



SUSTAINABILITY REPORT

2018

AYGAZ

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ABOUT THE REPORT

The 2018 Aygaz A.Ş. (Aygaz) Sustainability Report documents Aygaz's environmental, social and corporate governance performance.

The report, which covers the period between 1 January and 31 December 2018 as well as activities for 2019 and future plans, has been prepared in accordance with the GRI Standards: Core option.

Decisions about the report's content were guided by material issues we identified last year through extensive priority analysis. This year, we also included feedback from our stakeholders which we obtained through face-to-face and online interviews about our report and our works.

You can contact us with any questions, opinions and suggestions at aygazsurdurulebilirlik@aygaz.com.tr.

GENERAL MANAGER'S MESSAGE



Dear Stakeholders,

As we expected, 2018 was a roller coaster year for the global economy, filled with political, economic and social uncertainty. In spite of all the difficulties, it was a successful year for us as we focused on long-term, sustainable growth instead of short-term developments.

Due to our faith in the LPG market, born of the fact that it is an energy source that is easy to process and transport, we are continuing with our investments and our journey of growth. We were once again number one among the 97 licensed companies in the LPG sector both in terms of turnover and market share. According to the LPG Market Sector Report prepared by EMRA (Energy Market Regulatory Authority), we maintained our top position in the sector with a market share of 26.4% at the end of 2018. With retail sales, wholesales and exports, our sales volume reached 2 million tons and consolidated turnover was TL 9.6 billion, a 13% increase over the previous year.

In addition to the contributions we make to the national economy as the 18th largest industrial company in Turkey according to the 2018 Largest Industrial Companies ranking published by the Istanbul Chamber of Industry (ISO), we continue to create shared value for all of our stakeholders with our work on sustainability. Due to our excellent performance in this field, we

were included on the Istanbul Stock Exchange (BIST) Sustainability Index, which includes companies traded on the exchange with the highest corporate sustainability performance. We also raised our Corporate Governance Rating to 9.40 from 9.36 due to our transparent and accountable approach to management. We continued to be a popular brand in the sector delivering our products to consumers with over 2,400 cylinder gas dealers and more than 1,700 autogas stations throughout Turkey. In the Turkish Customer's Voice Survey, we were voted the Brand with the Highest Level of Customer Loyalty for the third consecutive year in the cylinder gas and autogas segment.

Our goal is to further strengthen our position in the sector as a leader and innovator and optimize our use of new technologies on our digital journey. We took an important step in this direction by investing TL 2.5 million to build the first R&D Center in the sector. At the center, we will conduct different innovation projects ranging from research on alternative and clean energy sources to increased efficiency.

At our company, promoting an innovative outlook is very important. The new product, service and business model that we have implemented as part of the corporate culture of innovation and intrapreneurship won an award from International Data

Corporation (IDC) in the Innovative Women category. The Aykargo project that we conducted with Koçtaş won an award in the Cooperation Builders category at the Most Successful Koç Members Award Ceremony.

We continue to invest in our employees because talent management is one of our top priorities. We implemented new digital performance and talent management processes with the HR Master platform that we launched to move human resource processes to integrated, next-generation digital platforms. We won an award in the Public and Private Sector category at the Crystal Helmet Awards for our work promoting the culture of occupational health and safety.

I want to express my gratitude to our customers, dealers, employees, suppliers and all of our stakeholders because they encourage us on the sustainability journey, and it is their confidence that helps us continue the journey with greater success every year.

Gökhan Tezel
General Manager

ABOUT AYGAZ





-
- **Aygaz in Figures**
 - **Vision, Mission and Strategic Priorities**
 - **Shareholding Structure**
 - **Subsidiaries and Affiliates**
 - **Sustainability Priorities**
 - **2018 Highlights**
-

ABOUT AYGAZ



We are an integrated LPG company engaged in LPG supply, stocking and filling services as well as LPG device production and sales operations. We are the sector leader with 26% of the market share.

We are an integrated LPG company that has been engaged in LPG supply, stocking, and filling services as well as LPG device production and sales operations since 1961. As the most established Koç Group company in the energy sector, we are the sector leader with 26% of the market share, our extensive dealer network, fast service and quality products. As the first and only publicly-traded company in the LPG sector, we are the 18th largest industrial organization in Turkey on the Istanbul Chamber of Commerce (ISO) Top 500 Large Industrial Companies ranking in 2018. Our work is guided by the vision of being the number one company offering energy solutions, particularly LPG and natural gas, to the Turkish market and potential foreign markets. We conduct the work at our plants in compliance with international standards, including five marine terminals equipped with state-of-the-art technology, six filling facilities, nine distribution centers, and one plant that produces pressurized containers and accessories. We sell our products in both domestic and foreign markets and have the largest LPG storage capacity in Turkey with a total of 178.000 m³. In addition, we manage the biggest LPG marine

logistics operation in Turkey with our tanker companies.

We serve 81 provinces with 1,718 autogas stations and 2,406 cylinder gas dealers. Every day, we enter more than 60,000 households offering the most popular LPG products. We also supply autogas to 200,000 vehicles every day at Aygaz stations or its brands. We achieved a sales volume of nearly 2 million tons in 2018, which included 1.1 million tons of cylinder gas, bulk gas and autogas.

