulated in long years in the industry, with the logistics specialists of the future.

Seminars and Panels in 2007:

İzmir University of Economics – Seminars by Guest Speakers

Seminars and Panels in 2008:

Yeditepe University – Career Days
Celal Bayar University – International Trade and Logistics Seminar

Seminars and Panels in 2009:

Istanbul Technical University – 8th Industry Days
Erciyes University – Logistics Day
Boğaziçi University – Seminar Class

Seminars and Panels in 2010:

Boğaziçi University – Seminar Class
Uludağ University – Career Days 2010
Muğla University

Seminars and Panels in 2011:

Uludağ University
Istanbul Kültür University
Marmara University



Seminars and Panels in 2012:

Boğaziçi University
İstanbul Kültür University
Uludağ University
Yıldız Teknik University

Seminars and Panels in 2013:

Uludağ University
İstanbul University
Yeditepe University

Seminars and Panels in 2014:

Okan University
Işık University
Çağ University
Bahçeşehir University
İstanbul Ticaret University
Yıldız Teknik University
Sakarya University
Eylül University

Seminars and Panels in 2015:

İstanbul Technic University
Uşak University
Yıldız Technic University
Balıkesir University
Niğde University
Bahçeşehir University
Koç University
Yaşar University
Süleyman Şah University

Seminars and Panels in 2016:

Arel University
Poznan Logistics School
Darüşşafaka High School
Dokuz Eylül University Maritime Faculty
Özyeğin University
Yeditepe University
İstanbul University



Bocconi University
Marmara University
Ege University
Poznan Logistics University
Kiev-Mohila Business School
İstanbul Gelişim University
Okan University

Sponsorships:

In order to support the students in getting a complete education, Ekol sponsors various events organized for university students, the future of Turkey, to fulfill its responsibility for university students.

Sponsorships in year 2007:
Logistics Training Camp '07

Sponsorships in year 2008:
Istanbul University – Graduation Ceremony 2008
Sakarya University – Shell Eco-marathon (logistics support)

Sponsorships in year 2011:
Mersin University – "TUBİTAK Formula G Solar-Powered Car Races" Sponsorship for the team racing with the vehicle named Scarpion.

Sponsorships in year 2012:
Uludağ University - gift a conference room to the Vocational School of Social Sciences.
İstanbul Kültür University –2012 Logistics Panel
Bilkent University – Supply Chain Summit

Sponsorships in year 2013:
Bilkent University-National Academy of Young Student Symposium
TOBB Economics and Technology University -The Election Analysis Working Group (EWGL A) Conference



Sponsorships in year 2014:
Istanbul University of Purchasing and Supply Chain Conference
Dokuz Eylul University - European Solar Challenge (European Solar Vehicles Race) - Logistic support

Istanbul Commerce University-Production Research Club, support for the project called Dreams Libraries

Middle East Technical University, 2014 Shell Eco-Marathon race in Valencia - Logistic support

Bilkent University junior National Academy Student Symposium

Sponsorships in year 2015:

ODTÜ- E-commerce ve Logistics Summit

Sponsorships in year 2016:

Yıldız Technical University - Formula Student Race Logistics Sponsorship

Open Sitges- Ekol Spain sponsorship

Internship Opportunities:

As one of the most important logistics firms of Turkey, Ekol offers university students various internship opportunities. Each year, an average of 30 students are provided internship opportunities in Ekol's facilities. Through agreements with the most successful universities of Turkey, such as Boğaziçi, ITU, and METU, students of Industrial and Business Administration Engineering departments are offered internship opportunities.

ACHIEVE SUSTAINABLE GROWTH BY DEVELOPING ENVIRONMENTALLY-SUSTAINABLE PROJECTS AND BUSINESS PROCESSES

Fleet Replacement Project:

EURO 5 norms aim to achieve gradual reductions in NO (Nitrogen oxide), CO (Carbon monoxide), HC (Hydrocarbons) and particle emissions.

Within the framework of the project to minimize the environmental footprint of the vehicles which ensure seamless flow of trade throughout the Europe, Ekol Logistics replaced all the trucks in its fleet as of the end of 2011, and made the fleet fully compliant with EURO 5 standards.

