




ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) POLICY

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Introduction

This **Environmental, Social and Governance (ESG) Policy** applies to all employees of Arkas Container Transport S.A. (Arkas Line), unless stated otherwise.

Through our **Integrated Management System**, Arkas Line aims to uphold its pioneering role in the industry by continuously monitoring and improving processes through innovative practices, while delivering international multimodal container transportation and services. Our ESG Policy is a fundamental component of this system, encompassing our operational processes and daily practices with a holistic approach that integrates environmental, social and governance considerations.

This Policy serves as a framework for progress we aim to achieve and reflects our long-term sustainability goals. It is more than a set of certifications and compliance measures, it represents our dedication to ethical, inclusive and responsible business practices for our customers and stakeholders.

Our ESG approach is deeply aligned with Arkas Line's core values: *valuing people, respecting nature and life, fostering collaboration, and acting with responsibility*. As part of our social ESG commitments, we have launched an ethical line to provide employees with a secure and transparent reporting mechanism, reinforcing our culture of integrity and accountability.

We commit to reducing our environmental footprint, promoting sustainable practices among stakeholders, and measuring and sharing our progress through clear performance indicators and transparent reporting. We are committed to annually reviewing this policy and related performance indicators, raising environmental awareness among all employees, ensuring the active implementation of ESG requirements across our operations.

Purpose and Scope

"Moving forward for generations by valuing people, respecting nature and life". Our mission statement reflects a strong commitment to sustainability by prioritizing human well-being and the preservation of nature, ensuring a better future for generations to come.

This mission aligns with the notions of sustainability and corporate social responsibility (CSR), highlighting an all-encompassing business approach that considers the effects on society and the environment in addition to economic sustainability. This mission statement demonstrates our principles, highlights our dedication to goals beyond financial gain, and can function as a guide for our decisions.

Our **VALUES** are:



We aspire to contribute positively to sustainable development, minimize negative consequences and create long-term value for all stakeholders by implementing these values into our culture and operations.

ESG Framework

At Arkas Line, we are committed to integrating sustainability principles into our business practices and fulfilling our corporate responsibilities across environmental, social, and governance (ESG) dimensions. The incorporation of ESG factors into our operational processes supports long-term value creation and contributes to effective risk management and is fully integrated into our corporate strategy.

The objectives of this policy are to:

- Define our institutional approach to ESG matters;
- Provide guidance to employees on incorporating ESG criteria into decision-making processes related to company activities.

From 2024, we publish an annual Sustainability Report, prepared in accordance with Global Reporting Initiative (GRI) standards. This report transparently presents our ESG performance, accompanied by a comprehensive materiality assessment that has been conducted with the participation of internal and external stakeholders.

Materiality Assessment

At Arkas Line, we conduct Materiality Analysis through interaction and dialogue with internal and external stakeholders to determine sustainability priorities and key issues. We define these priorities as topics that significantly impact our activities or fall within our sphere of influence. In our Materiality Analysis, we consider both direct and indirect impacts, as well as positive and negative effects. We consider our industry's sustainability priorities, the United Nations Sustainable Development Goals, our stakeholders' expectations, competitor analyses, and current developments in the sustainability ecosystem in Türkiye and around the world. In line with this comprehensive study, we expanded our stakeholder map by adding local communities and educational institutions, while strengthening our priority issues in the field of sustainability. We carry out our Materiality Analysis using a structured approach that includes; stakeholder mapping, listing priorities, stakeholder surveys, one-on-one interviews, and workshops with the top management.

Our sustainability efforts focus on **16 priority topics** ranging from *Very High Priority (VHP)*, *High Priority (HP)* and *Priority (P)*, supporting **15 Sustainable Development Goals**. In our prioritization matrix, we addressed our issues under the categories of Environmental, Social, and Governance.

Environmental Priorities

- Greenhouse Gas Reduction & Climate Action (VHP)
- Marine Conservation and Protection of Marine Biodiversity (VHP)
- Responsible Supply Chain Management (VHP)
- Sustainable Fuel Management (HP)
- Operational Excellence and Business Continuity (HP)
- Waste Management and Circular Economy (P)

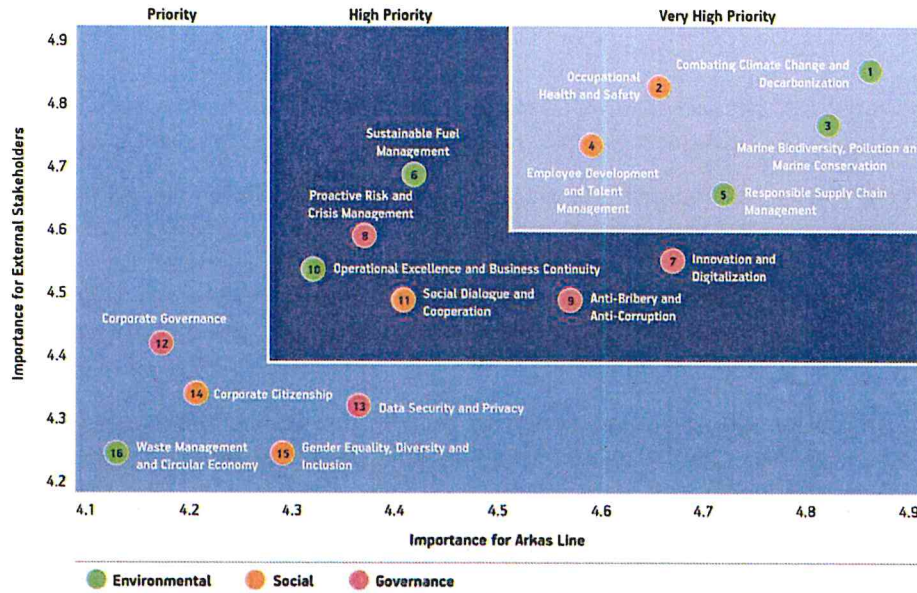
Social Priorities:

- Occupational Health and Safety (VHP)
- Employee Development and Talent Management (VHP)
- Social Dialogue and Cooperation (HP)
- Corporate Citizenship (P)
- Gender Equality, Diversity and Inclusion (P)

Governance Priorities:

- Proactive Risk and Crisis Management (HP)
- Corruption and Bribery (HP)
- Innovation and Digitalization (HP)
- Data Security and Privacy (P)
- Corporate Governance (P)

We revisit our priority topics every 2-3 years for evaluation and necessary updates through conducting sustainability survey to stakeholders.



SUSTAINABLE DEVELOPMENT GOALS WE CONTRIBUTE TO

Priority Level	Priority Issues	SDGs We Contributed to	Priority Level	Priority Issues	SDGs We Contributed to
Very High Priority Issues	Combating Climate Change and Decarbonization	7. Affordable and Clean Energy, 13. Climate Action	High Priority Issues	Anti-Bribery and Anti-Corruption	16. Peace, Justice and Strong Institutions
	Occupational Health and Safety	3. Good Health and Well-being, 8. Decent Work and Economic Growth		Operational Excellence and Business Continuity	8. Decent Work and Economic Growth, 9. Industry, Innovation and Infrastructure
	Marine Biodiversity, Pollution and Marine Conservation	13. Climate Action, 14. Life Below Water, 15. Life on Land		Social Dialogue and Cooperation	17. Partnerships for the Goals
	Employee Development and Talent Management	4. Quality Education, 5. Gender Equality, 8. Decent Work and Economic Growth		Corporate Governance	16. Peace, Justice and Strong Institutions
	Responsible Supply Chain Management	8. Decent Work and Economic Growth, 12. Responsible Consumption and Production		Data Security and Privacy	9. Industry, Innovation and Infrastructure, 16. Peace, Justice and Strong Institutions
	Sustainable Fuel Management	7. Affordable and Clean Energy, 12. Responsible Consumption and Production, 13. Climate Action	Priority Issues	Corporate Citizenship	3. Good Health and Well-being, 4. Quality Education, 5. Gender Equality, 8. Decent Work and Economic Growth, 10. Reduced Inequalities, 11. Sustainable Cities and Communities, 13. Climate Action, 15. Life on Land, 16. Peace, Justice and Strong Institutions, 17. Partnerships for the Goals
High Priority Issues	Innovation and Digitalization	9. Industry, Innovation and Infrastructure		Gender Equality, Diversity and Inclusion	5. Gender Equality, 10. Reduced Inequalities
	Proactive Risk and Crisis Management	11. Sustainable Cities and Communities, 13. Climate Action, 16. Peace, Justice and Strong Institutions		Waste Management and Circular Economy	6. Clean Water and Sanitation, 12. Responsible Consumption and Production, 13. Climate Action

Administration of the ESG Policy

The Sustainability Directorate is responsible for implementing the ESG policy. We produce annual sustainability reports as a means of monitoring and measuring our performance and informing our stakeholders. We make sure that our material topics are updated according to changing conditions, and stakeholder expectations.

For our employees, we offer regular up-to-date online sustainability training.

To align our supply chain with our ESG priorities, we share the Supplier Code of Conduct with our supplier's network during the contract period, and we do an annual supplier evaluation that includes an ESG survey.

PARAMETER	DEPARTMENT IN CHARGE OF FOLLOW-UP	OBJECTIVE	CHECK PERIOD
Sustainability Survey (Materiality Analysis)	Sustainability Directorate	Distributing sustainability survey to all stakeholders and evaluating results.	Every 2-3 Year
Sustainability Trainings (Employees)	Sustainability Directorate & Arkas Academy	Ensuring every Arkas Line employee has basic sustainability knowledge and is well aware of Arkas Line ESG strategy.	Every year
ESG Survey (Supply Chain)	Sustainability Directorate & Quality Department	Monitoring and aligning ESG practices within the Supply Chain.	Every year

We have targets to reduce carbon emissions, prevent pollution, minimize use of natural resources and lessen the possible negative impact coming through our vessel operations. These targets are monitored by the relevant department responsible and periodically reviewed for improvement.