In 2019, we made two investments abroad. We opened an office in London in order to create value in the supply chain as the biggest LPG importer in Europe. We will support our import, export and transit operations through our London office by increasing the trading volume we have with third parties in foreign markets. Another investment was our entrance into the Asian market, which boasts the largest share of domestic LPG consumption in the world and the fastest growth trend. We established a 50/50 partnership with United Enterprises in Bangladesh, one of the leading companies in the country for LPG supply, filling and distribution.

Aygaz in Figures

The 18th largest company in Turkey
according to ISO 500 List

The largest LPG storage capacity in Turkey with
178,000 m³

Market value of
TL 3.4 million

9.40
Corporate Governance Score

Cylinder gas sales totaling
315,000 tons

2,406
cylinder gas dealers

1,718
autogas stations

Wholesale and foreign sales totaling
907,000 tons

Total LPG sales of
2 million tons

Autogas sales of
730,000 tons

28.800 m³
total LPG transport capacity with Beykoz, Beylerbeyi and Kuzguncuk ships

17%
The percentage of marine and ship transportation handled with our own fleet

Training per employee
39 hours

Sales of Pürsu brand carboy water
8.5 million units

Vision, Mission and Strategic Priorities

VISION

To be the leading company providing energy solutions in Turkey and other potential markets, particularly in the LPG and natural gas sectors

MISSION

To offer the best products and services in all fields of operation, particularly LPG, by prioritizing high quality and safety standards with business principles that align with the corporate values of the Koç Group while continuing to respect the community and the environment

STRATEGIC PRIORITIES

Continue to be the LPG market leader by:

- Investing in the future conscious of our responsibility as the industry's reputable reliable brand that is closest to the consumer
- Prioritizing high safety standards and product quality
- Developing innovative products and services with solutions that focus on innovation and digitalization

Ensure sustainable growth to move Aygaz into the future by:

- Staying abreast of and seizing opportunities for mergers, acquisitions and investments at home and abroad
- Improving efficiency in all processes from sourcing to selling LPG
- Striving to create value for all stakeholders

ABOUT AYGAZ

Shareholding Structure

24.3%

Free Float



51.2%

The Koç Group

24.5%

Liquid Petroleum Gas Development Company

Subsidiaries and Affiliates

Participation Rate

| | |
|----------------------------|------|
| Aygaz Doğal Gaz | 100% |
| Anadolu Hisarı Tankercilik | 100% |
| AKPA | 100% |
| ADG Enerji Yatırımları | 100% |
| ENTEK | 50% |
| Opet Aygaz Gayrimenkul | 50% |
| Enerji Yatırımları (EYAŞ) | 20% |

Detailed information about our subsidiaries and affiliates is provided in the 2018 Aygaz Annual Report.

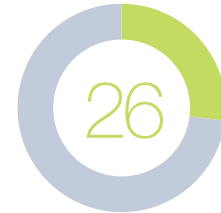
Financial and Operational Performance

2018 was a successful year in terms of operational and financial performance. As in years past, we again maintained our position as the leader of the LPG market, in which 93 companies operate according to data from EMRA (Energy Market Regulatory Authority). At the end of the year, our company's total market share was 26%, its share of the cylinder gas segment was 42% and its share of the autogas segment was 22%.

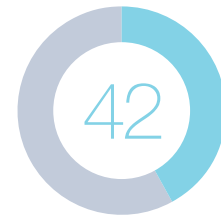
Aygaz's combined domestic sales of cylinder gas, bulk gas and autogas amounted to 1,092,000 tons. When wholesale, export and transit sales are included, the total comes to 2 million tons. As of 2018 year-end, our consolidated turnover was TL 9.6 billion.

Market Share (%)

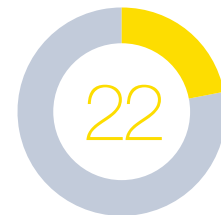
LPG
Market Share



Cylinder Gas
Market Share

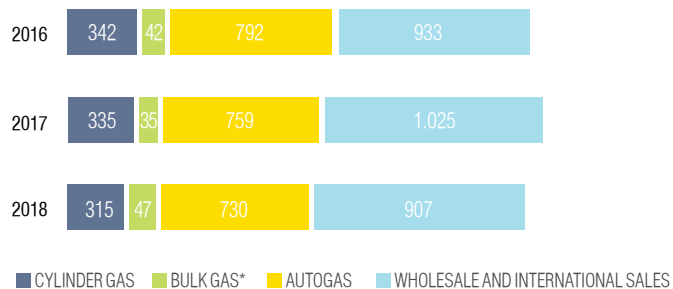


Autogas
Market Share



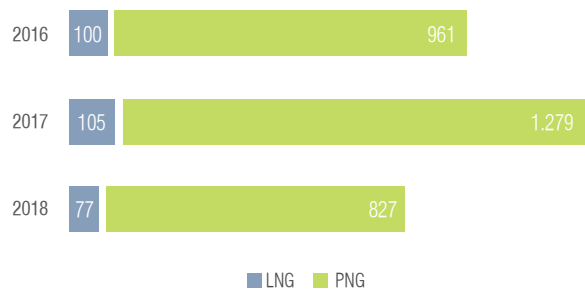
OTHER AYGAZ

LPG Sales Volume by Segments (000 TONS)

