



# 2023 Sustainability Report

Efficiency in Motion  
Sustainability in Action

**ENCO**



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# ABOUT THIS REPORT

This is the Annual Sustainability Report for ENCO Lojistik ve Ticaret A.Ş. (hereinafter referred to as ENCO), an Istanbul-based logistics company founded in 1985 through a German partnership. ENCO specializes in delivering comprehensive supply chain solutions through sea, air and road supported by an extensive network of 126 agency partnerships spanning 118 countries. The organization's commitment to excellence in logistics and sustainability is demonstrated through its vast fleet and technologically equipped warehouses located in Türkiye and Germany.

ENCO's dedication to sustainability is woven into the practice of its operations and strategic outlook. As a pioneer in holistic supply chain management, the company continually explores the frontiers of logistics by investing in green infrastructure and forging strategic partnerships, such as with WACO, to augment its service capabilities. These efforts underscore ENCO's broader mission to enhance its global reputation and that of Türkiye by advocating for environmental friendly logistics practices.

The company's sustainability strategy is shaped by global trends, customer expectations for sustainable practices, and the United Nations Sustainable Development Goals. This strategy is meticulously integrated into corporate decision-making and organizational culture, ensuring that ENCO remains at the forefront of sustainable logistics. This report, aligned with the Global Reporting Initiative's (GRI) Core requirements, offers a statutory declaration of ENCO's commitment to social responsibility, diversity, and business ethics. This Report covers the entire scope of environmental, social, and financial activities, as well as performances of ENCO from January 1 through December 31, 2023. Certain parts, however, also include information that extends into the first four months of 2024. The Report discusses the company's qualitative performances in annual trends using data over a four-year span, 2020 through 2023.

To provide stakeholders with a detailed understanding of ENCO's sustainability journey this report. This supplementary document includes key performance indicators and index tables from GRI (Global Reporting Initiative) and United Nations Sustainability Development Goals, reinforcing the company's pledge to transparent and accountable sustainability reporting.

**This report covers ENCO's central office and storage facility in Yenibosna, the Hadımköy warehouse, Ankara office, İzmir office and the Istanbul Airport office, as well as its sister company in Germany, Grassl & Co. GmbH.**

This report embodies ENCO's voyage towards sustainability distinction, underlining our resolve to redefine industry benchmarks through our ethos, **"Efficiency in Motion, Sustainability in Action."** It's about transcending excellence, crafting a legacy of responsible innovation that harmonizes with the heartbeat of the earth.

Feedback, suggestions, and inquiries from all stakeholders are highly valued, as ENCO continues to navigate the path toward sustainable logistics in collaboration with its global partners.

## CONTACT INFORMATION

For any inquiries regarding this Report or the content please contact the following:

**ENCO Address:** Yenibosna Merkez, Basın Ekspres, Cemal Ulusoy Cd. No:57, 34197 Bahcelievler/İstanbul - Türkiye

 [www.enco.com.tr/](http://www.enco.com.tr/)  [info@enco.com.tr](mailto:info@enco.com.tr)  +90 (212) 473 54 00

## INTERACTIVE PDF: A USER'S GUIDE

This Report is available as an interactive portable document file (PDF) that features clickable URLs and interactions between pages. Other features available include:

-  **Move to the first page**
-  **Go to table of GRI index pages**
-  **Go to table of contents**



# Messages from our leadership







# PREFACE BY THE MANAGEMENT



## Dear Stakeholders,

As we stand at the precipice of a defining era for global sustainability, it is with a sense of profound responsibility and optimism that I present to you ENCO's inaugural Sustainability Report for the year 2023. This milestone document not only marks our first comprehensive disclosure of our sustainability journey but also serves as a testament to our unwavering commitment towards crafting a resilient and sustainable future.

In the face of mounting environmental challenges and a rapidly changing global landscape, the importance of embedding sustainability into the core of our operations has never been more critical. The insights garnered from numerous studies and reports on our planet's future emphasize the pressing need to address climate change imperative that demands collective action from individuals, businesses, and governments alike.

At ENCO, we understand that our responsibility extends beyond mere compliance; it is about pioneering transformative practices that safeguard our planet for future generations.

Sustainability, today, encompasses a broad spectrum that not only aims to ensure economic growth and corporate profitability but also seeks to address the pressing environmental and social issues of our time. As a logistics company, we are uniquely positioned at the heart of global trade and commerce, which presents us with both challenges and opportunities to drive positive change. Our journey towards sustainability is characterized by a holistic approach that integrates environmental, social, and governance (ESG) considerations into every facet of our business operations.

While we have always embraced sustainability as a guiding principle, this report marks a significant step forward in formalizing our commitment. From optimizing operational efficiencies to enhancing employee and customer satisfaction, our initiatives are designed not just for the present but with an eye towards the enduring success and sustainability of our industry. We are proud to showcase our efforts and achievements between 2020 and 2023, highlighting our progress in areas critical to our sustainability agenda.

First and foremost, we are committed to revolutionizing logistics to be not only more efficient and faster but fundamentally more environmentally friendly. In this spirit, we have set ambitious goals to reduce our carbon footprint, embrace eco-friendly mobility solutions, and implement energy-efficient practices across our operations. We recognize the importance of building a sustainable ecosystem throughout our value chain and are dedicated to fostering partnerships that amplify our impact.

Moreover, we are deeply committed to enhancing the welfare and safety of our workforce, ensuring fair and equitable treatment for all. Our efforts extend to fostering a diverse and inclusive culture that respects and upholds human rights, underpinning our belief that a safe and supportive workplace is foundational to our collective success.

Looking ahead, we are focused on harnessing our ESG management strategy to unlock new growth opportunities and bolster our capabilities. Our collaboration with industry partners and our investment in innovative logistics solutions are geared towards not only advancing our sustainability objectives but also securing a competitive edge in the marketplace.

To our esteemed stakeholders, I extend my heartfelt gratitude for your continued trust and support. As the CEO of ENCO, I assure you of our commitment to transparency, engagement, and excellence as we embark on this sustainability journey. Together, we are poised to navigate the challenges ahead and seize the opportunities that lie before us, steadfast in our mission to pioneer a more sustainable and prosperous future for all.

Thank you for joining us on this journey.

Sincerely,

**Adnan Şahin**

Chairman of the Board of Directors

GRI 2-22





# Statement from ENCO's Sustainability Committee

## Environmental Stewardship



We are steadfast in our efforts to minimize our environmental footprint. ENCO has invested in a modern fleet of Euro 6 trucks, which comply with the latest emission standards and significantly reduce greenhouse gas emissions. By utilizing route optimization methods and multimodal transportation, we ensure that our logistics operations are as efficient as possible, reducing fuel consumption and cutting down on unnecessary mileage.

## Social Responsibility



At ENCO, social responsibility is not just a program; it is an ethos that guides our every action. We believe in creating lasting, positive impacts in the communities we operate within. Our initiatives focus on fostering education, health, and well-being.

We partner with local organizations and universities to sponsor community development projects, thereby strengthening the socio-economic fabric of the communities.

Our commitment extends beyond immediate relief efforts. Following the devastating earthquakes in Southeastern Anatolia in February 2023, ENCO mobilized its fleet to deliver critical supplies to the affected areas. These efforts underscore our belief that corporate success is intrinsically linked to the well-being of the society we serve.



[Click here to access the Sustainability Policy](#)

GRI-12 GRI 2-22 GRI 2-27

## Employee Well-being



ENCO places a high priority on the well-being and development of our employees. We are proud of our diverse workforce and continuously strive to create an inclusive environment where all employees can thrive. Our ongoing initiatives to improve employee engagement, provide training and development opportunities, and ensure a healthy work-life balance are essential components of our sustainability strategy.

## Governance and Compliance



At ENCO, governance and compliance are cornerstones of our sustainable business practices. We are committed to upholding the highest standards of transparency and accountability. This encompasses strict compliance with customer demands and industry standards, robust measures to ensure data privacy and protection, and unwavering commitment to maintaining strong cybersecurity protocols. Our governance framework is designed to foster innovation and drive responsible investment decisions, ensuring that our operations remain resilient and forward-looking.

## Sustainable Growth



We believe that sustainable growth is achieved through innovation and collaboration. ENCO actively engages with stakeholders, including customers and partners, to develop and implement best practices in sustainability. Our goal is to lead by example in the logistics industry, demonstrating that economic success can go hand-in-hand with environmental and social responsibility.

## Future Commitment



Looking ahead, ENCO is committed to further advancing our sustainability initiatives. We will continue to explore new technologies and practices that enhance our environmental performance, support our employees, and contribute to the well-being of the communities we serve. Our journey towards sustainability is ongoing, and we are dedicated to making a positive impact for generations to come.





# ENCO at a Glance

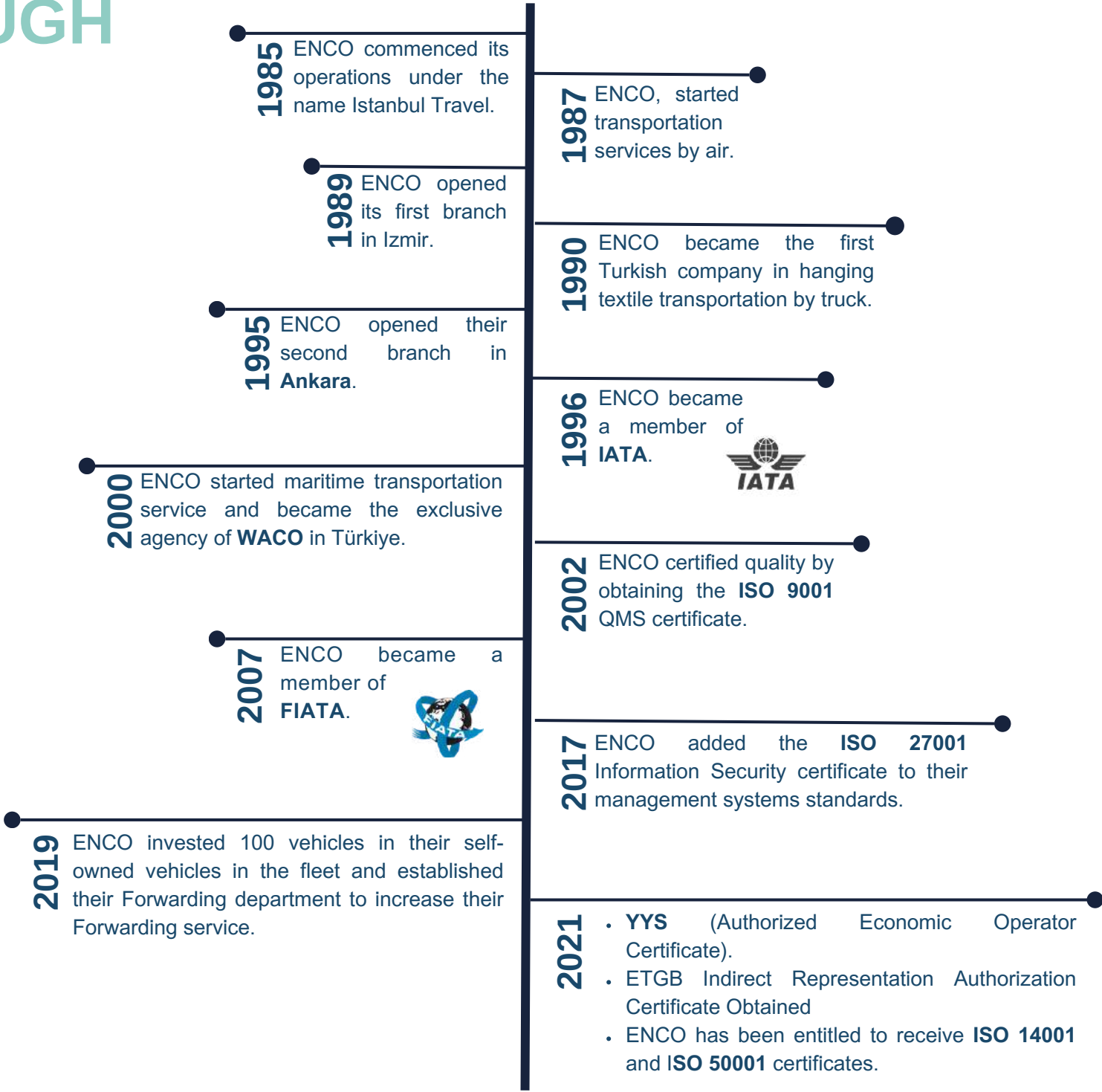
Founded in 1985 with a German partnership, ENCO is a leading Istanbul-based logistics company. We offer advanced supply chain solutions via sea, air, road, and rail, supported by 126 agency partnerships across 118 countries. Our extensive fleet and technologically advanced warehouses in Türkiye and Germany highlight our commitment to logistics excellence and sustainability.

Innovatively driving towards a sustainable future, ENCO leads in holistic supply chain management, expanding our global network with investments in green infrastructure and strategic partnerships, like WACO, to boost our capabilities. ENCO is purposed to boosting our reputation and Türkiye's on a global scale while pioneering eco-friendly logistics methods. We stand by our customers and the planet, collaborating with global partners, especially in Europe, to navigate the logistics landscape sustainably.

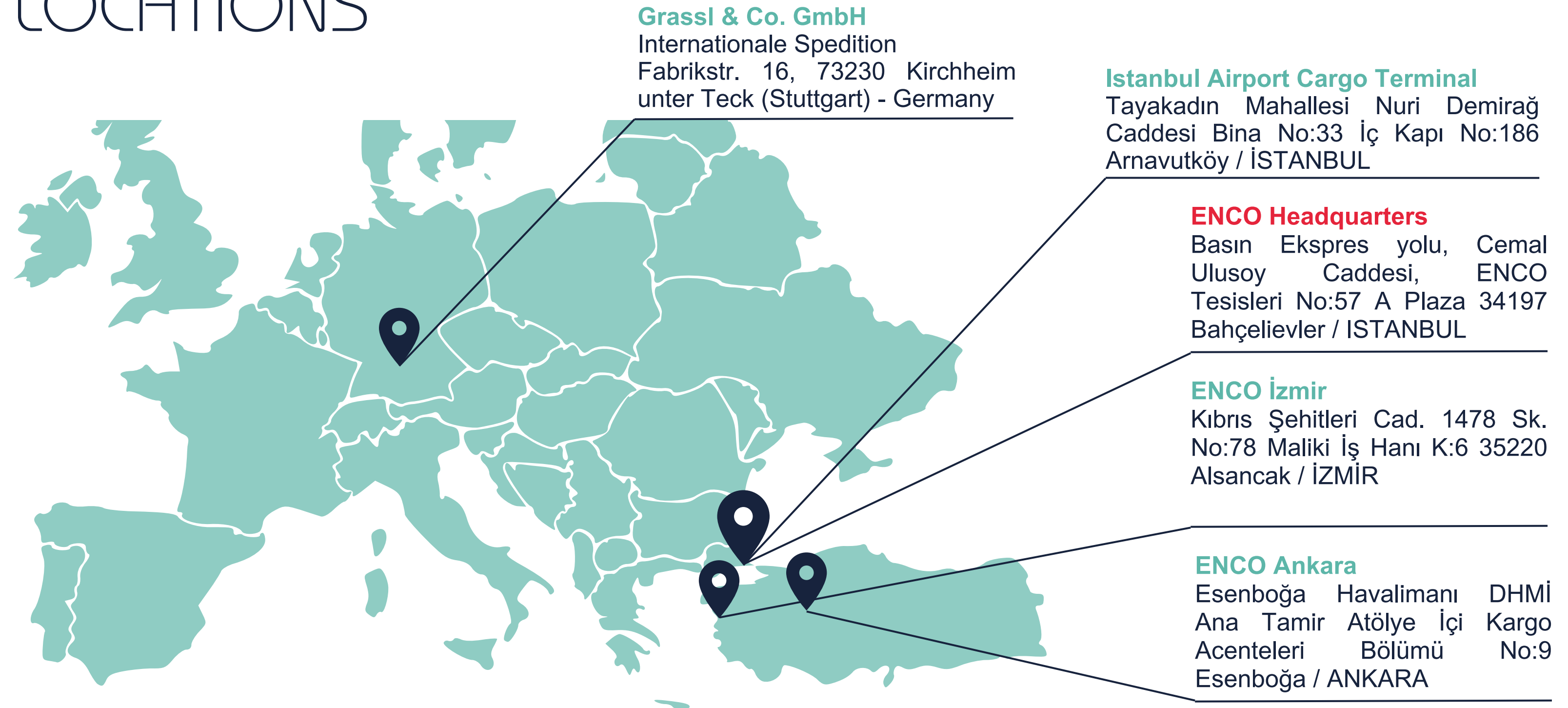
GRI 2-1, GRI 2-2



# ENCO'S JOURNEY THROUGH TIME

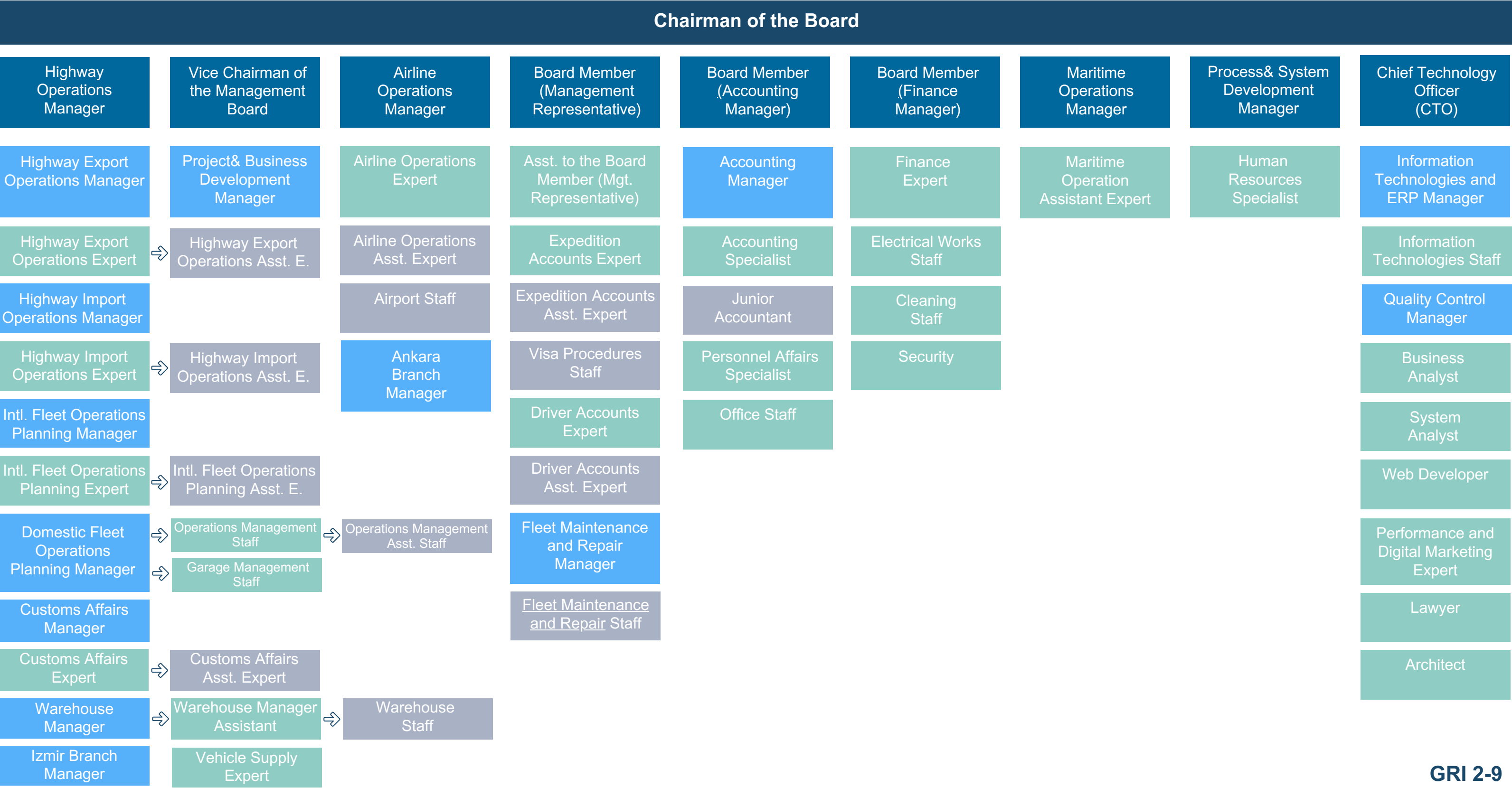


# OUR LOCATIONS





# Organizational Chart



# Our Operation Network

## Agency Network

|      |           |                    |
|------|-----------|--------------------|
| 6    | Continent | 200                |
| 118  | Country   | 5                  |
| 126  | Agency    | 45k m <sup>3</sup> |
| 300+ | Location  | 4                  |