With a fleet exceeding by a wide margin the EURO 1 standards currently in force in Turkey, Ekol adopted European norms by added Euro-6 vehicles as of 2015, and proved its environmental-awareness with over 3000 Euro-5 and Euro-6 compliant vehicles.

Intermodal Transportation:

Every day, Ekol provides services in all corners of the globe, aspiring to use natural resources optimally and creating a more sustainable business model - while employing the Intermodal transportation model it introduced in 2008. By doing so, the company saves 365,000 trees each month.



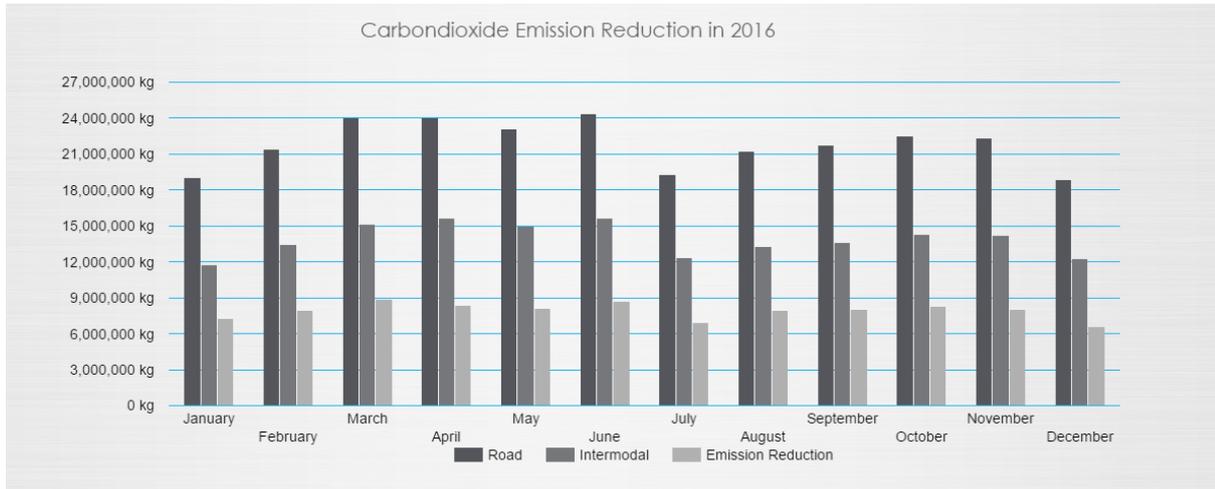
In a single Intermodal trip, Ekol achieves the following savings without having to cover 2,429 kilometers of road:

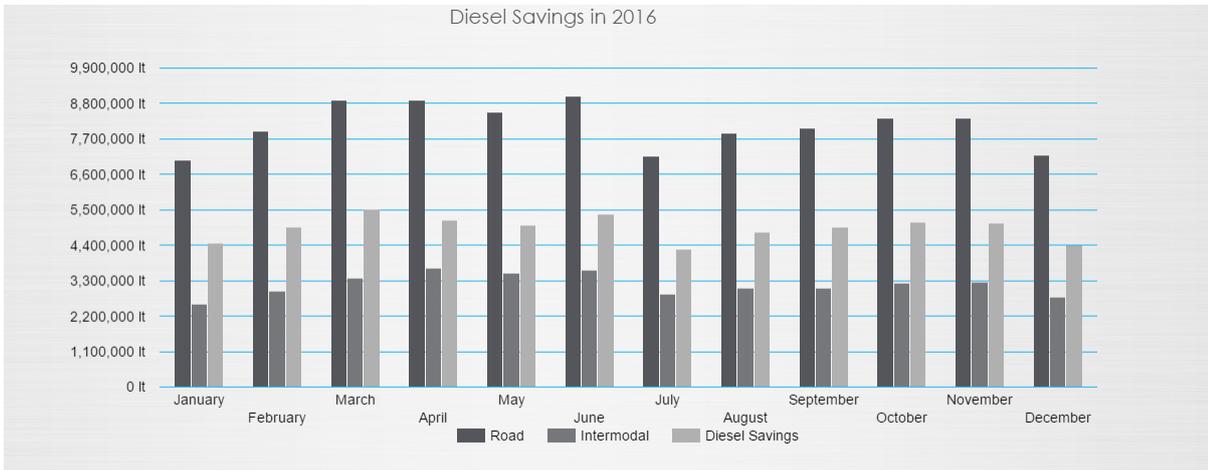
- 823 l of fuel
- 2,221 kg of CO2
- 5.8 kg of NOX
- 0.08 kg of particles.