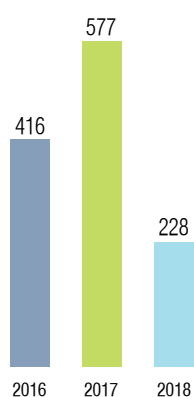


*Petrochemical sales included

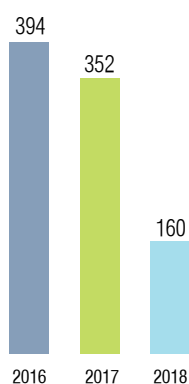
Natural Gas Sales Volume (mcm)



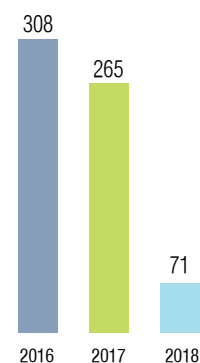
Net Profit (TL M)



EBITDA (TL M)



Operating Profit (TL M)



Summary Financial Indicator

(TL M)

| | 2018 | 2017 | 2016 | 2018-2017 Change |
|------------------------------|-------|-------|-------|------------------|
| Sales revenues | 9,554 | 8,469 | 6,749 | 13% |
| Gross profit | 634 | 741 | 787 | -14% |
| Operating profit | 71 | 265 | 308 | -73% |
| Pre-tax profit | 250 | 621 | 469 | -60% |
| Net profit | 228 | 577 | 416 | -60% |
| EBITDA | 160 | 352 | 394 | -55% |
| Gross profit margin | 7% | 9% | 12% | -2 |
| Operating profit margin | 1% | 3% | 5% | -2 |
| Net profit margin | 2% | 7% | 6% | -5 |
| EBITDA margin | 2% | 4% | 6% | -2 |
| Current assets | 1,618 | 1,588 | 1,277 | 2% |
| Fixed assets | 3,396 | 3,379 | 2,954 | 0.5% |
| Total assets | 5,013 | 4,966 | 4,231 | 0.9% |
| Short term liabilities | 1,484 | 1,279 | 924 | 16% |
| Long term liabilities | 1,027 | 764 | 566 | 34% |
| Shareholders' equity | 2,502 | 2,923 | 2,742 | -14% |
| Total equity and liabilities | 5,013 | 4,966 | 4,231 | 0.9% |
| Return on equity (ROE) | 9% | 20% | 15% | -11 |
| Net debt/equity ratio | 30% | 13% | 2% | 17 |
| Current ratio | 1.09 | 1.24 | 1.38 | -0.15 |

ABOUT AYGAZ

SUSTAINABILITY PRIORITIES

We manage sustainability in the context of the strategic areas we have identified. Responding to global trends that are of particular concern in our sector, such as information security, big data, climate change, demographic change, increasing energy demand and the increasing importance of sustainable energy resources help us prepare our company for the future. Therefore, we have identified priorities and areas of investment

related to sustainability through a priority analysis that we conducted in accordance with international standards.

We queried the views of internal and external stakeholders last year via the analysis we conducted in accordance with the AccountAbility AA1000SE (Stakeholder Engagement) Standard. We conducted an external trend analysis by reviewing the trends that affect our sector and the global agenda, utilizing international principles


and standards, particularly Sustainable Development Goals. We then combined the results of the stakeholder analysis and the external trend analysis. We also evaluated Aygaz's strategic priorities in the light of the opinions of the company's senior management.

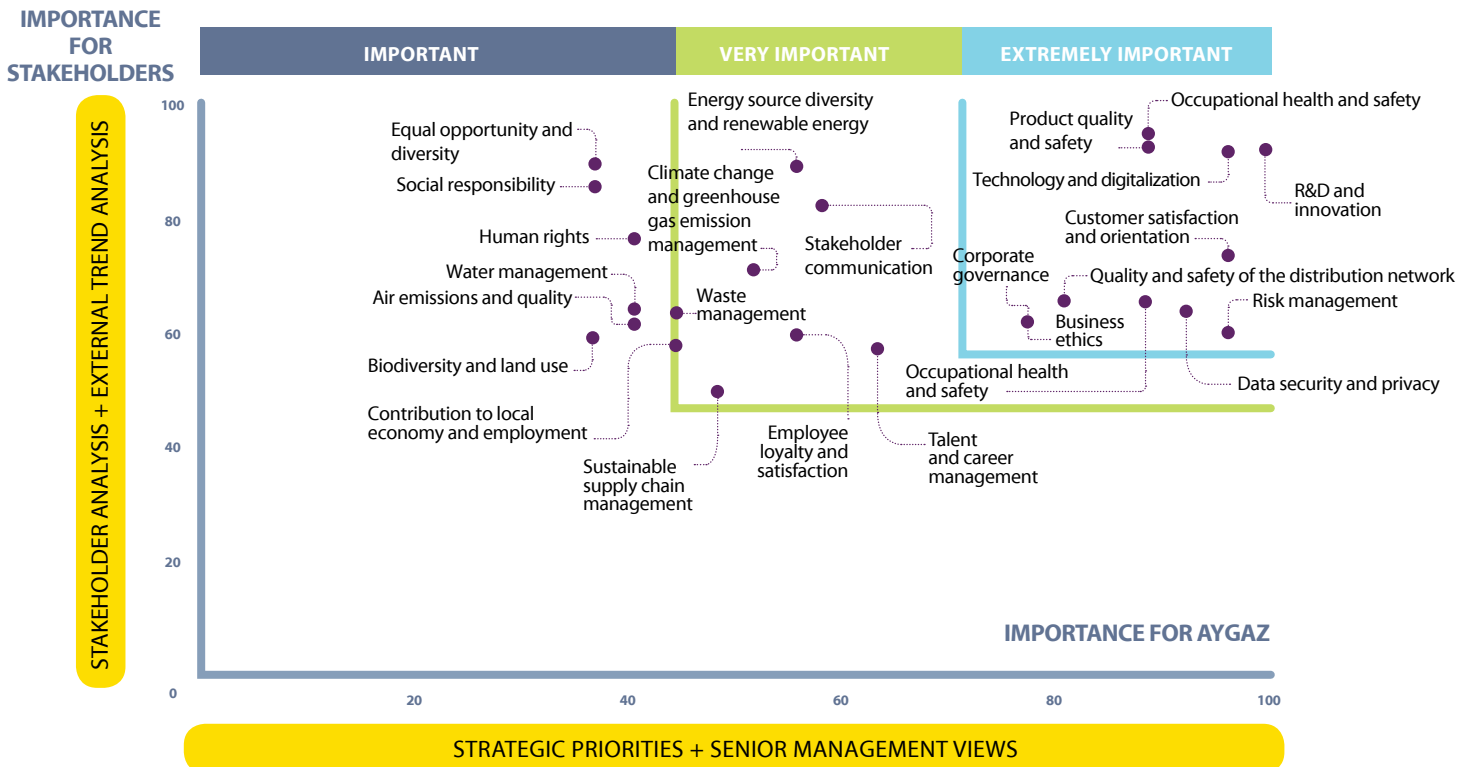
We identified high priority issues that would create value for both Aygaz and stakeholders using this analysis, which also contributes to the Sustainable Development Goals in these strategic areas.