## ENCO Operations

|                               |
|-------------------------------|
| Vehicle                       |
| Location                      |
| Warehouse                     |
| Operation base<br>at airports |



Road  
Transport



Sea  
Transportation



Airfreight  
Transportation



Warehouse  
Management



Intermodal/  
Multimodal



National  
Distribution



Custom  
Clearance



Global  
Forwarding

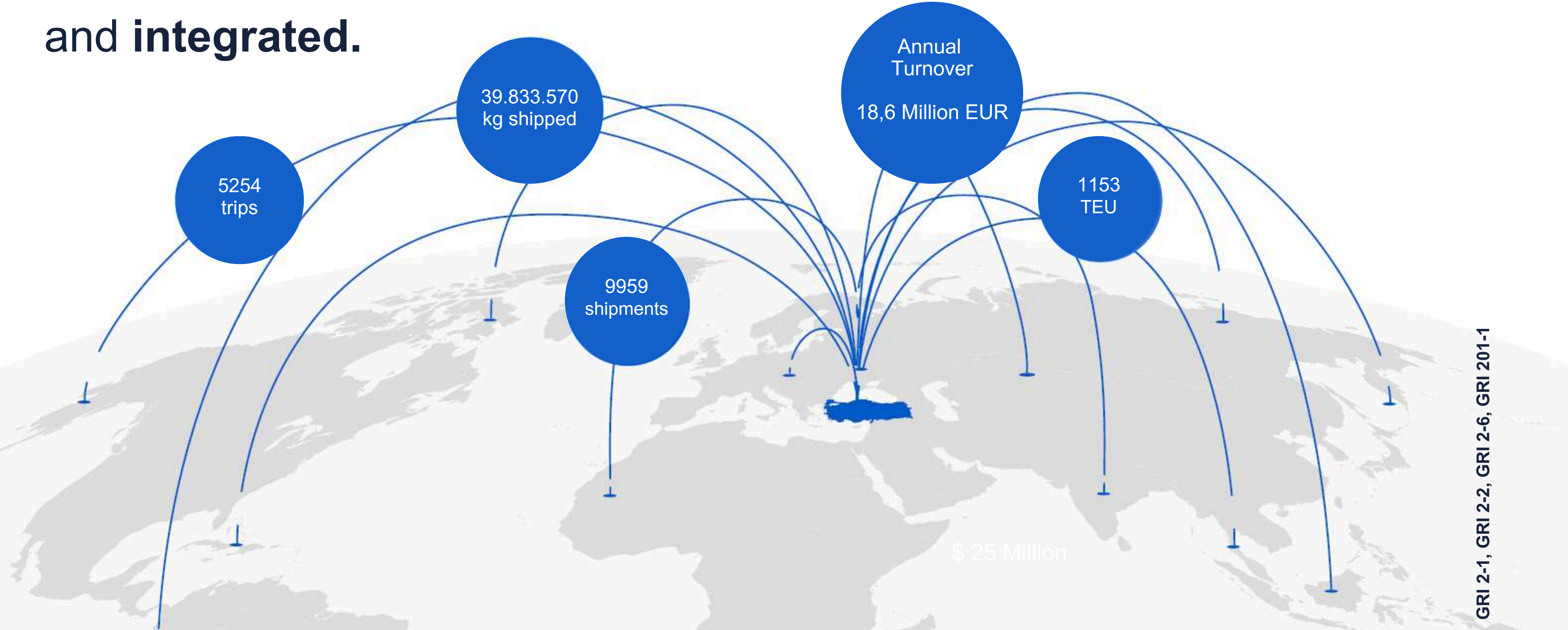
# Our Logistic Services







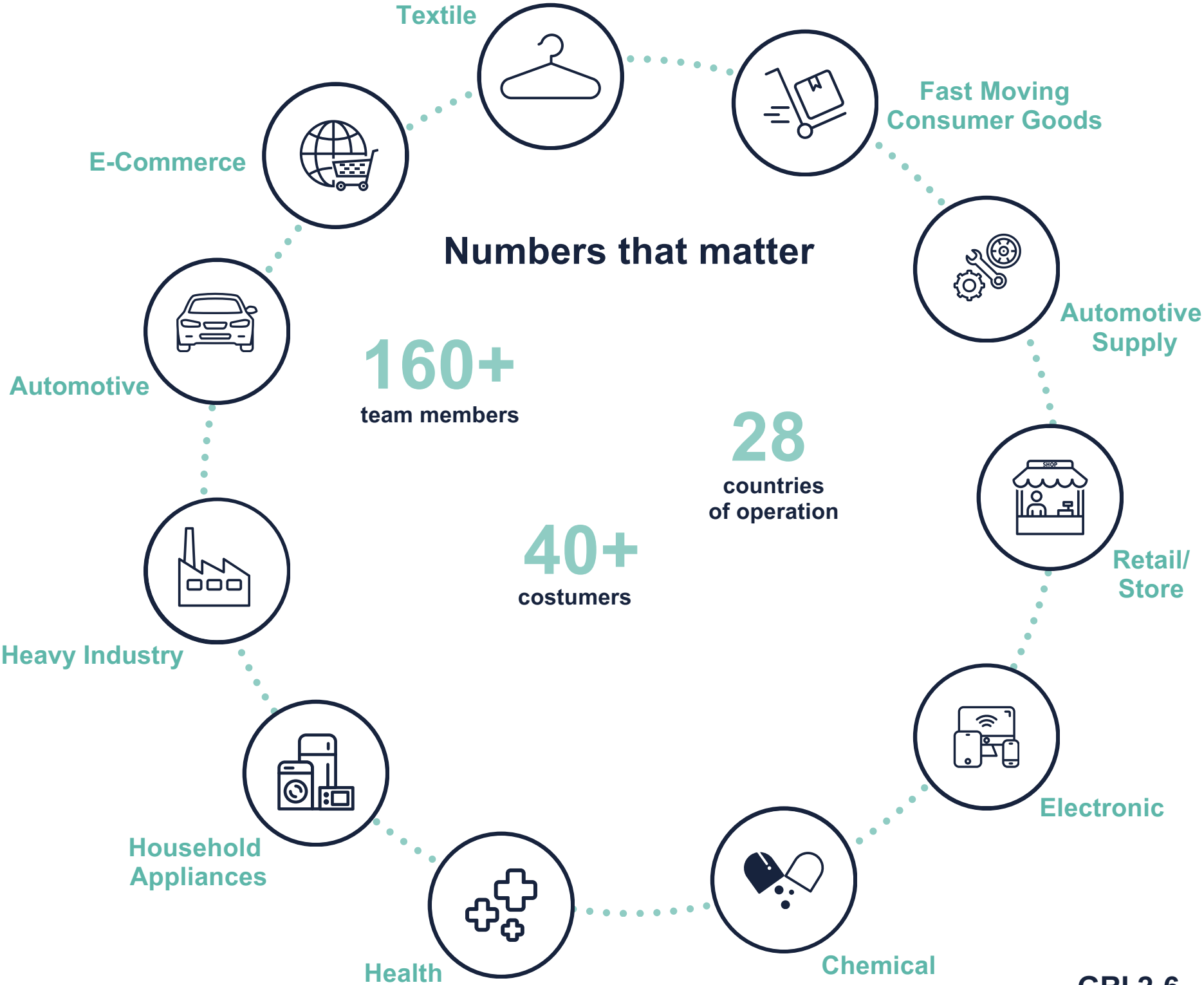
# ENCO's logistics framework: **worldwide** and **integrated**.



# AREAS OF SERVICE

ENCO, a pioneering force in logistics and transportation, stands at the forefront of industry innovation, seamlessly integrating diverse sector needs into a cohesive service offering. As Türkiye's **first practitioner** of hanger transportation, ENCO revolutionizes textile logistics, employing specialized equipment and dedicated warehousing to meet the nation's demands. With a history spanning 36 years, ENCO's mastery extends to international and domestic automobile transportation, including specialized routes between Germany and Türkiye, and is further distinguished by its adept handling of spare parts and sub-industry goods logistics.

ENCO's ADR certification enables it to offer exceptional logistics support and partnership to the chemical industry, ensuring safe transportation and storage of chemical substances. In the rapidly evolving e-commerce sector, ENCO leverages its extensive network and expertise to facilitate seamless warehouse management and supply chain solutions, particularly between Türkiye and Europe, thus empowering companies to excel in e-commerce and e-export activities. Moreover, ENCO's proactive approach to the fast-moving consumer goods sector, including the safe and efficient delivery of white goods and electronics, underscores its capability to offer flexible, rapid services tailored to market needs. This adaptability extends to the healthcare sector, where ENCO's specialized cold chain storage and transportation services ensure the integrity of vital products like medicines and vaccines. Across all these sectors, ENCO not only demonstrates a deep understanding of its clients' unique challenges but also provides innovative, reliable solutions that solidify its role as an indispensable partner in the global supply chain.





# Our Certificates and Management Systems

ENCO develops various management systems policies that align with its values, corporate culture, and the latest global trends, ensuring its commitments are met according to these guidelines. This dedication is manifested in our efforts to enhance each part of our logistics chain and our leadership in sustainability, which is seamlessly integrated into our business strategy as a driving force. On this page of the report, we will explore the certifications and documents that ENCO possesses, highlighting our compliance with these standards and our forward-thinking stance in the logistics industry.



GRI 2-23 GRI 2-24, GRI 2-27

Summary



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People



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# GOVERNANCE





# Corporate Governance

## Roles and Responsibilities



### MANAGEMENT

ENCO's sustainability efforts are guided by the principles of openness and transparency, aiming to benefit the environment and all stakeholders. The Board, equipped with the necessary competencies, periodically monitors all processes, identifies potential risks, and determines actions against any allegations of misconduct or corporate duty neglect. With a strong corporate governance approach, ENCO embraces the vision of creating a sustainable future and ensures resilience against risks arising from global crises. The policies, considered as guiding principles of the company's strategy, facilitate responsible growth, development, transformation, and sustainable value creation.

ENCO is committed to fulfilling its responsibilities with policies designed on a foundation of clear and transparent sustainability management. These policies are published openly on the company's website for all stakeholders.

### ENCO's Corporate Governance Framework

Recognizing the importance of corporate governance in controlling organizational processes, ENCO places great emphasis on accountability, fairness, and transparency in its interactions with stakeholders through its well-defined governance framework. The Board of Directors, composed of three executives, meets regularly to ensure effective management of all processes from start to finish. Sustainability activities are managed by a Sustainability Committee consisting of representatives from various departments, led by the Director of Process and System Development and the Vice Chairman of the Board.

The Board ensures that all business processes align with the sustainability strategy, overseeing various bodies including the Sustainability Committee. Corporate governance is a cornerstone of good business practice, promoting robust and effective decision-making through processes, practices, and policies. In this context, ENCO has developed policies that clearly define in the business processes to ensure their seamless execution. This approach integrates climate change, human rights, working conditions, strong governance, and ethical issues into the company's vision and operations under a sustainability focus.

**GRI 2-16, GRI 2-25**



# Governance



# ESG Strategy

At ENCO, we recognize the critical importance of integrating Environmental, Social, and Governance (ESG) principles into our core business strategies to forge a sustainable path forward. Our ESG strategy is rooted in our commitment to sustainability, regulatory compliance, responsibility towards stakeholders, and ethical governance, ensuring that we contribute positively to a more sustainable future.

### Environmental Stewardship:

ENCO is dedicated to minimizing our environmental impact through innovative solutions. Our strategy focuses on reducing carbon emissions, enhancing energy efficiency, and promoting eco-friendly practices across all operations. We are committed to achieving net-zero emissions by 2040 for Scope 1 and Scope 2 carbon emissions, leveraging advanced technologies and renewable energy sources to make our operations more sustainable.

### Social Responsibility:

Our approach to social responsibility centers on creating inclusive growth opportunities and enhancing the well-being of our communities. ENCO invests in programs that support education, healthcare, and social equity, aiming to make a tangible difference in the lives of the people we serve. We also ensure that our workplace practices promote diversity, equity, and inclusion, creating a supportive environment for all employees.

### Governance and Ethics:

ENCO upholds the highest standards of corporate governance and ethical conduct. Our governance framework ensures transparency, accountability, and integrity in all business dealings. We have established a robust ESG committee that oversees the implementation of our ESG objectives, regularly reviews our strategies, and ensures compliance with global standards and regulations.

### Alignment with Global Goals:

Our ESG initiatives are aligned with the United Nations Sustainable Development Goals (SDGs), focusing on areas where we can make the most significant impact, such as responsible consumption and production, affordable and clean energy, and decent work and economic growth.

### Stakeholder Engagement:

We believe in the power of collaboration and are committed to engaging in open communication with our stakeholders, including customers, employees, investors, and community partners, to enhance our ESG practices. Through continuous dialogue and partnerships, we aim to refine our strategies and drive collective action towards common sustainability goals.

### Looking Ahead:

ENCO is dedicated to continuous improvement in our ESG performance, using data-driven insights to monitor our progress and make informed decisions. By integrating ESG considerations into every aspect of our business, we strive not only to meet but to exceed the expectations of our stakeholders and pave the way for a sustainable future.



# How we create value



## Our Value

**Innovation** is our driving force, not just a goal; it fuels our growth and enriches our offerings to customers. We're committed to pioneering change with creative solutions, ensuring enduring value for our clients.

**Digitalization** drives our evolution and improves client services, steering industry change through innovative, efficient, and connective digital solutions in logistics for lasting value.

**Responsible Leadership**, Our core commitment centers on prioritizing customers, respecting their achievements, and dedicating ourselves to environmental and societal well-being with ethical integrity, all steered by sustainability to secure a beneficial future for all.

**Agility** guides us, enabling swift adaptation and innovation to anticipate and meet client needs. We embrace change for continuous improvement, fostering a resilient, forward-looking culture in logistics.

**Empathetic&Entrepreneurial Spirit**, Rooted in empathy, we deeply understand our customers, colleagues, and community, with our sincere team unlocking potential and driving innovation.

**Quality** is our cornerstone, ensuring excellence in every aspect of our logistics services. Our commitment to high standards drives continuous improvement, delivering unmatched value to our clients.

GRI 2-22

# Our business and

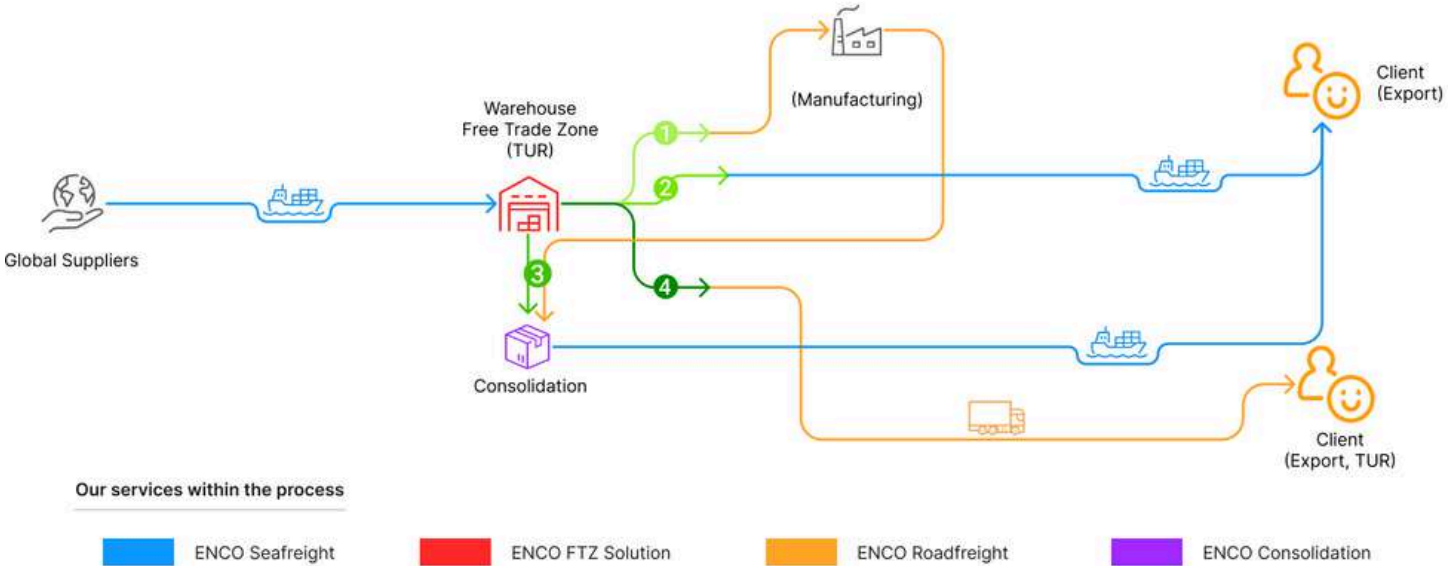
At ENCO, we are driven by a purpose that has been the bedrock of our operations since our inception. In an era marked by the escalating complexity of global supply chains, our mission is to serve as an enduring business partner, enhancing both national and international operations with customer-centric solutions, underpinned by our commitment to innovation and sustainability. We aim to achieve this by delivering sustainable, responsible, and superior outcomes for our customers, thereby enhancing life for all by connecting the our planet more efficiently.