More efficient, sustainable and competitive services from Ekol...

Since 2013, Ekol has been assisting customers to be more competitive with its Ro-Ro service and it has continued to invest in the expansion of its fleet to maintain the company's growth trend.

Ekol operates nine weekly shuttle services between the ports of Haydarpaşa, Alsancak, Lavrio, Trieste, and Sète with state-of-the-art, technology-equipped modern Ro-Ro vessels; HATCHE, PAQIZE, QEZBAN, FADIQ, AYSHE, and MELEQ.





WWF Green Office Program:

Ekol Logistics is proud to become the first logistics company in Turkey to participate in WWF Green Office program. There are improvements being planned and implemented with respect to Waste Management, Electricity Consumption and Paper Consumption savings indicators chosen within the framework of the program. The activities in this respect focus on improving the awareness of employees.

Within the scope of the Green Office Program, an awareness-raising presentation was held for employees in two facilities of Ekol in 2012. The presentation was made by WWF-Turkey representatives and the issues such as "WWF, Green Office, system/ecosystem, ecological footprint, water footprint and climate change" were included in the presentation.



Informative announcements emphasizing consumption of natural resources and recycling were created and hang on the relative fields in the facility in 2013.

In the year 2014, Ekol Logistics accomplished to be the first logistics company in Turkey to have been granted with Green Office Diploma after the final assessment carried out by WWF.

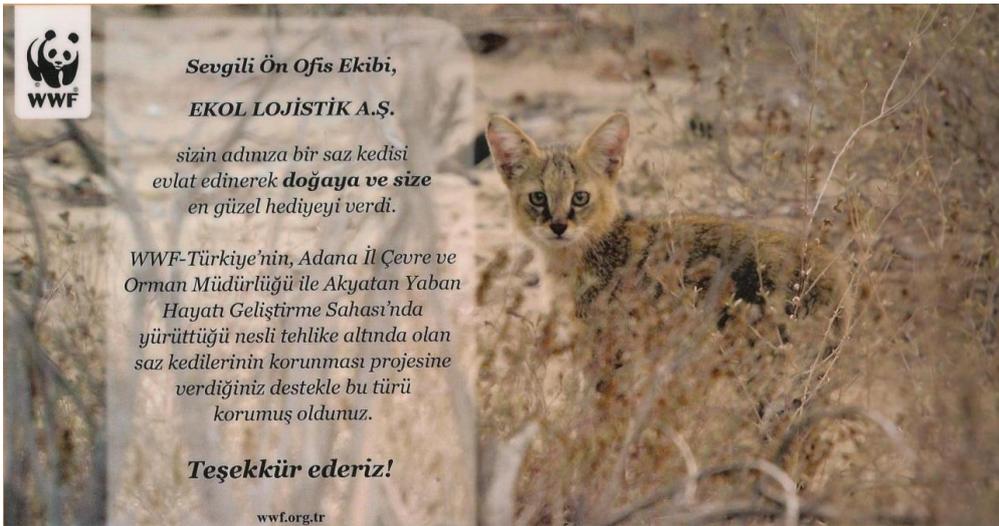
Waste Management: Ekol is well aware that wastes which were not disposed of appropriately remain to pollute the nature for years, continuing to have harmful effects on the environment. In this respect, Ekol Logistics focusing also on Waste Management within the framework of WWF Green Office Program, took steps to ensure any waste created during its operations is disposed of appropriately.

Aiming to reduce trash volumes through sorted collection of wastes, Ekol Logistics aims to reduce the use of raw materials, energy, and other natural resources through the application of suitable sorting methods. The sorted waste are disposed of or recycled appropriately by the licensed firms with which Ekol made contracts for this purpose.

Collection of Food Waste: The waste food collected in cafeterias is taken to animal shelters in the vicinity, with an aim to provide food for our animal friends.

Sorting of Food Waste: Through sorting out recyclable wastes among the waste produced in the cafeteria, recycling efforts are supported.

Campaign for the Recovery of Scrap Waste: The scrap waste created in the facilities within year 2011 were sorted and delivered to relevant recycling firms. The revenue derived from this operation was used to support the adoption campaign of World Wide Fund for Nature (WWF) Turkey.