| Extremely Important Material Issues | Their Relationship to Sustainable Development Goals |
|--|---|
| R&D and Innovation | |
| <p>We place great importance on R&D and innovation, making investments in this area to produce products and services that create value for all stakeholders so that we can better manage evolving customer demands in rapidly changing market conditions with increasing fierce competition.</p> |  |
| Technology and Digitalization | |
| <p>We adapt technological innovations in our business processes in order to improve the quality of our products and services and to raise the level of customer satisfaction by meeting expectations.</p> |  |
| Customer Satisfaction and Confidentiality | |
| <p>We closely track customer expectations and needs in order to create the highest level of customer satisfaction, which is at the core of our business culture. In this regard, we facilitate the communication of all kinds of feedback from customers to our company via various communication channels. We ensure the security of customer data in all activities through confidentiality agreements we make with third parties.</p> |  |
| Data Security and Privacy | |
| <p>Customer data privacy is a global trend that increasingly gains prominence. We assure the security of customer data in all activities within the framework of our privacy agreements we make with third parties</p> |  |
| Risk Management | |
| <p>We identify and prioritize potential risks in order to ensure the continuity of our operations and to make sure the trust we have earned from stakeholders is long-lasting. We also develop solutions to eliminate these risks.</p> |  |
| Occupational Health and Safety | |
| <p>With regard to occupational health and safety (OHS), we take measures that go beyond the legal requirements with the goal of Zero Work Accidents. We create production conditions that eliminate the risks inherent to our sector.</p> |  |
| Operational Excellence and Safety | |
| <p>We manage all our operations with an integrated approach, including the entire value chain from supplying LPG to distributing our products to and collecting them from our consumers. Operational excellence and safety are among our top priorities at every link in this chain.</p> |  |

ABOUT AYGAZ

| Extremely Important Material Issues | Their Relationship to Sustainable Development Goals |
|---|---|
| Product Quality and Safety | |
| We ensure product quality and safety that meets international standards through our integrated management approach of all processes, from production to delivery to the customer. |    |
| Quality and Safety in Distribution Network | |
| We reach our customers in different parts of Turkey via our dealers in an extensive distribution network. Our LPG supply and distribution activities are carried out with the largest road transportation LPG fleet in the country. We work to ensure the highest standards without compromising quality and safety in our distribution operations. |   |
| Corporate Governance | |
| We facilitate efforts by our stakeholders, particularly our shareholders, to reach our long-term corporate goals in accordance with the principles of equality, transparency, accountability and responsibility as part of our approach to corporate governance, and we create sustainable value for all of our stakeholders. |  |
| Business Ethics | |
| We have made business ethics the core of our corporate culture and strive to maintain our reputation without compromising in terms of integrity and trust while creating value for all of our stakeholders, particularly our shareholders. |  |