ENCO stands at the forefront of providing end-to-end logistics services on a global scale, offering our customers peace of mind by managing a comprehensive suite of services. From warehousing and freight forwarding to distribution, we specialize in handling complex supply chain solutions. Our expertise ensures that customers are relieved of any shipping concerns, enabling them to focus on their core business operations.

Our business model is characterized by its agility and flexibility, primarily facilitated through subcontracted transport operators for sea, air, or road logistics services. This asset-light strategy enables us to swiftly adapt to market changes and customer needs, optimizing our service offerings to be more cost-effective, timely, and environmentally friendly.

Looking ahead, ENCO is committed to investing in markets and services that simplify business operations for our customers and expand our third-party logistics value chain. We are dedicated to leading the way in logistics solutions that not only meet the current demands of the market but are also aligned with our vision for a sustainable future. As we publish our inaugural Sustainability Report for 2023, we reaffirm our commitment to enhancing the efficiency of global supply chains while upholding our responsibility to the planet and future generations.

## FULL-SERVICE OFFERING ACROSS THE VALUE CHAIN







# Vision, Mission and Philosophy

## VISION

Developing a full supply chain of service from A to Z to facilitate their trading activities around the world for everyone.

- High Technology
- Quality
- Agility

## MISSION

Being a permanent business partner by supporting both national and international activities with solutions shaped to the needs of our customers with the motto of “innovation and sustainability.”

- Customer First
- Solution oriented
- Continuous Innovation

## PHILOSOPHY OF ENCO



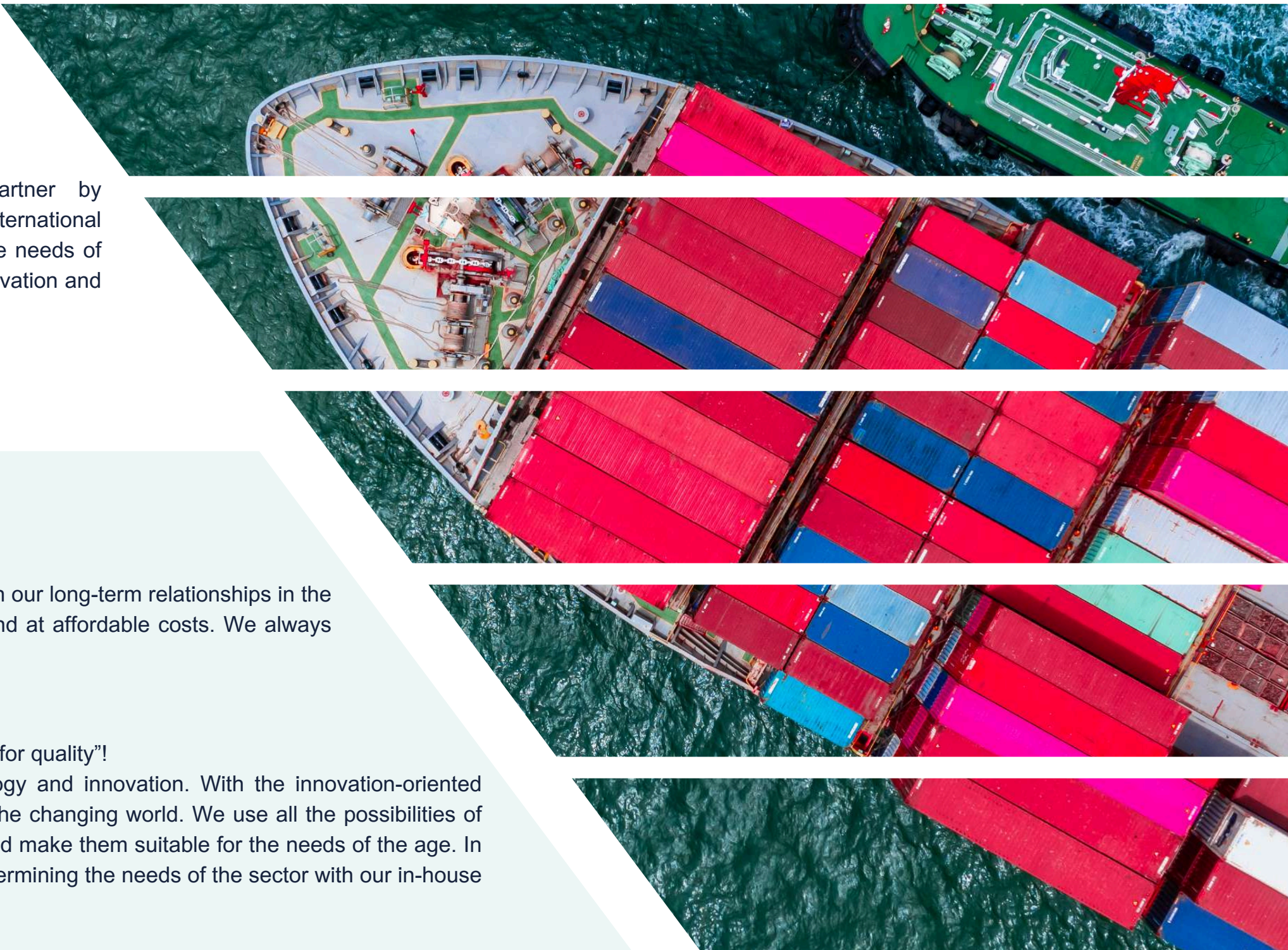
### QUALITY & RELIABILITY

Our priority is customer satisfaction. We know that everything starts with confidence. With our long-term relationships in the sector, we ensure that the needs of our customers are met quickly, with high quality and at affordable costs. We always aim and work one step further, with years of experience.



### INNOVATION

We constantly improve our processes and business models with the motto of “innovation for quality”! We integrate our more than 35 years of experience with our investments in technology and innovation. With the innovation-oriented approach we put at the center of our company, we produce solutions for the needs of the changing world. We use all the possibilities of technology to increase the quality of our current business processes, accelerate them and make them suitable for the needs of the age. In addition, we are working to contribute to the infrastructure of the logistics industry, by determining the needs of the sector with our in-house R&D team and developing new projects.







# Business Ethics

ENCO's business ethics policies mandate strict measures against corruption, bribery, and extortion, requiring all employees and business partners to comply with relevant laws. The company ensures accurate and secure maintenance of legal records, fulfills financial responsibilities, and avoids tax evasion. Protection of confidential information, support for fair competition, and prevention of conflicts of interest are core principles. Employees are restricted from engaging in external business activities without company approval. All goods and software used must be authentic and legal, respecting intellectual property rights. Compliance with export controls and economic sanctions is strictly observed. Additionally, measures are taken to protect employees and company assets during crises such as natural disasters or terrorism.

- **Corruption, Extortion and Bribery Policy**
- **Security**
- **Financial Responsibility**
- **Protection of Information**
- **Export Controls and Economic Sanctions**
- **Fair Competition**
- **Conflicts of Interest**
- **Fake Parts**
- **Intellectual Property Rights**
- **Information Privacy and Protection Against Retaliation**

# Code of Conduct

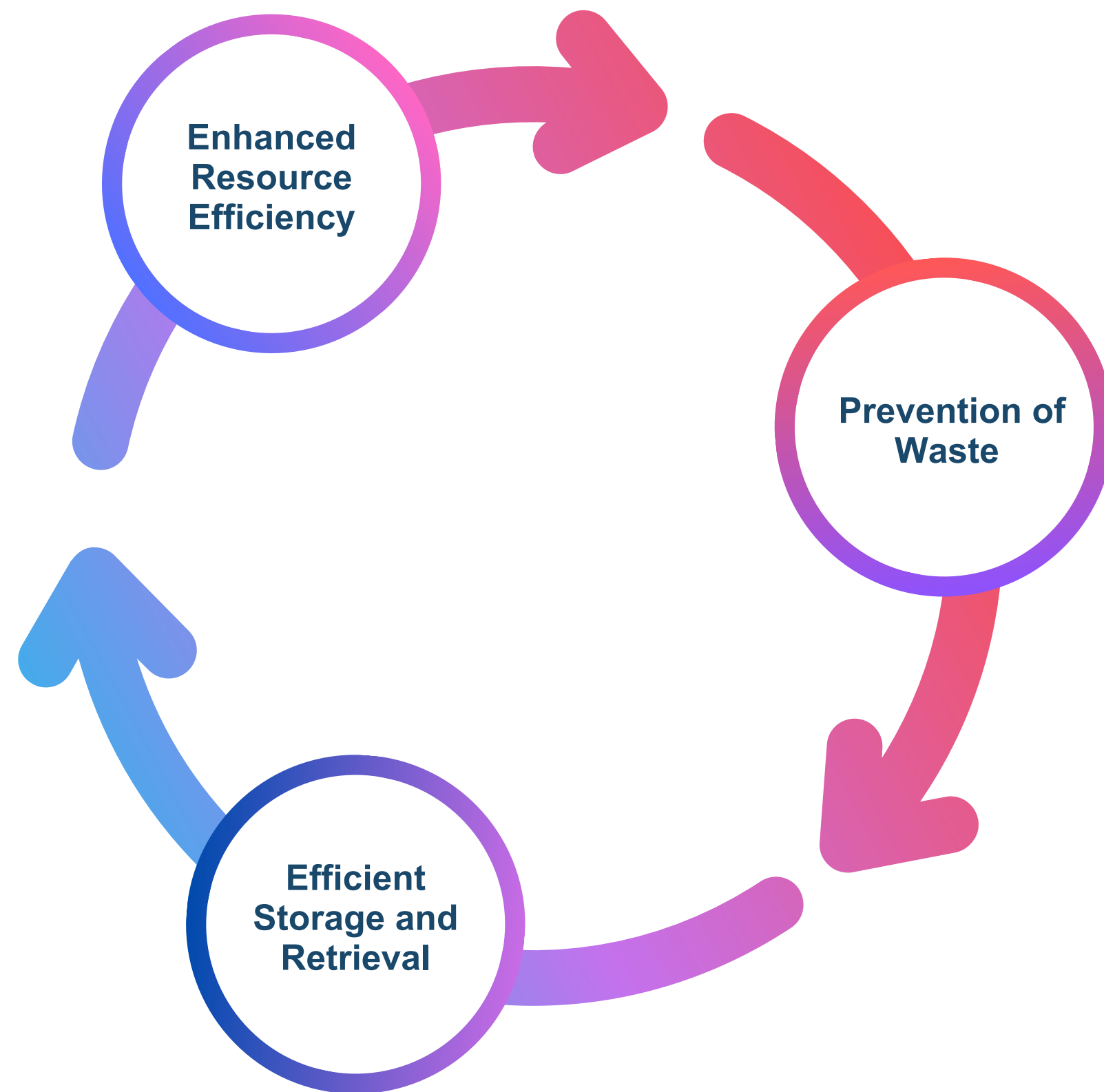
ENCO's Code of Conduct is a comprehensive framework designed to ensure ethical, legal, and socially responsible behavior in all aspects of our operations. Below is an overview of our key principles:

- Money Laundering** 
- Fair Competition** 
- Protection of Sensitive Information** 
- Personal Use of Company Assets** 
- Digital Data Security** 
- Policy Breaches and Penalties** 
- Disclosing Compliance Issues** 
- Giving and Receiving Gifts** 
- Compliance with Laws** 
- Individual Responsibilities for Protecting Corporate Values** 
- Working Conditions and Human Rights** 
- Health, Safety, and Environment** 
- Avoiding Conflicts of Interest** 
- Corporate Citizenship and Donations** 
- Relationships with Business Partners, Customers, Suppliers, and Other Representatives** 

 [Click here to access the Business Ethics Documents](#)

 [Click here to access the Code of Conduct Documents](#)

GRI 3-3, GRI 2-6, GRI 2-15, GRI 2-25, GRI 2-26



# Fostering the Circular Economy

At ENCO, we view our role as pivotal in advancing the global transition towards a circular economy, aimed at minimizing waste and prolonging the circulation of products and materials. Collaborating closely with our clients, we innovate sustainable solutions that not only enhance their customer service and environmental goals but also significantly reduce costs.

Our efforts often yield positive outcomes that extend beyond our immediate environmental footprint. We recognize that optimizing logistics operations, such as efficient route planning and load optimization, positively impacts carbon footprints by reducing fuel consumption and emissions. By enhancing these logistics processes, ENCO contributes to the circular economy by minimizing waste and promoting resource efficiency across the supply chain.

As a trusted logistics partner serving diverse industries worldwide, With its extensive experience in the logistics sector and commitment to sustainability, ENCO has the potential to offer valuable insights to corporations on strategies to reduce the environmental impacts of their products and services. In certain instances, we assume operational responsibilities for our clients, managing supply chain functions such as waste reduction, energy efficiency, and emissions control. Our overarching goal is to minimize adverse environmental effects across our own operations and those of our valued clients.





# Tax and Transparency

In its commitment to transparency and integrity, ENCO acts responsibly in all tax matters. We are dedicated to paying the correct amount of tax to the appropriate authorities by the deadlines set forth. ENCO does not tolerate tax evasion, the facilitation of tax evasion, or any form of corruption. We maintain open and transparent relationships with all relevant tax authorities.

Our business activities around the world incur a substantial amount and variety of taxes. ENCO pays corporate income taxes, customs duties, excise taxes, stamp duties, employment taxes, and many other business taxes in all applicable jurisdictions. Additionally, ENCO collects and pays employee taxes and indirect taxes, such as value-added tax (VAT), fuel, and fleet taxes.

ENCO seeks to comply with all tax rules and regulations on a global basis. Our tax affairs are aligned with and appropriate for our commercial business activities and substantive transactions, such as acquisitions and divestments. Taxes are inherently complex, and where the tax treatment of a particular transaction or activity is unclear, we seek tax advice from reputable, independent external advisors and follow the generally understood interpretation of tax law.

Furthermore, in 2024, ENCO began efforts to comply with the ISO 37001 Anti-Bribery Management System standard. This initiative involves implementing rigorous policies and procedures to meet this internationally recognized standard, reflecting ENCO's dedication to maintaining the highest levels of integrity and transparency in all its operations. By integrating these ethical standards, ENCO continues to demonstrate its commitment to combating corruption and building a sustainable and responsible business that contributes positively to society and the economy.

GRI 205-1 GRI 205-2 GRI 207-2

**2024**  
**Target:** Obtain  
ISO 37001  
certification





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# Information Security and Privacy Protection

ENCO prioritizes data privacy and information security as top business objectives, integral to our commitment to sustainability and ethical operations. One of our ESG objectives is to uphold an exceptional information security program, guaranteeing the protection of our customers, employees, and confidential information.

To safeguard confidential and proprietary data, ENCO has established rigorous processes that protect our strategies, operations, business plans, trade secrets, and financial status. We have updated our customer and vendor data processing agreements to comply with current legislation and standard contractual clauses governing international data transfers. Additionally, our intra-company data-sharing agreements reflect the latest legal requirements and updates on personal data processing within the organization.

ENCO’s Data Protection Policy adheres to applicable data protection laws. We also require our vendors, suppliers, and contractors to comply with privacy regulations, regularly monitoring their compliance.

ENCO’s information security management system is ISO 27001 certified, reflecting our dedication to maintaining high standards of information security. We undergo regular third-party audits to ensure continuous compliance and improvement. Our information security obligations are prioritized across all organizational levels. By integrating best practices into daily operations and continuously updating our knowledge as technology and regulations evolve, ENCO adapts and strengthens our information security systems to meet changing demands.

ENCO has implemented robust physical, managerial, and technological systems to protect against service interruptions and cyber threats. We regularly monitor the state of our information security system to minimize risks.

We update our information security policy annually, reassessing the importance and risk levels of information resources. This continuous improvement process enables us to respond promptly to new security issues and minimize risks. By adhering to these rigorous standards, ENCO ensures the highest levels of data protection and information security, contributing to our overall commitment to a sustainable and responsible business.