Paper Consumption: In order to protect the nature's oxygen factory, the forests, Ekol included savings in paper consumption and recycling of paper among the main indicators chosen within the framework of WWF Green Office Program.

Ekol determines paper consumption rates per department, and produces special solutions to reduce consumption. Each ton of paper recycled thanks to efforts of Ekol saves 17 trees, which in turn provide for the oxygen needs of 144 human beings. Moreover, through the use of recycled paper, Ekol helps achieve significant savings in water and energy consumption for the production of paper.



Electricity Consumption: With the awareness that anyone can create a substantial difference in terms of electricity savings, Ekol aims to support a collective movement rather than instances of individual efforts to reduce electricity consumption. Furthermore, Ekol is in the process of coming up with improvements in line with the results of analyses performed using different measurement devices for each office.

In Turkey, lighting accounts for 20% of the electricity consumption. A 20% improvement towards energy-efficient lighting systems would allow savings equal to the annual generation capacity of Keban Dam. That is why Ekol opts to use energy-efficient light bulbs in its facilities.

Through the **Virtual Server Project** implemented in year 2011, existing set of 55 servers were replaced with 4 virtual servers, to achieve 20% savings in electricity consumption.

| | Number of Power Supplies | Total Consumption / kwh |
|---------------------------------|--------------------------|-------------------------|
| 55 servers at various locations | 70 | 28 |
| 4 virtual servers | 8 | 5.4 |
| Energy Saving | - | 22.6 |

WWF-Earth Hour Activity

Ekol Logistics, as the Earth Hour activity envoy of World Wildlife Fund (WWF), which is one of the biggest environment movements in the world, supports to the activity in its facilities in order to draw attention to global climate change.

Environment Management System (2009-2016):

In 2010, Ekol completed the Environment Management System Project, of which infrastructure began to be laid down in 2009. Within the framework of the project, documentation was created as per ISO 14001 Environment Management Standards, and applied later on pre-determined environment-related targets. Then trainings of Ekol personnel and the students of the schools close-by began.

- ❖ With reference the targets, the disposal of the wastes produced in the facilities began in accordance with Environment Regulations.
- ❖
- ❖ Packaging Wastes: Collected and sorted within the facility, and recycled by licensed firms.
- ❖ Domestic Wastes: Disposed of by the municipality.
- ❖ Waste Vegetable Oils: Given to licensed recycling firms by our kitchens operated by contractor firms.
- ❖ Waste Mineral Oils: Disposed of by licensed firms.
- ❖ Hazardous Wastes: Disposed of by licensed firms.
- ❖ Used Batteries and Accumulators: Collected in battery boxes provided by TAP Association, and disposed of again by TAP Association.
- ❖ Worn Tires: Delivered to producers.
- ❖ Medical Wastes: Disposed of by licensed firms.
- ❖ Electronic Wastes: Disposed of by licensed firms.
- ❖ Potable water and drinking water analyses, chimney emission measurements, ambient noise measurements are performed as per the periods specified in relevant regulations, and checked for compliance.
- ❖ In year 2010, in line with the established targets, Environment-Awareness and Recycling trainings were provided at 3 high schools in the vicinity of Lilyum Facility.
- ❖ The employees who received the highest scores in the exam following the Environment-Awareness, Recycling and Hazardous Waste Management Trainings carried out at the Lilyum Facility were awarded with environment-friendly products.
- ❖ A Battery Collection contest was organized to increase employees' awareness regarding batteries, which constitute a major hazard for the environment.
- ❖ Designs to increase the employees' awareness were created, and sent to all employees via e-mail.
- ❖ As a result of these activities, Lilyum Facility was granted ISO 14001 Environment Management System Certificate.
- ❖ In year 2011, 3 additional facilities were included in the ISO 14001 Environment Management System for which certification was received previously. The efforts to expand the system are on track.
- ❖ A storage area is established to minimize the harm of hazardous wastes on environment, and these wastes are now disposed of using appropriate methods, at disposal facilities licensed by the Ministry of Environment and Urban Planning.
- ❖ All white-collar workers took e-learning courses on Environmental and Recycling Training and Hazardous Waste Training in 2013 under the scope of Environmental Awareness training.
- ❖ In 2014, the five facilities Yasemin, Orkide, Lavanta, Lilyum, and Kardelen were certified under the ISO 14001 Environmental Management System standard. Ekol's efforts in this area have been continued with the 2016 certification of its Begonvil Facility.