2018 HIGHLIGHTS

- **We were included in the Borsa Istanbul (BIST) Sustainability Index** due to our performance on sustainability.
- **Our Corporate Governance Rating Score was upgraded to 9.40** from 9.36 in 2017.
- SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. has determined the (National) **longterm credit rating score** of our company as (TR) **AAA**, (National), and the **short-term credit rating score** as (TR) **A1+** and its **outlook as stable**.
- Aygaz General Manager Gökhan Tezel was **elected to the Board of Directors of the World LPG Association (WLPGA)**.
- **Aygaz established its own R&D Center**, first among LPG distribution companies in Turkey.
- We were recognized as the **Brand with Highest Customer Loyalty** in the cylinder gas and autogas segments in the Turkish Customer's Voice Survey **for the third consecutive year**.
- **The Aykargo project won an award** in the category of Cooperation Developers at the Most Successful Koç People's Award Ceremony.
- We won **first place in the Mineral Fuels Exports category and fourth place in the "Greatest Increase in Exports" category** at the Stars of Export Awards organized by the Istanbul Chemicals and Chemical Products Exporters' Association.
- At the Standardization Summit organized by the Turkish Standards Institute and the Union of Chambers and Commodity Exchanges (TOBB) around the theme of "Guide to International Standards", **we won the award for Contribution to Standardization and Participation**.
- We were **recognized by International Data Corporation (IDC) in the "Innovative Women" category** for new product, service and business model projects we implemented to promote a culture of innovation within the organization and encourage internal entrepreneurship.
- We were **recognized in the Public and Private Sector category** at the Crystal Helmet Awards, organized by the Istanbul Metropolitan Municipality to promote the culture of occupational health and safety.
- **Performance and talent management processes were initiated** on the HR Master platform, which was launched to move HR processes to integrated, next-generation, digital platforms.
- **We remodeled the offices at our headquarters** to facilitate better communication within the company and to create a modern, spacious and productive work environment. We also built open spaces for work and breaktime.
- As part of the Firefly Learning Unit's Education Program, **we supported the Turkish Education Volunteers Foundation** to help approximately 1,000 students receive lessons in writing code.
- **We updated and redesigned keyiflibahce.com** using the latest technologies. It was launched in 2011 as our first e-commerce site and offers products such as barbecue grills and heaters for outdoor activities.

CORPORATE GOVERNANCE AND BUSINESS ETHICS





-
- **Anti-Bribery and Corruption**
 - **Risk Management and Internal Control**
 - > *Risk Management Committee*
 - > *Internal Auditing and Internal Control*
 - **Sustainability Governance**
-

CORPORATE GOVERNANCE AND BUSINESS ETHICS



We conduct all our operations and activities in compliance with our ethical principles, which are the core of our corporate culture, and we view transparency as a responsibility we have to our stakeholders.

Our approach to corporate governance is based on fairness, transparency, accountability and responsibility. We create sustainable value for all our stakeholders using this approach, which encompasses our ethical principles and values. We regard corporate governance as a key factor in reaching our corporate goals. The importance we place on our principles of corporate governance and our commitment to perpetuate these principles as a dynamic process are demonstrated in our Corporate Governance Rating Score and inclusion on the Borsa Istanbul Corporate Governance Index. All our departments have adopted our company's approach to corporate governance and use it to guide their operations. The Corporate Governance Rating demonstrates the reliability of our work within the scope of corporate governance. We raised our Corporate Governance Score to 9.40 this year from 9.36 in 2017.

Our ethical principles, which are the core of our corporate culture, play a significant role in the way we do

business. In all of our activities, from our own processes to our supply chain, we remain fully committed to the Aygaz A.Ş. Code of Ethics and Implementation Principles, which we created based on the Koç Group's Code of Ethics and Business Conduct, and we require that all our stakeholders comply with these principles. The implementation of ethical codes is handled by the senior Ethical Conduct Board, which consists of the General Manager, relevant Senior Management, the Human Resources Manager and Legal Counsel.

We view transparency as our responsibility to our stakeholders. Therefore, with the exception of confidential business information, we share all information fully and accurately. Business ethics is one of our top priorities and plays a key role in maintaining our relationship of trust with our stakeholders as well as our reputation. We refer to the principle of international organizations when it comes to managing issues related to human rights, fighting corruption and

We raised our Corporate Governance Score to 9.40 in 2018.

bribery, fair competition and internal auditing. We base our activities on the human rights and business principles outlined by the United Nations Global Compact, which was signed by the Koç Group, of which we are an affiliate.

It is very important to us that our ethical principles are embraced throughout the company. We outlined our principles of corporate governance based on ethical principles in a booklet which we share with all of our employees, including new hires. We provide training about ethical conduct during recruitment and orientation. The Workplace Responsibilities and Application Procedure provides information about what should be done when ethical rules are violated. Notifications about any impropriety which threatens the interest of Aygaz and society and which violates business ethics can be sent to our company confidentially via Koç Holding's central system.

[You can find detailed information about corporate governance and business ethics in the 2018 Aygaz Annual Report and the Corporate Governance Reports on our website's Investor Relations page.](#)

[Aygaz A.Ş. Ethical Code of Conduct and Practice Principles can be found on our website.](#)

ANTI-BRIBERY AND CORRUPTION

One of the main pillars of our business ethics is fighting bribery and corruption, and this plays a critical role in ensuring smooth operations but in protecting our reputation. We combat every kind of bribery and corruption in order to comply with

the working principles outlined in the United Nations Global Compact signed by Koç Holding. We expect all of our stakeholders to adopt these same principles, not only our employees but also all of our business partners, particularly our dealers and suppliers. Notifications regarding bribery and corruption are conveyed via Koç Holding's central system, which is described in the Corporate Governance and Business Ethics section. In 2018, we did not receive any notifications regarding bribery and corruption.

RISK MANAGEMENT AND INTERNAL CONTROL

Our approach to risk management consists of defining, evaluating and prioritizing potential risks and opportunities that could impact our reputation and functions, and identifying the appropriate strategic actions. We manage an extensive risk management process to realize the strategic and financial goals that form the basis of our corporate governance, thus creating sustainable value for all our stakeholders. We take a systematic approach that evaluates all risk groups with different departments.