Click here to access the Data  
Protection Policy



Click here to access the ISO  
27001 ISMS Certificate



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# STRATEGY



# Targets

ENCO has established several global mid-term and long-term milestones, including those below, to help the company achieve the ESG Roadmap 2050.

| Topic             | Mid-term Target (2035)                                                                                                                                                                                       | Long-term Target (2050)                                                                                   | Performance 2023                                                                                                                                                                                                                                                        |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Planet            |                                                                                                                                                                                                              |                                                                                                           |                                                                                                                                                                                                                                                                         |
| Carbon Emission   | Scope 1: 40% absolute reduction (with the switching to intermodal transportation)<br>Scope 2: 40% renewable electricity sourcing and %60 IREC certificate                                                    | Neutralization of carbon emissions from all operations                                                    | Scope 1: <b>20%</b> reduction (Switching the fleet to Euro 6 diesel in FY2019)<br>Scope 2: <b>10,2%</b> reduction (In FY2022, the ENCO office was fully renovated and switched to LED lighting.                                                                         |
| Water             | A feasibility study will be conducted in FY2025, and a rainwater harvesting system will be installed at ENCO facilities by FY2035.                                                                           | No change to target                                                                                       | %7 saved water ((In FY2022, the ENCO office was fully renovated and switched to sensor taps.) Artesian well water is used for vehicle washing. Currently, the amount of artesian well water used cannot be measured clearly.                                            |
| Waste Management  | Having a <b>Zero Waste Certificate</b> in 2025.<br>Planning to replace <b>%40</b> of packaging materials with recycled alternatives.<br>Reduce the amount of waste sent to regular landfills by <b>%80</b> . | Replacement <b>%80</b> of packaging materials with recycled alternatives.                                 | Legal compliance frameworks are adhered to. Since the pallets are reused the need for new purchases are reduced.<br>Since FY2022, purified water has been available in the office and restaurant, and the use of paper and plastic cups has been reduced significantly. |
| Energy Management | Replacing forklifts with electric ones by FY2027.<br>Switching all areas, including warehouse spaces, to LED lighting.<br>Obtaining LEED certification for the existing headquarters office.                 | The transition to hybrid and electric vehicles (trucks and other transport vehicles) will be implemented. | There is an ISO 50001 Energy Management System.<br>In FY2022, the ENCO office was fully renovated and switched to LED lighting.                                                                                                                                         |
| Biodiversity      | Switching to biodegradable foams for vehicle washing.                                                                                                                                                        | No change to target                                                                                       | In FY2024, the first biodegradable washing chemicals were tested.                                                                                                                                                                                                       |



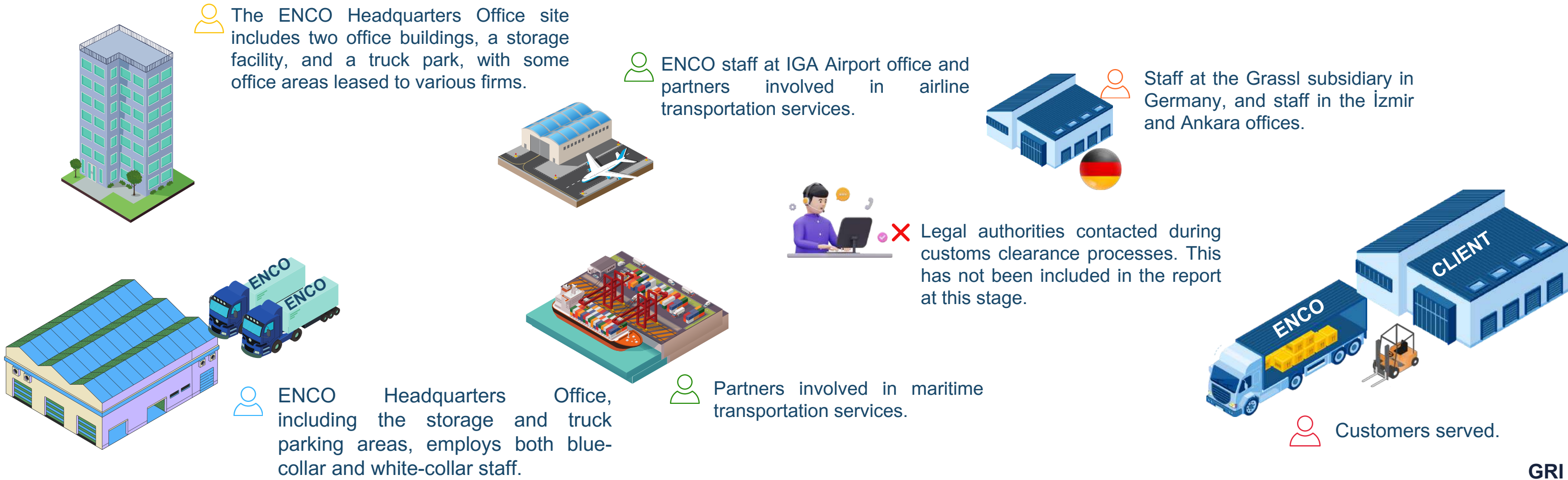


# Targets

| Topic                                   | Mid-term Target (2035)                                                                                                                                                                                                                                                                                            | Long-term Target (2050)                                                                                        | Performance 2023                                                                                                                                                                                                 |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| People                                  |                                                                                                                                                                                                                                                                                                                   |                                                                                                                |                                                                                                                                                                                                                  |
| Quality Education                       | The previously inactive Driving Academy will be reactivated and developed for internal staff and local communities.                                                                                                                                                                                               | No change to target                                                                                            | Employees receive EHS and orientation training in accordance with legal requirements. In FY2021, a Driving Academy was established, offering specialized training for driver candidates.                         |
| Performance Assessment and Coaching     | Implementing a performance evaluation system that involves all employees to increase employee engagement.                                                                                                                                                                                                         | No change to target                                                                                            | Currently working on a system to evaluate driver performance.                                                                                                                                                    |
| Feedback-Suggestion-Complaint Mechanism | An ISO 10002 Customer Satisfaction Management certification will be obtained in 2024 to improve customer satisfaction and stakeholder communication.<br>Increase employee engagement rate to over <b>%85</b> by 2030.<br>Plans include adding a chat box and ethics line to the website to improve communication. | Increase employee engagement rate to over 95% by 2050.<br>Annual feedback from staff and external stakeholders | There is an ISO 9001 Quality Management System. A staff survey with <b>%95</b> participation has been conducted to increase employee engagement.<br>FY 2023 Employee Satisfaction Survey Results: <b>71,2%</b> . |
| Equality & Diversity                    | >%25 women in management and leadership                                                                                                                                                                                                                                                                           | >%40 women and minorities in management and leadership                                                         | %16 female employees<br>%13 female executives                                                                                                                                                                    |
| Security (Information)                  | Planning to train our teams with simulations and exercises to boost awareness of cyber security risks and protect ENCO and its customers.                                                                                                                                                                         | No change to target                                                                                            | There is an ISO 27001 Information Security Management System.<br>In 2022, the office was renovated with glass walls dividing departments and card access systems installed to restrict unauthorized entry.       |
| Governance                              |                                                                                                                                                                                                                                                                                                                   |                                                                                                                |                                                                                                                                                                                                                  |
| Ethic and Code of Conduct               | %100 of employees trained in ENCO Code of Conduct and Ethics                                                                                                                                                                                                                                                      | No change to target                                                                                            | ENCO has written codes of conduct and business ethics documents.                                                                                                                                                 |
| Supply Chain Management                 | %50 of suppliers committed to the Supplier Code of Conduct                                                                                                                                                                                                                                                        | %100 of suppliers committed to the Supplier Code of Conduct                                                    | Currently, ENCO has subjected approximately 20% of its suppliers to supplier evaluations in accordance with ISO 9001 requirements.                                                                               |

# Understanding Our Influence on People and the Environment Through Our Operations and Supply Chain

In our comprehensive materiality assessment, we've identified key impacts throughout our operations and the broader value chain. These identified impacts represent a selection of significant effects stemming from our role as a global supply chain integrator. While not all-encompassing, they illustrate the diverse challenges associated with our activities. For strategies on how we address these impacts to reduce harm and manage risks effectively, please refer to the corresponding chapters on Environmental, Social, and Governance (ESG) issues.





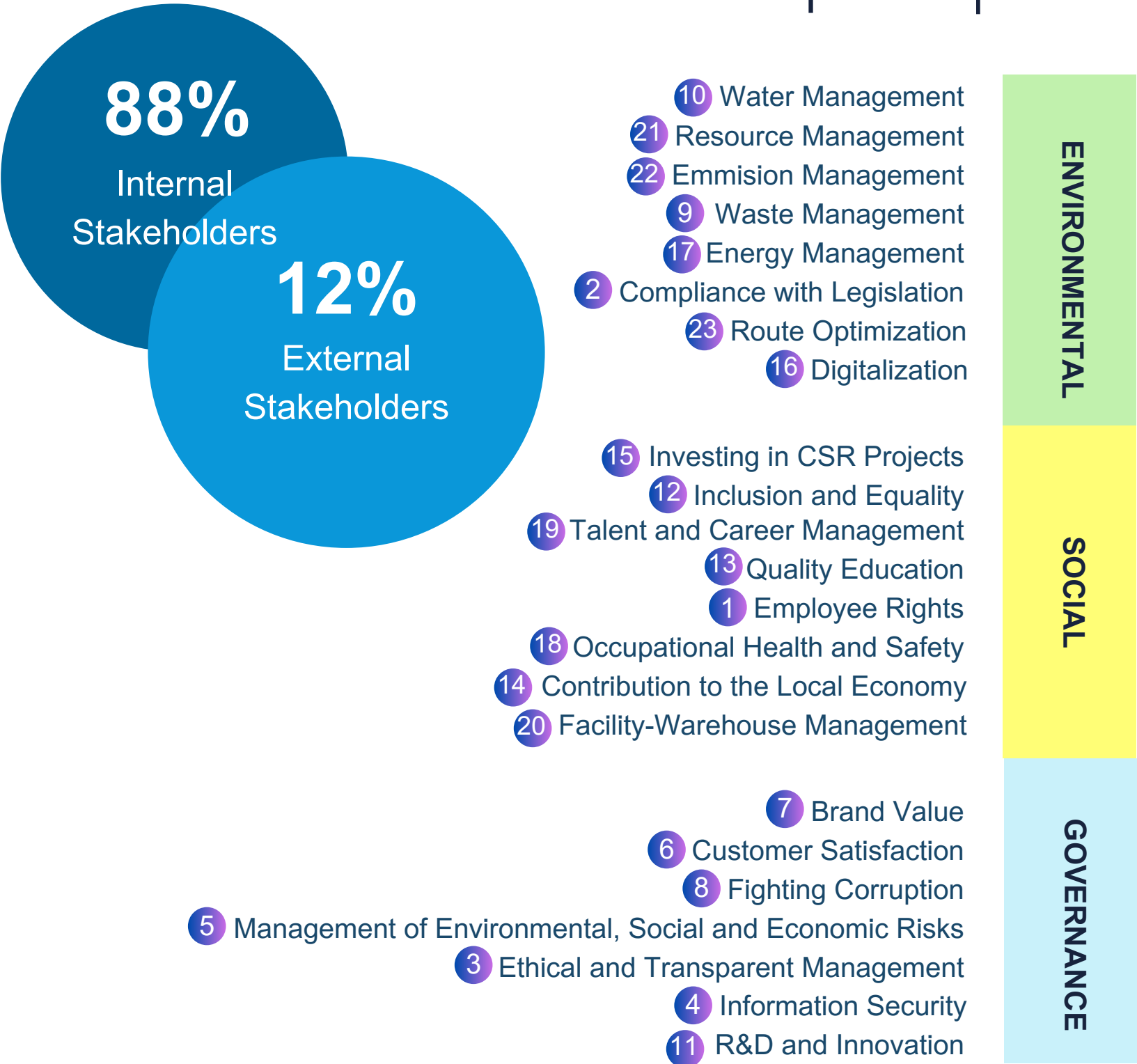
# Materiality Assessment

ENCO's sustainability initiatives are guided by a comprehensive strategy, initiated with a GRI-compliant Materiality Assessment that identifies the most critical sustainability issues facing our company. This assessment highlighted eight key areas essential to our operations and stakeholders, as shown in our detailed Materiality Matrix.

Our approach involved thorough research and alignment with international standards such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). This process helped us pinpoint topics relevant to ENCO's internal and external stakeholders, covering a broad spectrum of environmental, social, and governance issues.

We engaged in surveys with our executive team, internal specialists, other personel, suppliers, and crucial stakeholders, including customers, investors, and employees. This collaborative effort refined our focus on pivotal issues such as emissions control, energy management, humanitarian aid, and workforce training and development.

The outcome of these efforts is encapsulated in ENCO's Materiality Matrix, a visual tool that maps the importance and impact of each identified sustainability topic. This matrix is not only a guide for our strategic sustainability efforts but also serves as a transparent communication tool with all stakeholders. It supports our commitment to creating long-term value and staying aligned with evolving industry standards and stakeholder expectations.





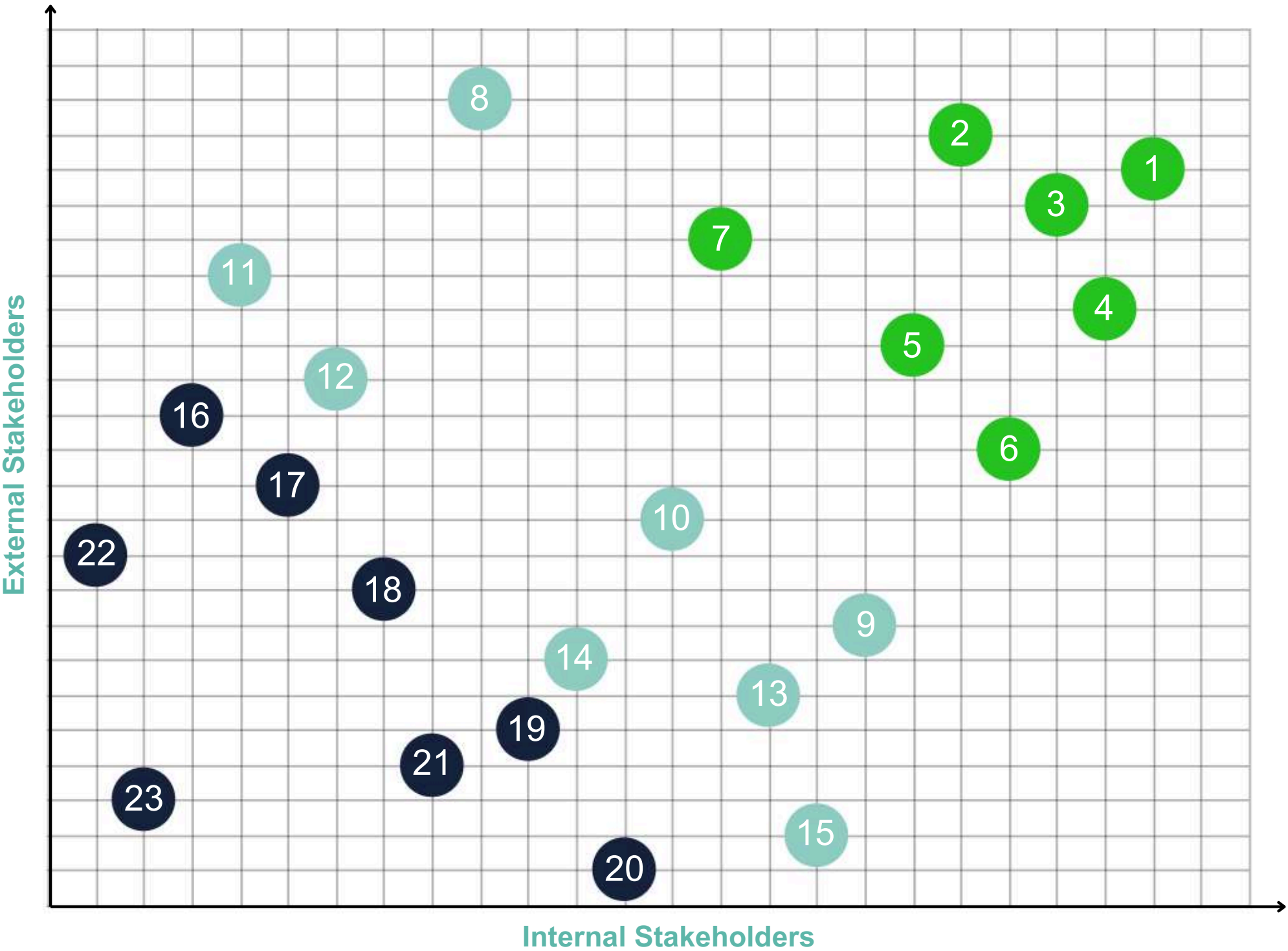
# Materiality Assessment

Our sustainability framework is crafted around the deep integration of risk and opportunity assessments into all facets of our operations. Upholding one of our foundational values, we strive to develop a robust workforce, enriched by shared corporate intelligence that optimizes all processes. This approach not only refines our daily operations but also prepares us to meet future challenges effectively.

Leveraging insights gained from the results of our materiality assessments with internal and external stakeholders, we continuously refine our practices to align with both local and global sustainability standards. This strategic alignment supports our efforts in advancing a sustainability agenda that balances economic viability with environmental stewardship and social responsibility.

By adhering to global sustainability benchmarks and the principles of stakeholder capitalism, we facilitate the international exchange of shared values, thereby enhancing the delivery and durability of our services. Our targeted sustainability strategy focuses on four pillars: Governance, Environmental Integrity, Social Equity, and Economic Prosperity. Through this comprehensive approach, ENCO Logistics is committed to managing the impacts of our operations effectively, ensuring a sustainable future for the communities we serve and for generations to come.

Background data for the sustainability initiative was collected via an online survey and interviews with stakeholders. Of the 68 respondents, 12% were not employees of ENCO. **The feedback highlighted the importance of employee rights, compliance with legislation, and ethical and transparent management as key priorities for ENCO's sustainability efforts. Areas identified for improvement included achieving waste management, employee rights and customer satisfaction.**





Summary



Governance



Strategy



People



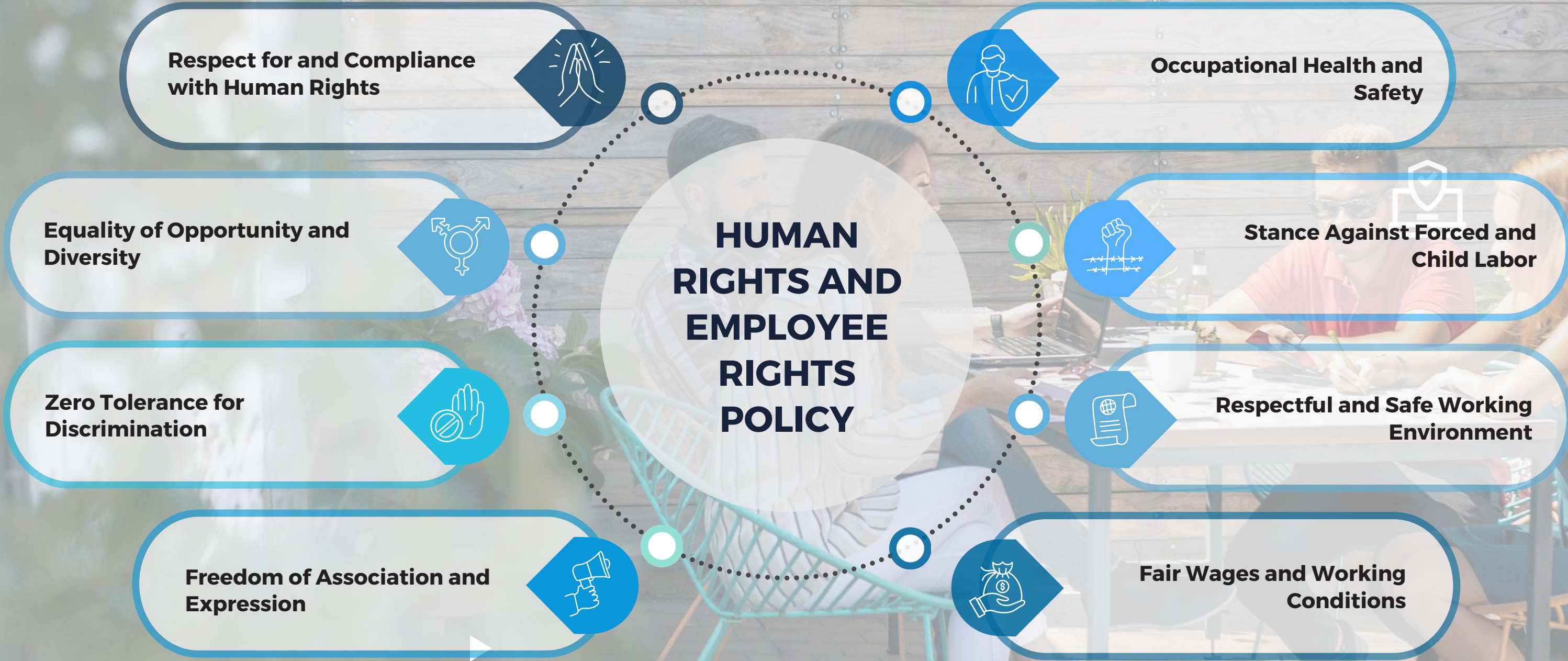
Planet



# PEOPLE

*Our people are the cornerstone of our mission to achieve the pinnacle of sustainable logistics globally. At ENCO, we strive to cultivate a supportive and safe environment where our employees can proudly thrive in their roles..*





# LABOR & HUMAN RIGHTS

 [Click here to access the Human Rights Policy](#)



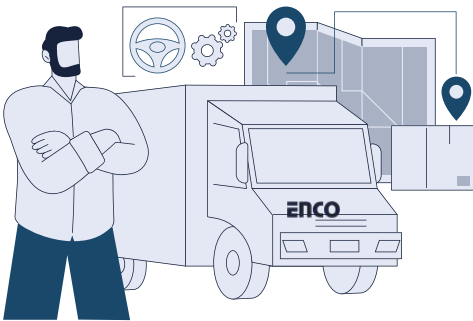
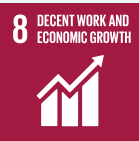


# The people who comprise ENCO

ENCO is committed to fostering a workplace that values learning, teamwork, and innovation. The company employs a total of 163 workers, with approximately 38,6% above the age of 50 and about 13,5% under the age of 30. Detailed employee profiles are provided on the *following page*. >>

## 5 locations, 163 employee

Our social goals impact the following  
United Nations Sustainable  
Development Goals:



**38,6%** of our workforce consists of drivers, who play a crucial role in our operations.



**41,72%** of our workforce is engaged in offices, handling operations planning, customer relations, and other support roles.