PARAMETER	DEPARTMENT IN CHARGE OF FOLLOW-UP	OBJECTIVE	CHECK PERIOD
CO2 Emission Improvement Rate (vessels)	Operational Excellence Department	Reduce emissions by 3% year-on-year	Annual (December)
CII (Carbon Intensity Indicator) rating of vessels	Operational Excellence Department	Monitoring vessel CII ratings to prevent them from dropping to E class and applying operational measures	Weekly

Green Fuel Usage Rate	Operational Excellence Department Operations Directorate	Ensure that at least 5% of the total energy used in ships by 2030 comes from green fuel sources	Annual (December)
Voyage Time Efficiency Ratio	Operations Directorate	Ensure that the actual voyage time does not exceed 1.1 times the planned voyage time	Every six months
Supplier Code of Conduct Adoption Rate	Procurement Directorate Sustainability Directorate	Increase the rate of terminals signing the Supplier Code of Conduct by 50% by the end of 2025	Annual (December)
Digital Contract Adoption Rate	Global Accounts Directorate	Increase the use of digital contracts and e-signed agreements by 10%	Annual
Water Consumption per Office Employee	Quality Department	Reduce consumption by <i>0.1 liter/person</i> year-on-year	Annual (December)
Electricity Consumption per Office Employee	Quality Department	Reduce consumption by <i>0.1 KWh/person</i> year-on-year	Annual (December)

ISO 14001 Environmental Management System

We obtained the **ISO 14001 Environmental Management System** certification in 2016, showing our strong commitment to protecting the environment and promoting sustainability across all our operations. We aim to reduce the potential impact of our shipping activities and business processes on people and the environment.

We focus on preventing pollution, minimizing the use of natural resources, reducing greenhouse gas emissions in a sustainable way, and using energy responsibly to lower the impact of our vessels on the marine ecosystem. We regularly publish our environmental policies and key performance indicators, raise awareness among our employees, and ensure active participation at every level to meet the requirements of the ISO 14001 standard.

We are audited annually to ensure full compliance with ISO 14001 requirements and to continuously improve our environmental performance.

ESG Reporting Scope

In addition to sustainability report, we annually report through internationally recognized sustainability platforms, including **CDP (Carbon Disclosure Project)** Climate Change report and **Eco Vadis**, transparently communicating our environmental and social performance to align with best global practices.

Policies That Guide Our ESG Commitment

We have established a range of policies to guide our employees, suppliers, distributors, and other third-party collaborators, ensuring alignment with and fulfillment of our ESG commitments. The list of policies is enclosed herewith as Appendix 1.

Appendix 1: Policies that guide the fulfillment of our ESG Commitments

Name of the Policy/Code	Brief Description of Policy	Why It Was Written	Who It Covers	Application Areas
ARKAS Ethics Code	Outlines core ethical principles of the company.	To guide ethical decision-making and behavior across the organization.	All employees, management, suppliers, contractors, business partners	All company operations
Business Ethics Fundamental Principles	Lists values like honesty and fairness in business.	To build trust and long-term relationships with stakeholders.	All employees, management, suppliers, contractors, business partners	Office, logistics chain
Policy on Prevention of Corruption and Bribery	Prevents unethical practices like bribery and corruption.	To ensure transparency, legal compliance, and ethical conduct in business operations.	All employees, management, suppliers, contractors, business partners	Office, logistics chain, vessels
Anti-Retaliation Policy	Protects whistleblowers from retaliation.	To encourage reporting of unethical behavior without fear of retaliation.	All employees, management, suppliers, contractors, business partners	Office, logistics chain
Policy on Prevention of Conflicts of Interest	Manages situations where personal interests may conflict with company interests.	To maintain integrity and objectivity in decision-making processes.	All employees, management, suppliers, contractors, business partners	Office
Policy on Prevention of Misconduct	Defines and prohibits inappropriate behavior.	To foster a respectful and safe work environment.	All employees, management, suppliers, contractors, business partners	Office, vessels
Consultation, Notification and Reporting Policy	Provides channels for reporting concerns.	To ensure transparency and accountability in organizational practices.	All employees, management, suppliers, contractors, business partners	Office, logistics chain
Policy on Child Labor, Forced Labor and Employment of Youth	Prohibits unethical labor practices.	To comply with labor laws and uphold human rights.	All employees, management, suppliers, contractors, business partners	Logistics chain
ESG Policy	Defines environmental, social, and governance responsibilities.	To institutionalize sustainability goals, comply with international standards, and enhance corporate reputation.	All employees, management, suppliers, contractors, business partners	Office, vessels, logistics chain
Arkas Supplier Code of Conduct	Set of policies and priorities expected to be fulfilled by the suppliers.	To align ESG priorities, human rights policies and ethical values within the full supply chain.	All suppliers	Supply chain
Gender Equality and Inclusion Guide	Promotes inclusive practices and gender equality.	To eliminate discrimination and foster diversity and inclusion.	All employees, HR, leadership	Office
Gender-Based Violence and Harassment Policy (GBVH)	Prevents gender-based violence and harassment.	To promote gender equality and ensure a safe and respectful workplace.	All employees, contractors, suppliers	Office, vessels, logistics chain