We implement an approach to risk management that meets international standards and takes into account the balance of growth and income specified in the policies and defined strategic goals approved by the Board of Directors, taking special note of feedback from the Executive Committee, the Risk Management Committee and from departments within the company.

Due to the nature of our sector, we face various financial, operational and legal risks, which we manage within the framework of corporate risk management with a holistic, systematic and proactive approach that utilizes risk assessments that are updated through defined processes and disseminated throughout the organization. It is essential to make this practice part of our corporate culture and implement it throughout the entire company. With effective risk monitoring, we ensure that risks are prioritized according to the likelihood of occurrence and potential impact, and managed appropriately.

We inform the Board of Directors through internal reports, which are periodically prepared by management and presented to the Risk Management Committee. Operational, legal and strategic risks are evaluated by the appropriate units, and decisions made by executive management are monitored by the Board of Directors through this committee. The Board of Directors also obtains information about corporate risk management activities conducted by executive management and the Risk Management Committee within the scope of strategic planning and management processes. As a protective measure against any losses that may arise due to operational or other risks, various insurance policies are in place, including coverage for subsidiaries. All transferable risks are delegated to third parties through insurance policies. Operational risks are monitored by the responsible company departments and reported to senior management at regular intervals.

CORPORATE GOVERNANCE AND BUSINESS ETHICS

The Risk Management Committee is responsible for efforts to identify risks that could threaten the existence, development and continuation of the company, for taking measures that address the identified risks and for managing them.

THE RISK MANAGEMENT COMMITTEE

The Risk Management Committee is responsible for efforts to identify risks that could threaten the existence, development and continuation of the company, for taking measures that address the identified risks and for managing risk with the purpose of ensuring compliance with Article 378 of Turkish Trade Law 6102 and the Capital Markets Board (CMB) Corporate Governance Communique and facilitating the effective functioning of the committees working under the Board of Directors. The President of the Committee is Executive Board Member Şadan Kaptanoğlu Dikici, who was appointed with the Board of Directors decision dated 26 March 2018. The other member of the committee is Board of Directors Member Dr. Bülent Bulgurlu. In 2018, the committee held a total of seven meetings. In these meetings, the committee identifies the main factors in the company's risk management and evaluates reports and data that are periodically prepared in connection with risks. The Committee presents its opinions regarding risk mitigation

measures to the Board of Directors. In our company, the decisions made by the senior management regarding risks are monitored by the Board of Directors through the Risk Management Committee.

INTERNAL AUDITS AND INTERNAL CONTROLS

The internal audit and internal control system in our company encompasses all controls covering financial transactions, reporting, standard definitions found in work flows, job descriptions, the authorization and confirmation system, as well as policies and written procedures. Through Internal Audits and Control, we assure that all our processes comply with legal regulations and that our operations executed by the Internal Audit Departments working under the General Manager are effective.

The job description of the Internal Auditing Department includes evaluations of the consistency and reliability of financial information obtained from the accounting and financial reporting system. In 2018, we conducted financial and operational audits at our



Due to our efficient and strong sustainability management, we were, for the first time, included in the Borsa Istanbul (BIST) Sustainability Index, where companies with high corporate governance performance are traded.



terminals, plants and distribution points periodically and when it was deemed necessary. The Internal Audit Department reports to senior management if it identifies areas of improvement or risk after an investigation. After reporting, action plans are created in order to eliminate any nonconformity or risk.

SUSTAINABILITY GOVERNANCE

Sustainability governance enables us to efficiently manage our financial assets as well as our non-financial assets. We view sustainability as an important tool in continuing the relationship of trust we have established with our stakeholders and in protecting our company's reputation. Our approach to sustainability includes environmental, social and corporate management areas, which enables us to develop a strong corporate structure.

Due to our efficient and strong sustainability management, we were voluntarily listed for the first time on the Borsa Istanbul (BIST) Sustainability Index, which includes companies with excellent sustainability performance.

We have developed an active and comprehensive management approach with all departments

taking responsibility, particularly executive management to ensure that sustainability is embraced throughout our company.

The Integrated Management Policy, which is created by the Management in line with the sustainability strategy and goals, reflects the key principles of our company's sustainability management, which is an area where active committees, such as the Risk Management Committee, Executive Committee, Corporate Governance Committee, and the Audit Committee all play an active role regarding the company's corporate governance. The Sustainability Working Group, which consists of the Corporate Communications Department, the Finance Department, Quality Systems, HSE-S and Industry Relations Department and the Human Resources Department, is responsible for monitoring sustainability. Sustainability issues are reported to the General Manager by the Working Group and the General Manager may report to Board of Directors when necessary. The sustainability strategy and goals are determined following the evaluation of the Board of Directors in conjunction with business processes.

[You can find the Integrated Management System Policy on the Aygaz website.](#)



"Aygaz is aware of the tremendous responsibility it bears when conducting its operations and has a clear vision of its role as a leader in the sector. With the integrated approach to management that it has adopted in light of its social and economic responsibilities, Aygaz demonstrates the importance it places on its employees and stakeholders, particularly the public. It confirms its leading position not only in terms of its economic performance, but also through its social and environmental awareness. With the integrated management approach it has adopted and implements through quality, environment, health and safety, customer satisfaction, and information security standards, the company manages its processes holistically to create added value."