**19,6%** of our workforce is engaged in technical roles such as storage management, vehicle maintenance, and repair.



At ENCO, our employees are at the heart of our success and central to achieving our ESG goals as we transition towards becoming a global leader in integrated logistics. We are enhancing our roles and workforce to meet evolving demands in Logistic Services, while also focusing on technology initiatives essential for modernizing supply chains.

Our commitment extends across our diverse workforce, ensuring that each member contributes meaningfully, grows professionally, and is inspired by effective leadership. In challenging times and changing markets, our steadfast dedication to safety, diversity, employee well-being, and community engagement remains our priority.

Through our comprehensive ESG strategy, ENCO strives to be an employer of choice, fostering a supportive and inclusive workplace that champions both local and global community causes, ensuring overall employee satisfaction and sustainable growth. Our hiring procedures are designed to align with diversity, equity, and support for local communities, adhering to various social sustainability requirements.

GRI 2-7

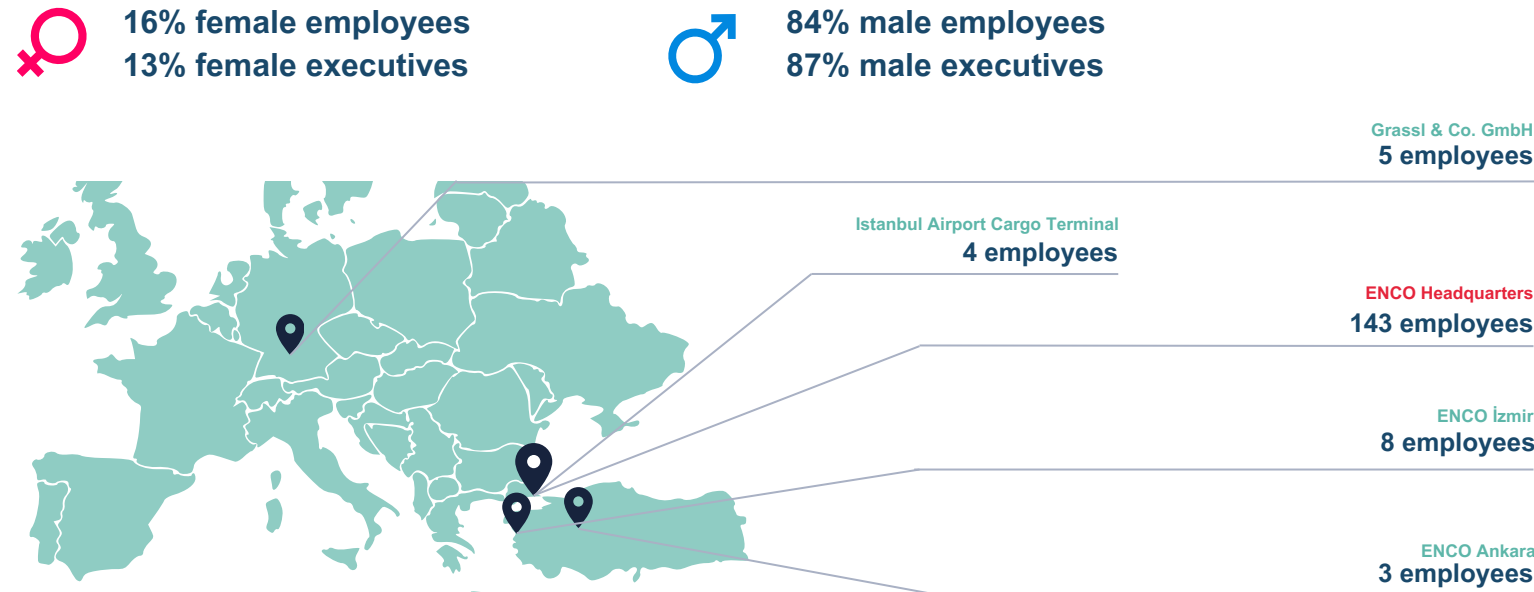




# Key Figures

GRI 2-7  
GRI 405-1

## Employee distribution by gender and location



Grassl & Co. GmbH  
5 employees

Istanbul Airport Cargo Terminal  
4 employees

ENCO Headquarters  
143 employees

ENCO İzmir  
8 employees

ENCO Ankara  
3 employees

| Employee profile                      |              | 2021 | 2022 | 2023 |
|---------------------------------------|--------------|------|------|------|
| Total employee                        | Blue collar  | 107  | 102  | 95   |
|                                       | White collar | 71   | 70   | 68   |
| White collar employee                 | Female       | 27   | 29   | 26   |
|                                       | Male         | 44   | 41   | 42   |
| Blue collar employee                  | Female       | 0    | 0    | 0    |
|                                       | Male         | 107  | 102  | 95   |
| Disabled employee                     | Female       | 0    | 1    | 2    |
|                                       | Male         | 3    | 3    | 2    |
| Bachelor's degree graduation rate (%) | Female       | 0    | 1    | 2    |
|                                       | Male         | 3    | 3    | 2    |
| Board of Directors                    | Female       | 1    | 1    | 1    |
|                                       | Male         | 3    | 3    | 3    |
| Turnover (%)                          |              | 6%   | 6%   | 6%   |





# Employee Loyalty, Performance Management and Well-being

ENCO prioritizes the well-being, social needs, and safety of its employees, viewing these as essential elements of the company’s responsibilities. The long-term goal is to advance the focus on work ability management, which is promoted through more business-oriented approaches. This objective is supported by regular surveys conducted for personnel, enabling them to express their voices and ideas to develop well-being at work and enhance the employee experience.

Due to the nature of its sector and operations, ENCO recognizes the challenges associated with creating employment opportunities for blue-collar female workers. Consequently, since 2020, the company has focused on increasing employment among white-collar female staff. ENCO is actively working on performance evaluations and a reward system, specifically focusing on drivers, who are fundamental to its operations, to enhance employee engagement. To reduce the turnover rate and increase employee engagement, specifically among blue-collar workers (with a particular focus on drivers), ENCO has initiated surveys to gather employee feedback, and has commenced related initiatives starting from 2023.

ENCO is dedicated to prioritizing the well-being, development, and work-life balance of its employees and has launched several projects in recent years to support these goals, including improvements in working hours. Additionally, ENCO ensures that parental leave is managed in accordance with legal requirements.

**GRI 2-7, GRI 2-19, GRI 2-20 GRI 401-1 GRI 401-2 GRI 401-3**

## Major Project -1

ENCO has established a sports complex featuring a gym, tennis courts, and a swimming pool, as well as social activity spaces designed to enhance the social aspects of its employees during breaks. These include areas for table tennis, billiards, and relaxation zones with green roof designs. These social facilities are located within the ENCO facility buildings, allowing employees and other users (tenants) to access them during, before, or after working hours. This setup supports a healthy lifestyle while helping to maintain a balanced work-life environment.



## Remuneration policies

At ENCO, we are committed to fair compensation and fostering employee engagement. We determine salary scales based on job descriptions and analyses, ensuring equal pay for equal work, regardless of religion, language, race, or gender. Our personnel policy allows for special recognition of employees who contribute significantly to the company's success.

To address employee turnover, we conduct detailed exit interviews and take corrective actions based on the findings. We are developing a bonus system specifically for drivers to recognize their contributions.

In early 2024, we conducted an employee survey to gather feedback, and we are currently evaluating the results to implement improvements that align with employee needs.



# Risk Management

## RISK MANAGEMENT POLICY

As of 2024, ENCO has integrated Environmental, Energy, Occupational Health and Safety, Anti-Corruption, and Customer Satisfaction topics into a unified management system. Under this Integrated Management System (IYS), ENCO published a Risk Management Procedure.

## RISK MANAGEMENT PROCEDURE

### Safety Culture

ENCO is dedicated to fostering a safety culture based on trust and proactive risk management. ENCO aim to create a safe workplace where employees feel empowered to report concerns and suggest improvements.

### Training and Upskilling

In 2024, ENCO launched a training program to enhance risk and incident reporting, focusing on data quality and proactive risk management.

### Risk Management System

ENCO has developed a comprehensive Risk and Opportunity Assessment document. This document is designed to identify, assess, and manage potential risks and opportunities within the company. The process is supported by a dynamic dashboard, allowing tracking and monitoring of identified risks and mitigation measures. This system ensures continuous improvement and proactive management of risks, enhancing overall safety and operational efficiency. **Identified risks and measures taken are shown in the right-hand column;**



# Health and Safety Applications

ENCO has partnered with a Joint Health and Safety Unit (JHSU) to oversee its occupational health and safety processes. As part of ENCO's policy, a health and safety expert and an occupational physician regularly visits ENCO facilities. Additionally, ENCO has established a Health and Safety Board that meets periodically. During these meetings, any potential non-compliance issues raised by the health and safety expert, occupational physician, employee representatives, or other committee members are assessed and corrective and preventive actions are promptly implemented.

While ENCO does not yet obtained an ISO 45001 certification, it conducts its health and safety activities in accordance with Turkish legal regulations. ENCO prioritizes the physical and mental health and well-being of its employees, continually making improvements to ensure a safe and healthy working environment.

## ENCO EMPLOYEE TRAINING AND DEVELOPMENT COMMITMENT

ENCO places a high priority on the development and optimal use of its employees' skills. Recognizing the importance of continuous learning in a rapidly evolving business environment, ENCO focuses on both the professional and personal growth of its employees.

In 2022, ENCO invested significantly in professional qualification training and other educational programs, with plans to diversify and expand these training initiatives in the future. By continuously providing learning opportunities, ENCO aims to support the ongoing growth and development of its workforce.

GRI 403-1 GRI 403-2



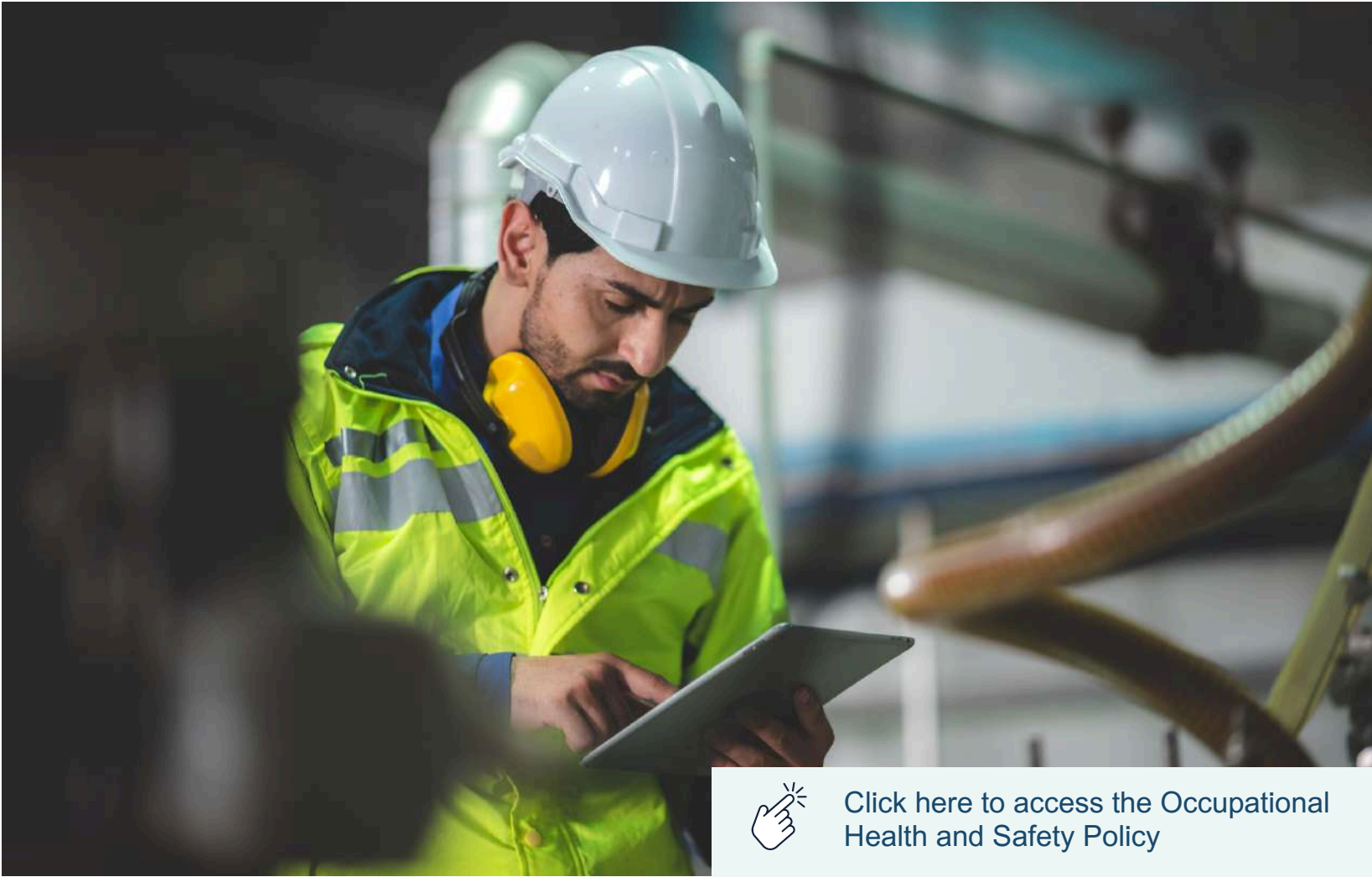


# Safety First

At ENCO, we prioritize the well-being of our workforce, recognizing that a safe and supportive work environment is fundamental to our operational success. Our dedication extends beyond compliance with legal standards, embedding health and safety deeply into our corporate values.

As ENCO has increased its international operations, we have faced a complex array of safety cultures and practices, especially in land-based operations where manual labor is prevalent. To address these challenges and reduce risks, we have been utilizing the N2 Mobile vehicle and driver monitoring application since 2022. This technology allows for the continuous remote monitoring of critical safety factors such as vehicle headlight activity, driver seatbelt usage, and sudden accelerations, ensuring adherence to our global standards.

**GRI 403-4 GRI 403-5 GRI 403-7 GRI 403-8 GRI 403-9GRI 404-1**



Click here to access the Occupational Health and Safety Policy

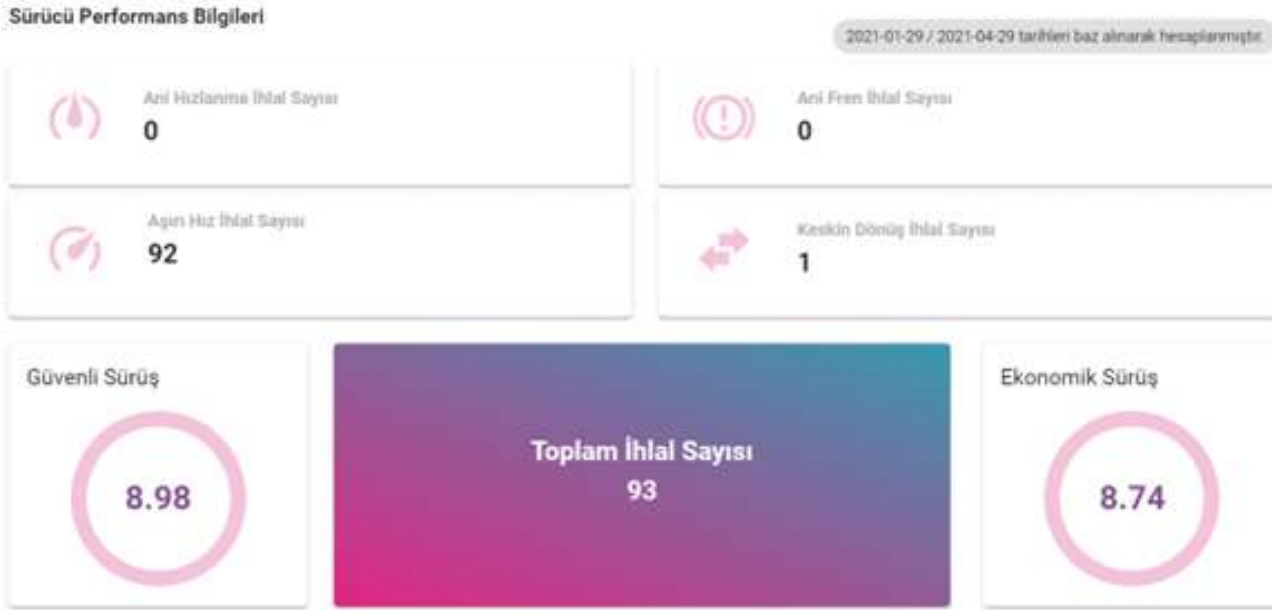
Furthermore, ENCO takes seriously the responsibility of ensuring the safety of all team members, whether they are on the ground in warehouses or navigating the roads. Our fleet safety programs and workshops, like the person/machine separation initiative, are critical components of our approach to accident prevention and ensuring a safe working environment.