- ❖ Calculation and verification of greenhouse gas emissions within the scope of ISO 14064-1 continues.
- ❖ Begun in 2015, the construction of the Doğa warehouse is expected to be completed with Leadership in Energy and Environmental Design (LEED) Gold Certification.
- ❖ The Kozmoz Facility also started its operations after being awarded LEED Gold accreditation.
- ❖ Ekol took its place among the finalists of the 2015 European Business Awards for the Environment (EBAE).
- ❖ It was also a finalist in the Sustainable Development Association of Turkey (SKD) Innovative Sustainability Application awards.
- ❖ It is anticipated that with the Yalova International Ro-Ro Terminal currently under construction:
- ❖ Inner city traffic from operations at Haydarpaşa Port will be reduced, Exporters and manufacturers will be provided with more sustainable services through the minimization of operational inefficiencies caused by prohibitions on traffic at certain times,

Shorter distances will be traveled thanks to its closer proximity to production centers such as Gebze, Bursa, Izmit, and Eskişehir.

Transfer times from the Istanbul Fatih Sultan Mehmet Bridge and the Izmit - Istanbul TEM Highway will be lessened. According to 2015 figures, 4 million kilometers of road and 1.5 million liters of diesel oil will be saved. There will also be a decrease in traffic as 100,000 vehicles will avoid main arterial roads and bridges.

The project aims in particular to increase the environment-awareness of blue collar workers. By supporting recycling, the protection of natural resources and reduction of energy consumption is aimed for. By increasing the awareness level of the employees for wastes which are potentially very hazardous for the environment (hazardous wastes, waste oils etc.), support was provided to the efforts to prevent pollution.

In year 2011, in the warehouse operations of Ekol, a total of;

- ❖ 7.631.000 kwh energy was consumed.
- ❖ 50,934 m3 water was consumer.
- ❖ 1940 kg electronic waste was delivered to licensed firms for recycling.
- ❖ 150 kg batteries were collected and sent for disposal.
- ❖ 1,600 kg packaging waste was delivered to licensed firms for recycling.

Throughout 2012, in Ekol's facilities which are the environment management system practice of Ekol, a total of;

- ❖ 10,770,022.22 kWh energy was consumed.
- ❖ 36,737 m³ water was consumed.
- ❖ 455 kg electronic waste was delivered to licensed firms for recycling.
- ❖ 10 kg batteries were collected and sent for disposal.
- ❖ 1,165,545 tons packaging waste was delivered to licensed firms for recycling.
- ❖ 1531 kg hazardous waste, 5700 kg scrap waste was delivered to licensed firms.

Consumption has risen due to the increase in data collection quality and the number of facilities.

Throughout 2014, in Ekol's facilities which are the environment management system practice of Ekol, a total of;

- ❖ 7,836,668 kwh energy was consumed.
- ❖ 117,140 m³ water is consumed.
- ❖ 124,391 m³ natural gas is consumed.
- ❖ 4740 kg hazardous waste was delivered to licensed firms for recycling.
- ❖ 1.189,520 tones of packaging waste was delivered to licensed firms for recycling.

Throughout 2015, in Ekol's facilities which are the environment management system practice of Ekol, a total of;

- ❖ 9.530.884 kwh energy was consumed.
- ❖ 134.295 m³ water is consumed.
- ❖ 154.425 m³ natural gas is consumed.
- ❖ 300 kg hazardous waste was delivered to licensed firms for recycling.
- ❖ 1.524.600 tones of packaging waste was delivered to licensed firms for recycling.

Throughout 2016, in Ekol's facilities which are the environment management system practice of Ekol, a total of;

- ❖ 17.228.156 kwh energy was consumed.
- ❖ 156.310 m³ water is consumed.
- ❖ 171.430 m³ natural gas is consumed.
- ❖ 320 kg hazardous waste was delivered to licensed firms for recycling.
- ❖ 1.654.600 tones of packaging waste was delivered to licensed firms for recycling.