Gülin Özkizik, Quality Systems and HSE Manager, Aygaz

**RESPONSIBLE
PRODUCTS
EVERYWHERE
FROM HOME TO
THE ROADS**





-
- **Innovation Culture**
 - **R&D Center**
 - > *Technology and Digitalization*
 - **Product Quality and Safety**
 - > *New and Innovative Products and Applications*
 - **Customer Focus and Satisfaction**
 - > *Communication with Customers*
 - > *Information Security*
-

RESPONSIBLE PRODUCTS EVERYWHERE FROM HOME TO THE ROADS



As the leading company in Turkey's LPG sector, we offer our customers the highest quality and safest products with a focus on customer satisfaction in all of our services.

Due to our diverse product range and extensive dealer network in every city in Turkey, we touch the lives of many people. We analyze rapidly changing customer expectations with our customer-oriented approach, while overseeing information security and continuously diversifying and developing our products and services with the opportunities offered by new technological developments and digitalization. Our R&D efforts and employee-oriented innovation culture play a crucial role in this process.

As the sector's leading company in Turkey, which is one of the most important LPG markets in Europe, our priority is always providing the highest quality products and services. Product safety is also an essential part of our quality approach. We aim to increase customer satisfaction and loyalty with our approach to quality

and safety in products and services as well as in our distribution network.

In this regard, we reach many customers in different areas of Turkey through our dealers, who are part of our extensive distribution network, and our goal is to offer the highest quality and safety in our distribution operations. We also assess new business opportunities which will profit from our extensive distribution network.

INNOVATION CULTURE

Our position as the sector leader means we are responsible for offering our customers better products and services and minimizing the potential negative impact that may result from our activities. Therefore, we have implemented the latest digitalization and technological advances in

our processes as we continue to develop ourselves through the transformational impact of R&D and innovation.

The foundation of our innovation culture lies in the creative ideas of our employees. We believe project ideas that create value for all of our stakeholders and Aygaz will only emerge through the active participation of our employees. Therefore, we use an Innovation Management Process to realize our employees' ideas and transform them into projects.

The Innovation Management Process makes it possible for us to manage the whole process in a systematic way, from collecting ideas to implementing projects. We identified important areas of innovation for the future, namely increasing services, digitalization, big data, artificial intelligence, enlarging the market and a sharing economy. A total of 813 project ideas were developed through intrapreneurship on the Aythink Idea Platform, which was launched in 2016. These ideas were transformed into business models by the project teams, who learned about the Simple New Venture method. We tested and analyzed the new projects with our customers. In this scope, 16 of the 28 innovation projects that reached the final stage in the last two years received investment support to transition to the pilot stage.

In addition to the Aythink Platform, we organize Design Thinking Workshops in order to develop new projects and to identify the shared benefit together with our stakeholders. In the workshop, which was organized with the participation of dealers, customers, university students and company employees, 364 business model ideas were reviewed, and new business models were designed.

As a part of our innovation culture, we created the Akınlı Bin Yaşa Project (Good Thinking) with our employees in order to provide a solution for one problem every month. In this way, we encourage our employees to think outside the box. In addition, we also encourage the culture of working together in a new working environment called Arı Kovanı (BeeHive) which increases communication between departments for the solution of various problems faced by project teams.

We conduct a survey every two years to measure the extent to which employees have internalized the culture of innovation. Thus, we aim to efficiently manage employee engagement regarding innovation and to ensure the continuity of this culture.

We engage in innovation not only with internal resources but also through external ventures. We contribute to the implementation of various projects through our collaboration. Thanks to our membership in the networks of angel investors, we evaluate different cooperation and investment opportunities with start-ups in the innovation eco-system.

A total of 813 project ideas were developed through intrapreneurship at the Aythink Idea Platform initiated in 2016.





We opened our R&D Center in 2018 with an investment of TL 2.5 million. Eighteen expert researchers work at our R&D Center, which operates out of our Gebze Plant with 237 square meters of office space and 535 square meters of laboratories and test lines.

R&D CENTER

In 2018, we opened our R&D Center, which was a first in the sector, with an investment of TL 2.5 million. As the result of enormous effort, our R&D Center was officially established when our application to the Ministry of Industry and Technology for an R&D Center was approved in October of 2018. The center aims to extend the areas of LPG usage and enhance the efficiency of LPG.

Eighteen expert researchers work in our R&D Center, which operates in our Gebze Plant with 237 square meters of office space and 535 square meters of laboratories and test lines. In the R&D Center, we have set up an Engine and

Fuel Technologies Laboratory, Chemicals Laboratory, Automation and Design Laboratory, Embedded System Laboratory, Manufacturing Laboratory, and Prototype and Test Lines. The center makes it possible for us to conduct various projects to develop new products that are fueled by LPG, to increase the quality of LPG products, to drive digitalization with smart products, to increase efficiency with automation systems, and to research alternative and clean energy resources.

We believe that our R&D Center will help us blaze a trail with many new projects that will differentiate us in the sector and enhance our position in the European and world markets.

Thanks to our culture of innovation shaped by contributions from our employees, our R&D Center will be the driving force behind continuous innovation and enable us to improve our financial performance while also pointing us towards new areas of improvement in fields, such as customer satisfaction, improving our environmental performance and benefit to society. In the future, it will be possible to monitor the environmental and social impact of work that is conducted in this field with criteria that result from R&D on sustainability issues.