At ENCO, every employee is encouraged to engage with and contribute to our health and safety initiatives. Our site-level safety committees play a pivotal role in this engagement, enabling employees to voice concerns and participate actively in safety improvements. This proactive approach is integral to our strategy, helping us maintain high safety standards and fostering a culture where safety is everyone's responsibility.

By integrating these principles and practices into our daily operations, ENCO continues to make progress in creating a safe, inclusive, and resilient workplace that supports our employees and the communities we serve.

|                       | 2021 | 2022 | 2023 |
|-----------------------|------|------|------|
| OHS training (person) | 178  | 172  | 163  |
| OHS training (hour)   | 2536 | 2500 | 2430 |
| Number of accident    | 0    | 0    | 0    |
| Number of lost days   | 0    | 0    | 0    |





ENCO is leveraging detailed data from the N2 mobile system to analyze statistics on violations, unsafe behaviors, near-miss incidents, and more. In 2024, driver performance evaluations will be based on this data, focusing on achievements such as low fuel consumption per kilometer and adherence to safe driving behaviors. Plans are in place to introduce a reward system for employees who demonstrate superior performance in these areas.

### Major Project -3



N2 Mobile Fleet Management System used by ENCO represents a pioneering advancement in occupational health and safety within the logistics and transportation sectors. Utilizing state-of-the-art technology, the system ensures enhanced fleet efficiency and driver safety through real-time monitoring and environmental controls.

#### Key Features:

**Live Vehicle Monitoring:** Real-time camera surveillance inside vehicles ensures compliance with safety standards and driver accountability. 🔍

**Environmental Sensors:** Temperature and humidity sensors monitor cargo conditions, safeguarding sensitive goods and reducing health risks. 🌡️

**Security Enhancements:** Features such as RFID driver identification and theft detection systems enhance the security of both fleet and cargo. 📡

**Health and Safety Analytics:** Comprehensive analytics on daily kilometers driven, idling time, fuel consumption, and working hours are available. These insights help in managing driver fatigue and scheduling regular maintenance checks to prevent mechanical failures, thus promoting a safer working environment. 🧑

**Driver Safety Compliance:** Automated alerts for speed and driving behavior help maintain safe driving practices, significantly reducing the risk of accidents. 🚗

**Proactive Incident Management:** Immediate alerts and connectivity to emergency services enable swift action in unforeseen situations, protecting both drivers and the public. 🚨

N2 Mobile Fleet Management System goes beyond tracking—it enhances occupational health and safety in fleet management. By integrating advanced monitoring and proactive safety measures, it sets a new industry standard for protecting human and material resources in logistics. This system exceeds current OHS standards, serving as an exemplary model in the field.





# Fostering Mutually Advantageous Partnerships for Shared Growth

## SUPPLY CHAIN MANAGEMENT

ENCO is dedicated to promoting a healthy industry ecosystem by ensuring fairness in all transactions and interactions with its suppliers. Recognizing suppliers as key partners, ENCO aims to share its values and policies, assisting them in managing their ESG risks and fostering mutual growth throughout the partnership.



Click here to access the Sustainable Procurement Procedure

| Subject                                   | 2023 | 2024 (target) |
|-------------------------------------------|------|---------------|
| Number of suppliers                       | 237  | 240           |
| Number of evaluated suppliers             | 47   | 120+          |
| Percentage of evaluated suppliers         | 20%  | 50%           |
| Number of suppliers with identified risks | N/A  | N/A           |
| Number of suppliers with identified risks | N/A  | N/A           |

GRI 204-1 GRI 308-1 GRI 308-2

## ENCO SUPPLIER CODE OF CONDUCT

ENCO enacts a Supplier Code of Conduct to foster a fair and transparent partnership with suppliers. This Code outlines the responsibilities of suppliers in ethical management, human rights, workplace safety, and environmental protection. ENCO supports the United Nations Sustainable Development Goals (SDGs) and expects suppliers to align with these principles.

Suppliers must comply with all relevant laws and regulations, ensuring fair treatment, non-discrimination, and human rights protection. They are also required to maintain a safe work environment, adhere to environmental laws, and actively reduce their environmental impact. Ethical conduct, including avoiding corruption and unfair trade practices, is mandatory.

ENCO expects all suppliers to submit pledges affirming their commitment to this Supplier Code of Conduct.



- Compliance with Global and Domestic Laws and Regulations
- Integrity and Anti-Corruption
- Privacy and Confidentiality
- Protection of Intellectual Property Rights
- Fair Transactions
- Information Transparency
- Protection of Personal Information



- Humane Treatment
- Non-Discrimination
- Fair Compensation (Wages and Benefits)
- Humane Working Hours
- Protection of Children and Minors from Labor
- Voluntary Work



- Workplace Safety
- Industrial Safety
- Safety and Health Training
- Safety Maintenance of Machinery
- Preparations for Emergencies and Accidents
- Occupational and Industrial Hazards
- Safety and Health Evaluations of Suppliers



- Environmental Law Compliance
- Resource Use Reduction
- Hazardous Substance Control
- Waste and Wastewater Management
- Air Pollution Control
- Product Ingredient Regulation
- Energy and Emissions





# PLANET

*At ENCO, our unwavering commitment to environmental stewardship is a fundamental aspect of our sustainability mission. We actively pursue innovative practices and initiatives to minimize our ecological footprint, ensuring that our operations contribute positively to the health of our planet.*







# Environmental Approach and Ambition

ENCO is a transportation company with a fleet of trucks, fully aware that our carbon emissions predominantly arise from our road transportation activities as well as from the maritime and airline transport operations of our partners within the supply chain. Recognizing this, our decarbonization strategy focuses on mitigating the environmental impact of both our direct and indirect operations. To address this, we are:

## Promoting Low Carbon Logistics Solutions:

- We offer a comprehensive catalog of Low Carbon Logistics options to help our customers minimize their transport emissions.

## Building Strategic Partnerships:

- We are forming partnerships with suppliers to enhance the availability of low-carbon services. These collaborations aim to accelerate the decarbonization of global supply chains and support small businesses through various initiatives.

## Reducing Scope 1 and 2 Emissions:

- ENCO is primarily focused on eliminating Scope 2 emissions and minimizing Scope 1 emissions. Additionally, ENCO is taking steps to address Scope 3 carbon footprint.

## Environmental and Energy Management System:

- ENCO has implemented an Environmental Management System (ISO 14001) and an Energy Management System (ISO 50001), extending beyond mere operational environmental protection.
- These systems are core components of our general management framework, consistently monitored and certified by 3rd party verifier through a certificate. We are committed to embedding sustainability into every facet of our operations, ensuring that we not only meet but exceed environmental standards.

## Commitment to Sustainability

- Our dedication to sustainability extends beyond compliance. We are committed to driving significant reductions in our environmental impact and supporting the global transition to a low-carbon economy. By empowering our customers with sustainable logistics solutions and collaborating with industry leaders, ENCO is at the forefront of fostering a greener, more resilient supply chain.

## Future Outlook

- Looking ahead, ENCO will continue to innovate and expand our environmental initiatives, maintaining our leadership in sustainability. We remain dedicated to transparency, our progress and aligning our strategies with the latest environmental standards and best practices.



Click here to access the Environmental and Energy Policy





Make positive contributions to climate change, resource recycling, and biodiversity as a logistics company



**ISO 14001 - Environmental Management System**

ENCO Logistics and Trade Corporation is committed to sustainability and environmental responsibility. Their environmental management system aims to minimize their environmental footprint and protect natural resources. Their policy includes proactive reduction of greenhouse gas emissions, enhancing water quality, preserving air quality, promoting sustainable resource use, transitioning to sustainable business models, and prioritizing environmental conservation. ENCO aims to integrate sustainability into all aspects of its operations.

Click here to access the ISO 14001 Certificate



**Water Management**

Access to water is increasingly under threat, and effective water resource management is crucial. ENCO is dedicated to reducing water consumption and efficiently using existing resources. In 2022, we took a significant step towards water efficiency by installing sensor-operated faucets in the renovated office buildings restrooms. In 2023, ENCO used 26,715 cubic meters of municipal water and approximately 300 cubic meters from an artesian well for vehicle washing. ENCO generates only domestic sewage from its operations. In 2024, ENCO aims to reduce wastewater pollution by using biodegradable chemicals for vehicle washing, reflecting its commitment to sustainable water use and minimizing environmental impact.



**Biodiversity Collaboration**

ENCO has collaborated with the TEMA Foundation to support reforestation by establishing Memorial Forests, involving the planting of 500 saplings. Additionally, in 2021, ENCO initiated a program where a tree is donated in the name of each employee on their birthday to enhance engagement and ecological awareness. This initiative not only bolsters employee loyalty but also deepens their connection to sustainability and biodiversity, aiming for a lasting environmental impact by contributing to local ecosystems and offsetting carbon emissions from logistics operations. This effort aligns with ENCO's broader sustainability goals of minimizing its environmental footprint and promoting biodiversity, while fostering a culture of environmental stewardship among employees.



**UN Global Compact Membership**

Since 2022, ENCO has been a member of the UN Global Compact, committing to its ten universally accepted principles. These principles include supporting and respecting human rights, upholding fair labor practices, promoting environmental responsibility, and combating corruption. By embracing these principles, ENCO aims to integrate sustainability into every aspect of its operations, contributing positively to global sustainable development goals and reinforcing its commitment to ethical business practices and corporate social responsibility.

Environmental Management at a Glance

GRI 2-28 GRI 303-1 GRI 304-2





# Energy Management



## ISO 50001 - Energy Management System

At ENCO Logistics and Trade Corporation, our energy efficiency policy and management system are integral to our commitment to sustainability. We prioritize minimizing energy consumption, investing in renewable energy sources, and utilizing efficient technologies throughout our operations. Employee engagement is key, as we empower our staff to adopt energy-saving practices through training and awareness campaigns. Continuous monitoring and evaluation ensure that we set and achieve targets for improving energy performance. Through these initiatives, we strive to reduce our carbon footprint and contribute to a cleaner, greener future.



Click here to access the  
ISO 50001 Certificate

ENCO's adherence to ISO 50001 standards reflects its firm commitment to sustainability and energy efficiency. In 2022, the company made significant strides in this direction, highlighted by several key initiatives:

**Developing an Energy Policy:** ENCO has crafted a formal energy policy that articulates the company's dedication to enhancing its energy performance.

**Energy Reduction Projects:** The company has launched various projects aimed at reducing energy consumption. These include enhancements in thermal insulation, transitioning to energy-efficient LED lighting systems, and the modernization of HVAC systems to optimize energy use.

**Energy Monitoring and Control Systems:** Advanced energy monitoring and control systems have been installed to track and manage energy consumption in real-time.

**Adopting Technology and Innovation:** ENCO invests in new technologies and innovations that promote energy efficiency.

GRI 302-1





INVESTMENT PLAN

By 2025, we aim to complete a **1.5 MW** solar power project at our Hadımköy warehouse.

| ENERGY INDICATORS                      | 2021    | 2022    | 2023    |
|----------------------------------------|---------|---------|---------|
| Buildings - Fuel (m3)                  | 66.089  | 63.562  | 87.780  |
| Natural Gas                            | 66.089  | 63.562  | 87.780  |
| Electricity Consumption (MWh)          | 5.313,4 | 4.633,8 | 6.680,7 |
| Renewable Electiricty Consumption      | 0       | 0       | 0       |
| Non- Renewable Electiricty Consumption | 5.313,4 | 4.633,8 | 6.680,7 |

Energy Management

ENCO, an ISO 50001 certified logistics company, diligently adheres to all applicable legal regulations in energy management, ensuring compliance through the systematic implementation of ISO 50001 methodologies. This framework guides our processes to enhance energy performance, including technical and management strategies that lead to energy efficiency and sustainability in our operations. By aligning our practices with these rigorous standards, we are committed to reducing environmental impacts through proactive measures that include both energy efficiency projects and the integration of renewable energy solutions.

Our procurement processes are meticulously designed to prioritize energy-efficient products, particularly in the selection of machinery and equipment. This strategic focus not only supports our sustainability goals but also reduces our operational costs by decreasing energy consumption. We implement robust monitoring practices to meticulously track energy usage, setting ambitious targets for reduction and continuously reviewing and adjusting these goals to ensure they align with our long-term environmental objectives. These practices are part of our broader commitment to fostering a sustainable future and preserving natural resources for future generations.

In 2021, we undertook a comprehensive renovation of our Istanbul headquarters, marking a significant milestone in our journey towards enhanced energy efficiency. This renovation involved replacing all conventional lighting with energy-saving LEDs, which resulted in a reduction in our total energy consumption and thereby substantially decreased our carbon emissions by 10,2%. Additionally, the installation of a centralized ventilation system and the implementation of a centralized heating-cooling system have been crucial in minimizing energy wastage due to human error.

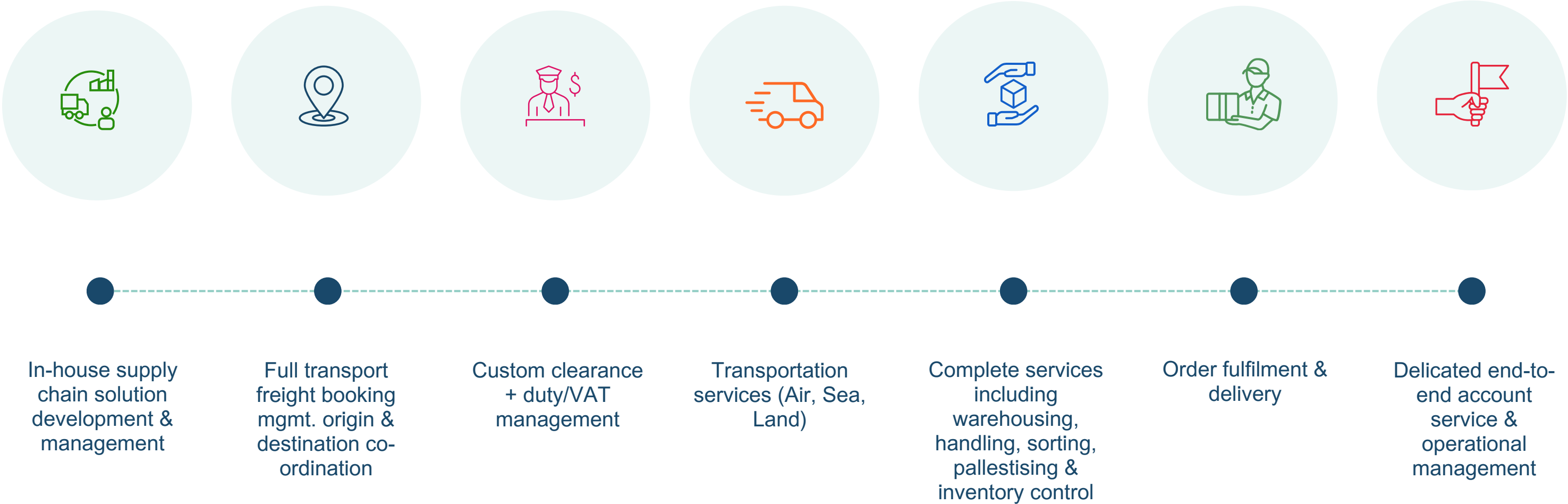
Looking ahead, a major focus for ENCO is the installation of a 1.5 MW solar power system on the rooftop of our Hadımköy warehouse by 2025. This project is set to dramatically increase our use of renewable energy, contributing significantly to our sustainability goals. Furthermore, as part of our ongoing electrification efforts, we converted three out of four forklifts to electric models, which further reduced our carbon footprint and enhanced our operational efficiency. These initiatives are key components of ENCO's strategy to not only comply with current energy standards but also to lead the way in sustainable logistics solutions.

GRI 302-1





# Where Is Our Carbon Impact?



**GRI 305-1**

At ENCO, our services span the entire logistics industry, and it's crucial that we consider every aspect of our operations. We take a holistic approach, examining everything from cross-continental logistics to the daily actions of our staff. This ensures that we are implementing truly sustainable policies from start to finish, reinforcing our commitment to environmental responsibility and operational excellence.





# Carbon Emission

In 2023, ENCO's total greenhouse gas emissions were approximately 10.256,4 tonnes of carbon dioxide equivalent (CO<sub>2</sub>e). This figure includes emissions from all areas of operation and acquisitions made in 2023. Emissions are divided into those from ENCO's own operations (Scopes 1 & 2) and from the value chain (Scope 3). ENCO's total emissions are categorized into three scopes. Scope 1 emissions make up 42.5% of the total, with 98.7% originating from land transport operations and the remaining 1.3% from generators, refrigerant leakages, and other commercial vehicles. Scope 2 emissions, which come from electricity and district heating, account for 30.2% of the total. Lastly, Scope 3 emissions constitute about 27.3% of ENCO's overall emissions, with a significant 96% of these emissions arising from services procured for sea and air transport.

The emission factors used for these calculations were sourced from authoritative bodies such as the IPCC, DEFRA, and IEC. Additionally, the emission factor for Scope 2 energy consumption was based on 2023 data from the Turkish Ministry of Energy and Natural Resources. All calculations were conducted in accordance with the GHG Protocol and ISO 14064 standards, ensuring accuracy and compliance with internationally recognized methodologies.

The logistics sector, including ENCO, plays a crucial role in helping export and import brands meet their emission targets. One of the most significant issues affecting the future of the sector is carbon taxation. ENCO's commitments reflect the company's proactive measures to align with future mandatory carbon constraints through short, medium, and long-term decarbonization plans. These plans include investments for transitioning to Euro 7 engines, increasing the use of electric wagons in transportation routes, and closely monitoring and adopting environmentally friendly fuels.

ENCO's dedication to sustainability is demonstrated through its proactive measures and realistic emission reduction targets, showcasing the company's commitment to environmental stewardship and responsible business practices.