Ekol Memory Forests:

Ekol Logistics concluded the year 2012-2013- 2014- 2015 with an important social responsibility activity which is also in compliance with green logistics. Between the years 2012- 2015 , Ekol believed that the best New Year gift to business partners would be to bring in a new forest to Turkey, and established cooperation with TEMA Foundation in this regard.

Within the scope of this cooperation, recycled certificates containing information on memorial forest projects of 5,000 plants, in 2012 in Izmir-Urla, in 2013 in Manisa-Salihli, in 2014 in Izmir - Urla Kadiovacik and in 2015 Burdur Tefenni Beyköy are sent to business partners.

Ekol supports the TEMA Nature Training Program

Having made donations to TEMA for the preservation of forests on behalf of our clients, Ekol also contributed to TEMA Nature Education Program in 2016.

Donations were raised to support children's natural science education during a special NTV show broadcast live by the Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats (TEMA) to celebrate its 25th anniversary. As a part of this special live broadcast, Ekol pledged to meet the education expenses of 2,500 children.



Turkey's Life Project (2010):

In the aftermath of the Green Office Program realized with WWF, Ekol began to support the projects by World Wide Fund for Nature, and became a supporter of most important efforts of the Fund to protect natural resources and sustain wild life.

In this respect, Ekol became a sponsor of the campaign "Turkey's Life" launched by WWF Turkey aiming to receive donations from 1001 donors, each providing TRY 1001, in order to create a fund for projects trying to achieve a better understanding of the importance of bio-diversity on human life, protect the natural wealth well integrated with the traditional lifestyle in Anatolia, yet on the verge of extinction, and improve life standards by adopting sustainable means of utilizing nature.



EKOL VOLUNTEERS DAY

5th December World Volunteers Day is celebrated as Ekol Volunteers Day by employees in every year. Ekol Logistics's employees have internalized Social Responsibility Awareness within the framework of the corporate culture, and currently maintain their efforts in this respect. All employees engage in personal efforts in addition to company-wide efforts.

In 2016, Ekol employees carried out more than 40 volunteer projects meeting a variety of needs across geographies and languages in 14 countries in which Ekol operates. View our projects at www.ekolvolunteers.com. The projects are performed by volunteers in groups founded by Ekol's employees to support animal welfare and for the betterment of society and the world.

EKOL AND NGO COOPERATIONS

Ekol Logistics enters into joint projects with non-governmental organizations working to achieve higher life standards and a more egalitarian society, and provides any assistance it may be of, with various grants.

Ekol's Cooperation with LÖSEV:

Ekol Logistics is aware that just financial assistance for a non-governmental organization would not suffice. In this respect, services within the framework of the industry are offered to NGOs as assistance. Since 2007, logistical support is provided to LÖSEV when required. In particular, the warehouses in Ankara and İzmir are used to store support packages received by LÖSEV. This helps problem-free storage of support packages for timely delivery to persons who need them.

In addition to storage organizations, the materials for the Village for Children with Leukemia constructed by LÖSEV were also carried free of charge on vehicles of Ekol Logistics.

In 2014 and 2015, a cooperation again with LÖSEV was established to enable Ekol employees individual support, LOSEV Happy Shop stand was opened in various facilities of Ekol, hand made products prepared for new year by LOSEV was exhibited and revenues coming from this were used for children with leukemia, by the association.

Ekol Ran for Ending Child Agricultural Labor

We participated in the 38th Istanbul Marathon to end child agricultural labor.

In collaboration with UNICEF, the Ekol Team ran the marathon to support child agricultural workers, and to raise awareness about child labor, one of the biggest problems of the modern world.



Awareness Raising for ALS Disease

In order to draw attention and create awareness, Ekol Health Group challenged its customers with " Ice Bucket Challenge" and by sharing a video showing pouring a bucket full of ice and water over themselves which was filmed to reach as many people as possible, was shared in social media and ALS Foundation was supported.



"That village is not too far" project:

Ekol Logistics makes utmost use of its capabilities and efforts to support education and youth. In this respect, logistics support was provided for the "That Village Is Not Too Far" Education Project organized by Merter Platform.

Founded in 31st March 2011 by textile industrialists and businessmen from Merter, the Merter Platform took the road to build libraries for 3 thousand village schools all over Turkey. A fund of approximately 2 million Liras is gathered for this purpose. The project launched with the slogan "That village is not too far" then moved to contact with village schools and learn what they needed.