GRI 305-1 GRI 305-2 GRI 305-3



| Subject (kg CO <sub>2</sub> ) | 2023     |
|-------------------------------|----------|
| Scope I Carbon Emission       | 4.365,4  |
| Scope II Carbon Emission      | 3.093    |
| Scope III Carbon Emission     | 2.798    |
| Total Carbon Emission         | 10.256,4 |





# Waste Management

ENCO complies with all legal regulations regarding waste management, ensuring environmental responsibility across its operations. At its facilities, ENCO implements the "ISO 14001 Environmental Management System." This system is established by considering the requirements of ISO 14001, fulfilling all relevant legal and other obligations. The system's structure and documentation are tailored to the organization's scale and scope of activities, ensuring comprehensive environmental management.

Hazardous, non-hazardous wastes are efficiently segregated and managed within the scope of circular economy initiatives. ENCO continuously evaluates and improves its Environmental Management System to maintain high standards of environmental performance.

As part of its 2024 commitments, ENCO aims to achieve zero waste certification. The company is dedicated to applying the "Reduce-Reuse-Recycle" principles across all facilities, reflecting its commitment to sustainability and reducing environmental impact. This proactive approach underscores ENCO's dedication to sustainable practices and long-term ecological stewardship.

GRI 306-1

2024

Target:  
Zero Waste  
certification







Our commitment to sustainability is driven by **two key reasons**: it is the right thing to do for our planet and it aligns with the priorities of our stakeholders. We collaborate with customers worldwide to support their sustainability goals while continuously innovating to minimize our own environmental impact. **The highlights of our efforts and planned targets are as follows:**



All lighting in the main headquarters office has been switched to 100% LED lighting.



A feasibility study for a solar power plant covering 40% of ENCO's total energy consumption has been conducted.



Background work is underway to offer a carbon footprint neutralization option for each transport service via the ERP system.



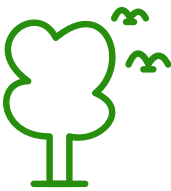
Zero Waste bins have been installed to ensure 100% recycling of recyclable waste starting from 2024.



Since FY2022, purified water is available in office and restaurant, and the use of paper and plastic cups has been reduced by 80%.



ENCO plans to use 100% biodegradable car wash chemicals at its Istanbul facilities to preserve biodiversity in the nearby stream flowing into the Marmara Sea. This proactive measure aligns with their commitment to environmental responsibility.



- 500 trees donated.
- Scope 1, 2, and 3 carbon footprints calculated according to ISO 14064.
- The first biodegradable car wash chemical was tested.
- 7% save water ((In FY2022, the ENCO office was fully renovated and switched to sensor taps.)
- Since the pallets are reused the need for new purchases are reduced.



- Transition to packaging made from recycled materials.
- All recyclable waste should be directed to recycling centers, ensuring that landfill-bound waste decreases by approximately 20%.
- Minimizing Scope 1 carbon emissions with eco-friendly fuel alternatives.
- ENCO facilities will install a rainwater harvesting system to collect rainwater for vehicle washing.

GRI 302-4 GRI 305-5 GRI 306-1





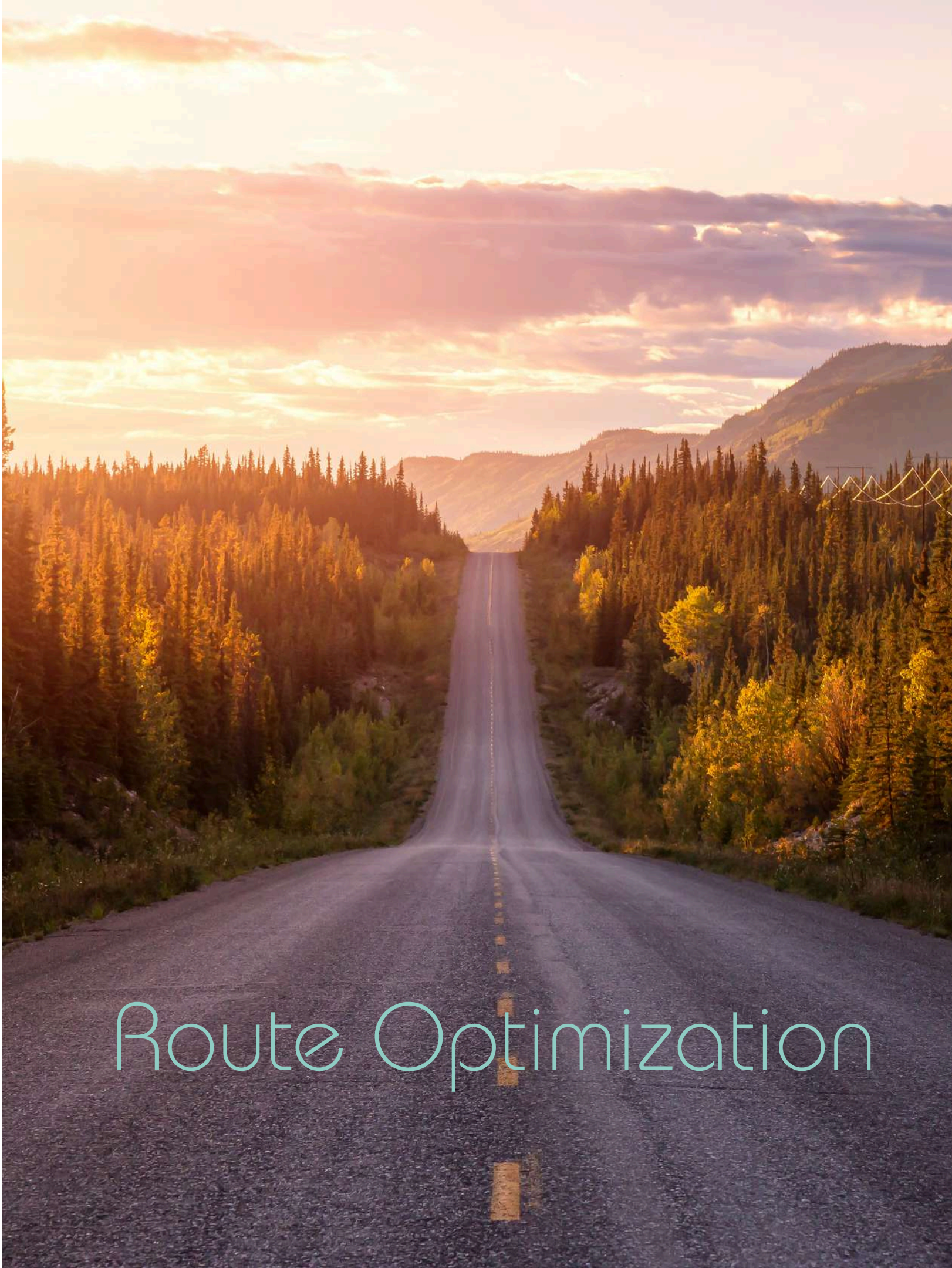
# Fleet Management

ENCO is an international logistics company renowned for its expertise in road transportation, boasting an extensive truck fleet. A key component of our sustainability strategy involves implementing route optimization to enhance operational efficiency and reduce our environmental impact.

By leveraging advanced route optimization technologies, ENCO is able to minimize the distance traveled and fuel consumption of our fleet. This not only reduces operating costs but also significantly lowers carbon emissions, contributing to our commitment to environmental stewardship.

Our route optimization system takes into account various factors such as traffic conditions, road quality, and delivery schedules to ensure the most efficient routes are selected. This results in timely deliveries, improved customer satisfaction, and a reduced carbon footprint.

Through these efforts, ENCO demonstrates its dedication to sustainability and continuous improvement in logistics operations. Our proactive approach in adopting innovative solutions underscores our leadership in the industry and our commitment to creating a sustainable future.



Route Optimization





In 2019, ENCO took a significant step towards environmental sustainability by transitioning its fleet to Euro 6 diesel vehicles. This upgrade reflects our commitment to reducing emissions and enhancing fuel efficiency in our logistics operations. The Euro 6 standard is one of the most stringent emissions regulations globally, targeting a substantial reduction in nitrogen oxides (NOx) and particulate matter (PM) from diesel engines.

Our fleet transformation has already yielded impressive results. By adopting Euro 6 technology, we have significantly lowered our carbon footprint and improved air quality in the communities we serve. This change is part of ENCO's broader green fleet initiative, which aims to continually modernize our vehicles with the latest environmentally friendly technologies.

We are committed to ongoing advancements in our fleet to further support sustainable logistics and contribute to a cleaner, healthier environment. Our efforts underline ENCO's dedication to leading the industry towards greener practices and setting a high standard for environmental responsibility in logistics.

2019  
6.000.000  
EUR  
investment

| Subject                              | Pre-investment | Post-investment |
|--------------------------------------|----------------|-----------------|
| Number of Euro 5 diesel truck        | 75             | 0               |
| Number of Euro 6 diesel truck        | 0              | 75              |
| Annual transport carbon emissions    | 5.172,6 tCO2eq | 4.310,5 tCO2eq  |
| Carbon emission reduction percentage | -              | 20%             |

GRI 201-2 GRI 305-5







## Projected Emissions Reduction with Euro 7

The Euro 7 regulation, expected to be implemented starting in 2025, aims to reduce vehicular emissions significantly compared to the existing Euro 6/VI standards. Key projected benefits by 2035 include:

**NOx Emissions:** 35% reduction for cars and vans, 56% reduction for trucks and buses.

**Exhaust Particulate Matter:** 13% reduction for cars and vans, 39% reduction for trucks and buses.

**Brake Particulate Emissions:** 27% reduction for cars and vans.

Euro 7 also introduces limits for new pollutants from brakes, tyres, and battery performance.

In 2023, ENCO's road transport activities resulted in Scope 1 carbon emissions totaling **4,365,420.11 kgCO<sub>2</sub>**. With the transition to Euro 7 standards starting from 2025, Scope 1 emissions are projected to decrease by approximately **35.75%**, leading to a reduction of around **1,560,284.92 kgCO<sub>2</sub>**. This significant decrease highlights ENCO's commitment to sustainability and reducing its carbon footprint in compliance with stringent regulatory standards.

# Commitment with Euro 7 Regulation

As a responsible logistics provider operating within the European Union, ENCO, alongside its Germany-based sister company Grassl, is committed to aligning with the latest environmental standards and regulations. The recent adoption of the Euro 7 regulation by the Council marks a significant milestone in the EU's efforts to reduce vehicular emissions and enhance air quality. This regulation ENCOmpasses emission limits for road vehicles and introduces stringent requirements for exhaust emissions, brake particle emissions, tyre abrasion, and battery durability.

ENCO recognizes the importance of this regulation in driving the automotive industry towards more sustainable practices. The Euro 7 standards introduce new limits for various pollutants, including nitrous oxide (N<sub>2</sub>O) and particulate matter (PM<sub>10</sub>), and establish robust lifetime requirements for vehicles. These measures are designed to ensure that vehicles remain cleaner throughout their operational lifespan, thereby contributing to improved air quality and reduced environmental impact.

### ENCO's Commitment to Euro 7 Compliance

ENCO is proactively preparing for the implementation of the Euro 7 regulation, which will affect different categories of vehicles and components over the coming years. Our approach includes the following key actions:

#### Fleet Upgrade and Maintenance:

- **Exhaust Emissions:** Ensuring our fleet meets the new stringent limits for pollutants such as NO<sub>x</sub> and PM<sub>10</sub>. This includes upgrading or retrofitting existing vehicles to comply with Euro 7 standards.
- **Brake and Tyre Emissions:** Adopting advanced technologies to minimize emissions from brakes and tyres, including the use of low-emission brake systems and tyres designed to reduce particle abrasion.

### Collaborative Efforts and Future Preparations

ENCO is committed to continuous improvement and environmental compliance. We work closely with partners, suppliers, and stakeholders to ensure a smooth transition to Euro 7 standards through regular training, staying updated with regulations, and investing in green technologies.

Preparing for Euro 7 compliance is a key part of our sustainability strategy. By adhering to these new regulations, ENCO aims to meet legal requirements and lead in promoting cleaner logistics operations.

We will monitor implementation timelines and adjust our strategies to ensure full compliance with Euro 7. These efforts will support our sustainability goals and commitment to environmental protection.





# R&D Projects and Innovations

ENCO, by increasing its R&D shares each year, aims to sustain its developments in this area by increasing its efficient and equipped manpower. It conducts new plans to enrich its existing R&D experience and accumulation by participating in the works conducted with universities and research centres and in the national-international research-development cooperations, and arranges its strategies in this regard. Additionally, by disseminating its R&D culture to the whole corporation, it aims to ensure its dissemination.

ENCO aims to realise continuous process innovation in order to increase efficiency in parallel with corporate vision, creation of new services and increasing the quality of existing services.



## Major Project -4

The project focuses on creating an integrated barcode system to enhance the logistics operations of textile products. The goal is to streamline the storage and delivery processes by using barcode labels to ensure correct tone correlation and automated assignment to appropriate vehicle types.

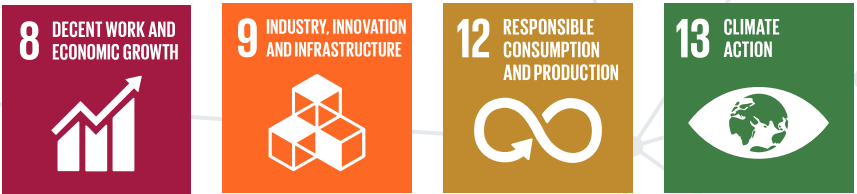
### Key Activities:

- **Storage Entry:** Fabric rolls, identified by tone codes and dimensions from the manufacturer, are delivered to storage.
- **Barcode Labeling:** Each fabric roll receives an original code via hand terminals, ensuring accurate tracking and classification.
- **Class-Based Storage:** Rolls are stored in different locations based on their class.
- **Customer Orders:** Customers place orders via the ENCO Portal. The system automates the loading of orders onto the correct vehicle types based on dimensions and color tones.

### Expected Outcomes and Benefits:

- **Efficient Use of Storage Space:** Storing fabrics of the same color in a single location.
- **Enhanced Inventory Management:** Preventing loss and disorganization of products.
- **Time Savings:** Faster loading of products due to pre-grouped storage.
- **Cost Reduction:** Decreased labor costs and increased efficiency and profitability.

This project is designed to improve operational efficiency, enhance inventory management, and boost overall productivity and profitability for ENCO.







# R&D Projects and Innovations



## Major Project -5

### Enhancing Logistics and Transportation Management Software

The project aims to significantly increase the usage capacity of our Logistics and Transportation Management Software, currently at 5-10%, by integrating advanced algorithm methods such as agile, waterfall, and spiral. This will enhance the software's efficiency, usage capacity, and flexibility, aligning with our innovative software integration needs.

#### Key Activities:

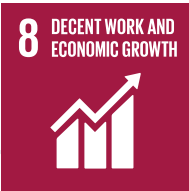
- Identifying new work types based on organizational needs.
- Reporting employee performance.
- Optimizing stock management.
- Enhancing business process control.
- Conducting statistical analyses and visualizations.
- Creating a data environment conducive to machine learning and AI models.
- Identifying and mitigating potential risks in future programs.
- Developing a user-friendly interface.
- Optimizing operations to minimize costs and duration.

These efforts will ensure maximum adaptation and flexibility of the software, leveraging technological advancements and improvements.

### Expected Outcomes and Benefits:

- Shorten the adaptation period for flexible and dynamic working conditions.
- Improve the quality and efficiency of the existing software.
- Increase corporate efficiency and capacity.
- Reduce external dependency on the software.

Through these outcomes, the project will drive significant advancements in our logistics and transportation management capabilities, reinforcing our commitment to innovation and sustainability.







# CORPORATE MEMBERSHIPS



GRI 2-28





# CSR and Sponsorship Projects



## SAPLING DONATION



In 2021, ENCO made a meaningful contribution to environmental conservation by donating 500 saplings through the TEMA Foundation, resulting in the planting of the Şile Memorial Forest. This initiative supports the United Nations Sustainable Development Goals (SDGs), particularly Life on Land (SDG 15) and Climate Action (SDG 13).

Our commitment to these goals reflects ENCO's environmental awareness and responsibility. Planting trees is a crucial step in mitigating climate change and preserving biodiversity. This effort exemplifies our proactive approach and belief in the importance of small yet impactful actions for the planet.

ENCO demonstrates its dedication to creating a positive environmental impact, recognizing that every small step contributes to a larger cause. Our sapling donation is part of our broader strategy to support ecological balance and combat climate change, reaffirming our role as a responsible corporate citizen.



## SUPPORT FOR ANADOLU ATEŞİ DANCE GROUP



Through a sponsorship agreement between ENCO and the Anadolu Ateşi Dance Group, we are proud to support artistic events that promote Turkey and Anadolu Ateşi on the global stage. ENCO serves as the transportation and storage sponsor for all of Anadolu Ateşi's performances in Turkey, ensuring smooth and efficient logistics for their shows.

This partnership highlights our dedication to Corporate Social Responsibility (CSR) and our commitment to fostering cultural initiatives. By supporting Anadolu Ateşi, we not only promote Turkey's rich artistic heritage but also contribute to the cultural enrichment of our community.

ENCO understands that art is an inseparable part of social development, and through this sponsorship, we reaffirm our commitment to supporting the arts and contributing to a vibrant, culturally rich society.



## SUPPORT FOR ITU SOLAR CAR TEAM



Over the past 17 years, the Solar Car Team, representing our country with distinction in international competitions, has won 23 awards. Recently, we transported the molds for their new vehicle. The Solar Car Team, one of the pride of our nation and a productive community at Istanbul Technical University, achieved notable success at the European Solar Challenge 2020 in Belgium, earning the "Most Tenacious Team" trophy, along with third, fifth, and eighth place finishes in various categories.

The team, comprising dedicated students and faculty members from ITU, is set to complete their new car soon. In their journey of relentless innovation and achievement, As ENCO, we are honored to provide a small yet crucial support by ensuring the logistics for the car molds. Since 2021, ENCO has been sponsoring the ITU ZESGAE Solar Car Team, facilitating the transfer of their equipment for both domestic and international events.

Our collaboration with the Solar Car Team not only reflects our commitment to supporting sustainable innovation but also highlights our role in fostering the next generation of engineers and innovators.



# CSR and Sponsorship Projects



## SCHOOL RENOVATIONS

**ENCO** has actively participated in the renovation projects of public schools in the past, driven by the belief that all children deserve to learn in a healthy environment. As part of their sustainability efforts, ENCO has renovated various parts of these schools, ensuring that the students benefit from improved and safe educational facilities. This initiative reflects ENCO's commitment to social responsibility and sustainable development by investing in the well-being and future of the younger generation. These renovations project not only enhance the physical learning spaces but also contribute to the broader goal of fostering sustainable and resilient communities.



## DRIVER ACADEMY

Initiated in 2013, ENCO's Driver Academy has been a cornerstone in addressing the critical need for skilled drivers in the road transport sector, which is a vital component of the national economy. Recognizing the importance of having a well-trained and professional workforce, the academy is dedicated to producing drivers who can represent both the company and the country on an international stage.

The Driver Academy offers a comprehensive, free three-week training program that combines theoretical knowledge with hands-on practical training. This intensive curriculum covers advanced driving techniques, safety protocols, vehicle maintenance, and efficient logistics management. The goal is to ensure that participants are not only proficient in driving but are also well-versed in the broader demands and responsibilities of the transport industry.

The program is meticulously designed to prepare participants for the real-world challenges they will face, ensuring they are equipped with the necessary skills and knowledge. Successful graduates from the academy are guaranteed employment within ENCO's fleet, a significant incentive that underscores the company's commitment to fostering talent and providing stable job opportunities. Notably, the training is entirely free, with no fees required at any stage, making it accessible to a wide range of aspiring drivers.

Moreover, ENCO takes care of all necessary insurance registrations for participants from the day they join the academy, providing peace of mind and ensuring that trainees are covered throughout their training period. This comprehensive support system reflects ENCO's dedication to the welfare and professional development of its drivers.

Although the Driver Academy had to pause its operations, plans are in place to potentially relaunch the program at an unspecified future date. This relaunch is driven by the goal of continuing to contribute to the workforce and enhancing the capacity of the logistics sector. By doing so, ENCO aims to sustain its role as an importance in the industry and to ensure that the transport sector continues to thrive with a well-trained and capable workforce.

The relaunch of the Driver Academy will not only address the ongoing demand for skilled drivers but will also reaffirm ENCO's commitment to quality training and professional excellence. The initiative is expected to have a significant positive impact on the logistics sector, contributing to economic growth and ensuring that ENCO remains at the forefront of industry standards and practices.





# Performance Indicators

## ENCO ENVIRONMENTAL PERFORMANCE INDICATORS

| Environmental Indicators               | 2021    | 2022    | 2023    |
|----------------------------------------|---------|---------|---------|
| <b>Total Energy Consumption</b>        |         |         |         |
| Buildings - Fuel (m3)                  | 66.089  | 63.562  | 87.780  |
| Natural Gas                            | 66.089  | 63.562  | 87.780  |
| Other                                  | 0       | 0       | 0       |
| Generator (Diesel Consumption)         | 0       | 0       | 6,42    |
| <b>Vehicle - Fuel</b>                  | 6,30    | 5,25    | 6,42    |
| Diesel Fuel                            | 1.569,0 | 963,4   | 1.312,5 |
| Gasoline                               | 0       | 0       | 0       |
| <b>Electricity</b> Consumption (MWh)   | 5.313,4 | 4.633,8 | 6.680,7 |
| Renewable Electiricty Consumption      | 0       | 0       | 0       |
| Non- Renewable Electiricty Consumption | 5.313,4 | 4.633,8 | 6.680,7 |
| <b>GHG</b> Scope 1 Total (tons CO2eq)  | -       | -       | 4.365,4 |
| GHG Scope 2 Total (tons CO2eq)         | -       | -       | 3.093   |
| GHG Scope 3 Total (tons CO2eq)         | -       | -       | 2.798   |
| Drinking <b>Water</b> (m3)             | 18.580  | 21.196  | 26.715  |
| Groundwater (m3)                       | 300     | 300     | 300     |

## ENCO SOCIAL PERFORMANCE INDICATORS

| Employee Info                                     | 2021         |            | 2022         |            | 2023         |            |
|---------------------------------------------------|--------------|------------|--------------|------------|--------------|------------|
| <b>Gender</b>                                     | <b>Women</b> | <b>Men</b> | <b>Women</b> | <b>Men</b> | <b>Women</b> | <b>Men</b> |
| Number of employees                               | 27           | 151        | 28           | 144        | 26           | 137        |
| <b>Total</b>                                      | 178          |            | 172          |            | 163          |            |
| Blue collar                                       | 0            | 107        | 0            | 102        | 0            | 95         |
| White collar                                      | 27           | 44         | 28           | 41         | 26           | 42         |
| Disabled employee                                 | 3            | 1          | 3            | 2          | 2            | 2          |
| <b>Total</b>                                      | 4            |            | 5            |            | 4            |            |
| BS graduation rate (%)                            | 4,5%         | 6,2%       | 5,2%         | 7%         | 5,5%         | 8%         |
| Board of Directors                                | 1            | 3          | 1            | 3          | 1            | 3          |
| <b>Total</b>                                      | 4            |            | 4            |            | 4            |            |
| <b>Turnover (%)</b>                               | 6%           |            | 6%           |            | 6%           |            |
| <b>OHS Info</b>                                   | 2021         |            | 2022         |            | 2023         |            |
| Accident frequency rate with loss of working days | 0            |            | 0            |            | 0            |            |
| Number of accidents with lost time                | 0            |            | 0            |            | 0            |            |
| Number of lost days                               | 0            |            | 0            |            | 0            |            |
| Number of near misses                             | 0            |            | 0            |            | 0            |            |
| Average hours of training per employee            | 14           |            | 14,5         |            | 14,9         |            |



# GRI Index

## GRI Standard

|       |                          |          |                                                                                                                                                                                           |              |
|-------|--------------------------|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| GRI 1 | Foundation               |          | This report covers ENCO's environmental, social, and financial activities from January 1 to December 31, 2023, with some sections extending into early 2024. It adheres to GRI Standards. | Page 7       |
| GRI 2 | General Disclosures 2021 | GRI 2-1  | Organizational details                                                                                                                                                                    | Page 7-10    |
|       |                          | GRI 2-2  | Entities included in the organization's sustainability reporting                                                                                                                          | Page 7-9     |
|       |                          | GRI 2-3  | Reporting period, frequency and contact point                                                                                                                                             | Page 7-10    |
|       |                          | GRI 2-4  | Restatements of information                                                                                                                                                               | N/A          |
|       |                          | GRI 2-5  | External assurance                                                                                                                                                                        | N/A          |
|       |                          | GRI 2-6  | Activities, value chain and other business relationships                                                                                                                                  | Page 8-18    |
|       |                          | GRI 2-7  | Employees                                                                                                                                                                                 | Page 32-33   |
|       |                          | GRI 2-8  | Workers who are not employees                                                                                                                                                             | N/A          |
|       |                          | GRI 2-9  | Governance structure and composition                                                                                                                                                      | Page 9-16    |
|       |                          | GRI 2-10 | Nomination and selection of the highest governance body                                                                                                                                   | Page 16      |
|       |                          | GRI 2-11 | Chair of the highest governance body                                                                                                                                                      | Page 16      |
|       |                          | GRI 2-12 | Role of the highest governance body in overseeing the management of impacts                                                                                                               | Page 16-18   |
|       |                          | GRI 2-13 | Delegation of responsibility for managing impacts                                                                                                                                         | Page 16-18   |
|       |                          | GRI 2-14 | Role of the highest governance body in sustainability reporting                                                                                                                           | Page 5,16-18 |

Summary



Governance



Strategy



People



Planet





Summary



Governance



Strategy



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## GRI Standard

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| GRI 2 | General Disclosures 2021 | GRI 2-15 | Conflicts of interest                                        | Page 20      |
|       |                          | GRI 2-16 | Communication of critical concerns                           | Page 17      |
|       |                          | GRI 2-17 | Collective knowledge of the highest governance body          | Page 16-18   |
|       |                          | GRI 2-18 | Evaluation of the performance of the highest governance body | N/A          |
|       |                          | GRI 2-19 | Remuneration policies                                        | Page 34      |
|       |                          | GRI 2-20 | Process to determine remuneration                            | Page 34      |
|       |                          | GRI 2-21 | Annual total compensation ratio                              | N/A          |
|       |                          | GRI 2-22 | Statement on sustainable development strategy                | Page 25-26   |
|       |                          | GRI 2-23 | Policy commitments                                           | Page 14      |
|       |                          | GRI 2-24 | Embedding policy commitments                                 | Page 14      |
|       |                          | GRI 2-25 | Processes to remediate negative impacts                      | N/A          |
|       |                          | GRI 2-26 | Mechanisms for seeking advice and raising concerns           | N/A          |
|       |                          | GRI 2-27 | Compliance with laws and regulations                         | Page 6-14-17 |
|       |                          | GRI 2-28 | Membership associations                                      | Page 53      |
|       |                          | GRI 2-29 | Approach to stakeholder engagement                           | Page 27-28   |
|       |                          | GRI 2-30 | Collective bargaining agreements                             | N/A          |

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## GRI Standard

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| GRI 3   | Material Topics 2021          | GRI 3-1   | Process to determine material topics                                           | Page 27-29 |
|         |                               | GRI 3-2   | List of material topics                                                        | Page 28    |
|         |                               | GRI 3-3   | Management of material topics                                                  | Page 28-29 |
| GRI 201 | Economic Performance 2016     | GRI 201-1 | Direct economic value generated and distributed                                | Page 12    |
|         |                               | GRI 201-2 | Financial implications and other risks and opportunities due to climate change | Page 49-50 |
|         |                               | GRI 201-3 | Defined benefit plan obligations and other retirement plans                    | N/A        |
|         |                               | GRI 201-4 | Financial assistance received from government                                  | N/A        |
| GRI 202 | Market Presence 2016          | GRI 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage   | N/A        |
| GRI 203 | Indirect Economic Impact 2016 | GRI 203-1 | Infrastructure investments and services supported                              | N/A        |
|         |                               | GRI 203-2 | Significant indirect economic impacts                                          | N/A        |
| GRI 204 | Procurement Practices 2016    | GRI 204-1 | Proportion of spending on local suppliers                                      | Page 38    |
| GRI 205 | Anti-corruption 2016          | GRI 205-1 | Operations assessed for risks related to corruption                            | Page 22-38 |
|         |                               | GRI 205-2 | Communication and training about anti-corruption policies and procedures       | Page 22-38 |
|         |                               | GRI 205-3 | Confirmed incidents of corruption and actions taken                            | N/A        |



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## GRI Standard

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| GRI 206 | Anti-competitive , Behavior 2016 | GRI 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | Page 38    |
| GRI 207 | Tax 2019                         | GRI 207-1 | Approach to tax                                                                 | Page 22    |
|         |                                  | GRI 207-2 | Tax governance, control, and risk management                                    | Page 22    |
|         |                                  | GRI 207-3 | Stakeholder engagement and management of concerns related to tax                | N/A        |
|         |                                  | GRI 207-4 | Country-by-country reporting                                                    | N/A        |
| GRI 301 | Materials 2016                   | GRI 301-1 | Materials used by weight or volume                                              | N/A        |
|         |                                  | GRI 301-2 | Recycled input materials used                                                   | N/A        |
|         |                                  | GRI 301-3 | Reclaimed products and their packaging materials                                | N/A        |
| GRI 302 | Energy 2016                      | GRI 302-1 | Energy consumption within the organization                                      | Page 42-43 |
|         |                                  | GRI 302-2 | Energy consumption outside of the organization                                  | N/A        |
|         |                                  | GRI 302-3 | Energy intensity                                                                | Page 43    |
|         |                                  | GRI 302-4 | Reduction of energy consumption                                                 | Page 42-43 |
|         |                                  | GRI 302-5 | Reductions in energy requirements of products and services                      | Page 42-43 |
| GRI 303 | Water and effluents 2018         | GRI 303-1 | Interactions with water as a shared resource                                    | Page 41-56 |

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# GRI Index

## GRI Standard

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| GRI 303 | Water and effluents 2018 | GRI 303-2 | Management of water discharge-related impacts                                                                                             | Page 41    |
|         |                          | GRI 303-3 | Water withdrawal                                                                                                                          | Page 56    |
|         |                          | GRI 303-4 | Water discharge                                                                                                                           | Page 56    |
|         |                          | GRI 303-5 | Water consumption                                                                                                                         | Page 25    |
| GRI 304 | Biodiversity 2016        | GRI 304-1 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | N/A        |
|         |                          | GRI 304-2 | Significant impacts of activities, products and services on biodiversity                                                                  | Page 41    |
|         |                          | GRI 304-3 | Habitats protected or restored                                                                                                            | N/A        |
| GRI 305 | Emissions 2016           | GRI 305-1 | Direct (Scope 1) GHG emissions                                                                                                            | Page 44-45 |
|         |                          | GRI 305-2 | Energy indirect (Scope 2) GHG emissions                                                                                                   | Page 44-45 |
|         |                          | GRI 305-3 | Other indirect (Scope 3) GHG emissions                                                                                                    | Page 44-45 |
|         |                          | GRI 305-4 | GHG emissions intensity                                                                                                                   | Page 44-45 |
|         |                          | GRI 305-5 | Reduction of GHG emissions                                                                                                                | Page 25,49 |
| GRI 306 | Waste 2020               | GRI 306-1 | Waste generation and significant waste-related impacts                                                                                    | Page 46    |
|         |                          | GRI 306-2 | Management of significant waste-related impacts                                                                                           | Page 46    |



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## GRI Standard

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| GRI 306 | Waste 2020                             | GRI 306-3 | Waste generated                                                                                    | N/A        |
| GRI 308 | Supplier Environmental Assessment 2016 | GRI 308-1 | New suppliers that were screened using environmental criteria                                      | Page 38    |
|         |                                        | GRI 308-2 | Negative environmental impacts in the supply chain and actions taken                               | Page 38    |
| GRI 401 | Employment 2016                        | GRI 401-1 | New employee hires and employee turnover                                                           | Page 32-33 |
|         |                                        | GRI 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | Page 34-36 |
| GRI 402 | Labor/Management relations 2016        | GRI 401-3 | Parental leave                                                                                     | Page 34    |
|         |                                        | GRI 402-1 | Minimum notice periods regarding                                                                   | N/A        |
| GRI 403 | Occupational H&S 2018                  | GRI 403-1 | Occupational health and safety management system                                                   | Page 35    |
|         |                                        | GRI 403-2 | Hazard identification, risk assessment, and incident investigation                                 | Page 35    |
|         |                                        | GRI 403-3 | Occupational health services                                                                       | N/A        |
|         |                                        | GRI 403-4 | Worker participation, consultation, and communication on occupational health and safety            | Page 35-36 |
|         |                                        | GRI 403-5 | Worker training on occupational health and safety                                                  | Page 36    |
|         |                                        | GRI 403-6 | Promotion of worker health                                                                         | Page 34    |
|         |                                        | GRI 403-7 | Prevention and mitigation of OHS impacts directly linked by business relationships                 | Page 35-36 |

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| GRI 403 | Occupational H&S 2018                                 | GRI 403-8  | Workers covered by an occupational health and safety management system                                         | Page 35-36 |
|         |                                                       | GRI 403-9  | Work-related injuries                                                                                          | Page 36    |
|         |                                                       | GRI 403-10 | Work-related ill health                                                                                        | Page 36    |
| GRI 404 | Training and Education 2016                           | GRI 404-1  | Average hours of training per year per employee                                                                | Page 36    |
|         |                                                       | GRI 404-2  | Programs for upgrading employee skills and transition assistance programs                                      | Page 55    |
| GRI 405 | Diversity and Equal Opportunity 2016                  | GRI 404-3  | Percentage of employees receiving regular performance and career development reviews                           | N/A        |
|         |                                                       | GRI 405-1  | Diversity of governance bodies and employees                                                                   | Page 33    |
|         |                                                       | GRI 405-2  | Ratio of basic salary and remuneration of women to men                                                         | N/A        |
| GRI 406 | Non-discrimination 2016                               | GRI 406-1  | Incidents of discrimination and corrective actions taken                                                       | Page 33    |
| GRI 407 | Freedom of Association and Collective Bargaining 2016 | GRI 407-1  | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | N/A        |
| GRI 408 | Child Labor 2016                                      | GRI 408-1  | Operations and suppliers at significant risk for incidents of child labor                                      | Page 31,38 |
| GRI 409 | Forced or Compulsory Labor 2016                       | GRI 409-1  | Operations and suppliers at significant risk for incidents of forced or compulsory labor                       | Page 31,38 |
| GRI 413 | Local Communities 2016                                | GRI 413-1  | Operations with local community engagement, impact assessments, and development programs                       | Page 54-55 |



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| GRI 413 | Local Communities 2016          | GRI 413-2 | Significant Actual and Potential Adverse Impacts on Local Communities | Page 54-55 |
| GRI 414 | Supplier Social Assessment 2016 | GRI 414-1 | New suppliers that were screened using social criteria                | Page 38    |
|         |                                 | GRI 414-2 | Negative social impacts in the supply chain and actions taken         | N/A        |

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# ACRONYMS

## ACRONYMS

## EXPANDED FORM

ESG

Environmental, Social and Governance

ADR

European Agreement Concerning the International Carriage of Dangerous Goods by Road

ISO

International Organization for Standardization

SAQ

The Sustainability Assessment Questionnaire

IEC

The International Electrotechnical Commission

AEO

Authorized Economic Operator

GRI

Global Reporting Initiative

UN

United Nations

UNGC

United Nations Global Compact

SDG

Sustainable Development Goal

GHG

Greenhouse Gas

IPCC

Intergovernmental Panel on Climate Change

DEFRA

Department for Environment, Food & Rural Affairs

NOx

Nitrogen Oxide

PM

Particulate Matter

CSR

Corporate Social Responsibility

IATA

International Air Traffic Association

FIATA

International Federation of Freight Forwarders Associations

ITU

Istanbul Technical University

N/A

Not Available



## Report Owner

For more information about the ENCO Sustainability Report or to convey your opinions and recommendations:

KEVIN B. SAHIN  
Process and System Development Manager  
kevin.sahin@enco.com.tr

CIHAD ISIK  
Business Analyst  
cihad.isik@enco.com.tr

ENCO LOJISTIK VE TICARET A.Ş.  
Yenibosna Merkez, Basın Ekspres, Cemal Ulusoy Cd. No:57,  
34197 Bahcelievler/İstanbul - Türkiye  
Mobile :+90 (212) 473 54 00  
E-Mail :enco@enco.com.tr  
<https://www.enco.com.tr/>

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## Sustainability and Reporting Consultancy Report Design

GreeniX Sürdürülebilirlik Danışmanlık A.Ş.  
Bahcelievler – İstanbul / Türkiye  
info@greenix.com.tr  
www.greenix.com.tr



**ENCO**