Headed by the Honorary Chairman, Governor of Istanbul, Hüseyin Avni Mutlu, and supported also by the Ministry of Education, the education project "That village is not too far" by Merter Platform sent assistance to 2058 schools to date. Providing transportation services for assistance sent by Merter Platform to 10 provinces, Ekol helped provide aid to 783 schools.

Blood Donations to Kızılay:

Ekol considers blood donations as a matter above and beyond other social responsibility projects. It is a duty before humanity. In this respect, joint projects are held with Kızılay on every occasion. Ekol Logistics supported Kızılay's campaign "Seeking 1,000,000 Good Persons" in year 2008. Within the framework of the project, the employees were provided education on blood donations. Then, at the "Ekol Family Picnic" organized later on, volunteers were given an opportunity to donate blood at the mobile donation unit.

Furthermore, Kızılay's mobile donation units visit Ekol Logistics's various facilities, offering the employees do donate blood.



Ekol's Cooperation with BİKEV:

Established in 1995 by 107 volunteers from various professions including poets, professors, shopkeepers, civil servants, former members of parliament, architects, engineers, workers, doctors, fishermen, nurses, industrialists, lawyers, pharmacists, housewives, teachers and so on, BİKEV founded a dormitory for girls attending primary school in Balıkesir. Upon becoming aware of the activities of the foundation, Ekol Logistics began contemplating ways to be of assistance, and then proceeded to make the largest grant the foundation received up to date.



The Project Your Children Are Ours As Well (2007 – 2011):

Ekol Logistics invests in the future of the world, the children. The aim is to provide them suitable living environment, healthy development and good education opportunities. In this respect, each year 500 primary and secondary school students are supported with books, notebooks, pens, and clothes. The aim is to help the students complete the education year without any problems.



Moreover, again within the framework of the campaign Your Children Are Ours As Well, each year 600 students who are successful in OKS are offered scholarships.

Ekol and Children of Hope Foundation

Through organizations with Children of Hope Foundation, which works to provide salvation for homeless children and to ensure their rehabilitation into the society, Ekol Logistics aims to bring joys to homeless children, joys which cannot be purchased, with concerts organized and gifts given, in an effort to touch the heart of the children.



In the campaign "Save a Child, Save the Future" organized jointly with the Children of Hope Foundation, a nice concert was organized for the children, in addition to bringing the light on this foundation, to help it secure more support.

There is a village far away

Bolluca Children's Village is an organization established in 1992, to support young children who lost a warm home, and to ensure that they grow up in much better environments than streets, with an ultimate aim of raising good members of the society, and is kept going with the support of philanthropists. Ekol Logistics eventually included the project, which was brought first to its attention as an object of efforts by its employees, in its Corporate Social Responsibility umbrella.

Within the framework of the project, the children living in the Children's Village were hosted at Ekol's facilities, and various donations were made.

INDIVIDUAL PRACTICES

Ekol Logistics's employees have internalized Social Responsibility Awareness within the framework of the corporate culture, and currently maintain their efforts in this respect. All employees engage in personal efforts in addition to company-wide efforts. The visits to retirement homes and donation campaigns organized by the employees are among the best examples of such efforts.



10 Principles of the Global Compact:

Human Rights:

- 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.

Work and Labor Standards:

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- Principle 4: Businesses should strive for the elimination of all forms of forced and compulsory labour.
- Principle 5: Businesses should ensure the effective abolition of child labour.
- Principle 6: Businesses should work for the elimination of discrimination in respect of employment and occupation.

Environment:

- 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.

Corruption:

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

GRI Indicators' Content

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| Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights. | 4-5-7-8;11-21 ;22-31 |
| Principle 2: Businesses should make sure that they are not complicit in human rights abuses. | 4-8;11-21 ;21-30 |
| Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. | 14 |
| Principle 4: Businesses should strive for the elimination of all forms of forced and compulsory labour. | 14-15-16 |
| Principle 5: Businesses should ensure the effective abolition of child labour. | 17 |
| Principle 6: Businesses should work for the elimination of discrimination in respect of employment and occupation. | 13-15-16-17-19 |
| Principle 7: Businesses should support a precautionary approach to environmental challenges. | 22; 32 -40 |
| Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility. | 22; 32 -40 |
| Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies. | 22; 32 -40 |
| Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery. | 15-16 |