The R&D Center will continue to work in cooperation with universities and scientific organizations such as TÜBİTAK (The Scientific and Technological Research Council of Turkey), Koç University, Middle East Technical University, Istanbul Technical University, Yıldız Technical University, and Istanbul University. It will also continue to conduct innovative projects within the scope of industry-university cooperation.

TECHNOLOGY AND DIGITALIZATION

Technology and digitalization come with important risks and opportunities for the LPG sector, which is true for many other sectors. We view technology and digitalization as tools that help us respond to customer expectations in the fastest way possible. We are implementing digital transformation in all of our processes, all while developing new products and services built on these advances. Our work in this field focuses on production, ordering, distribution, and customer feedback.

We are able to quickly monitor products and orders regardless of time and location thanks to digital applications, which helps us strengthen communication with our customers as well.

Engagement and two-way communication in our digitalization processes are very important to us. We updated our website last year in line with feedback we received from our stakeholders. We also updated the Aygaz Express (AES) app, which is the main channel through which online orders are submitted. Thanks to this smart phone app, our customers are able to take advantage of our services anytime and anywhere. As of 2018, the Aygaz mobile app had reached 75,415 members with 119,102 downloads.

We updated the aygaz.com.tr website for online orders of cylinder gas products, Pürsu and other products. The website makes it possible to compare various products as well as track an order, so that we can provide services that meet customer needs. This year, aygaz.com.tr was visited by nearly 1.15 million people and has 5,602 member customers. We also offer our customers LPG-based products, such as barbecue grills, grass-cutting equipment and outdoor heaters through the keyiflibahce.com website.

We provide training on topics such as mobility, design-oriented thinking, data analysis and assessment, artificial intelligence and machine learning in order to facilitate digital transformation in the company, so that all of our employees can adapt to digital transformation.



"We decided to accelerate preparations for the R&D Center in order to maintain our leading position in the sector. We identified our areas of operation as new product development, alternative fuels and clean energy, and machine and process development for the purpose of facilitating Aygaz's sustainable development and its role as a leading company in new markets based on the new technological developments in the world."

Ali Kızılkaya
Assistant General Manager
(Technical Affairs and
Investments), Aygaz

"The ongoing research into technologies that provide solutions for current problems and potential fields of business, and the development of new projects in these areas makes it possible for Aygaz to provide leading solutions that are ahead of the sector at the company's points of contact with its customers while also increasing its brand value."

Gökhan Öcal
R&D Director, Aygaz

RESPONSIBLE PRODUCTS EVERYWHERE FROM HOME TO THE ROADS

PRODUCT QUALITY AND SAFETY

Constantly increasing the quality of the products we offer to our customers is one of our priorities. The safety of the entire process, from production to distribution, from use by our customers to post-usage, is also important to us.

Our operations are based on Corporate Total Quality Management and the Aygaz Integrated Management Systems Policy coordinated by Product Quality Management. All Aygaz employees are responsible for conducting their activities related to the environment, occupational health and safety, customer complaints, energy and information security, particularly in quality processes, in accordance with this policy and the related regulations.

[You can find the Aygaz Integrated Management Systems Policy on the Aygaz in Industry page of the Aygaz website.](#)

We have risen to many significant international positions as a result of our efforts in the fields of product quality and safety:

- We have earned the title of Authorized Responsible, which is given to companies with regular and continuous safety and security standards that also have their own recording system, meet customs requirements and control their own mechanisms.
- We have CE and PI branding certificates, which ensure free circulation within the European

Union. We also have the Customer-Friendly Brand certificate issued by the Turkish Standards Institute, which is valid within Turkey. This means that we produce all of our products in certified plants in compliance with international product safety and quality standards.

There are seven Aygaz Analysis Laboratories and three Tüpraş Laboratories the operations of which are coordinated by the Product Quality Department to test the quality of our products. We are able to monitor the results of analyses conducted on the same products through the Monthly Comparison Program, which we conduct together with Middle East Technical University's (METU) Petroleum Research Center (PAL), and we are constantly bettering ourselves by learning from possible disparities. We are also able to compare the

performance of our laboratories across the country through METU PAL. Based on the results in this field, our performance exceeds the average for the country.

In accordance with the LPG Sampling Plan, we test products which are selected randomly at the supply phase across the country. In addition, we also analyze randomly sampled products taken from filling stations, and we conduct various tests on cylinder gas products at different stages in their life cycles. We put a safety label on the ones that have successfully passed the safety tests after the final checks. We also check random samples taken from the storage tanks in our plants. Products are shipped following final approval from the Product Quality Department. Products are checked once more before going out for distribution, and these control reports are regularly shared with customers.



In 2018, no inconsistencies regarding the health and safety impact of our products were found within the scope of legal and internal company guidelines.

NEW AND INNOVATIVE PRODUCTS AND APPLICATIONS

As a natural consequence of the Aygaz culture of innovation and its R&D infrastructure, we develop innovative products and applications and we protect the leading products and services in our intellectual rights portfolio. Consequently, we have an increasing number of brands and patents which have been registered both here at home and abroad, or which are in the application stage. At the end of 2018, we had 48 patents.

Our aim with innovative products is to create benefit for all of our stakeholders. In this regard, we touch the lives of our customers in various fields, particularly with our clean energy supply, drinking water and cargo services.

Thanks to inspiration from our customers, our culture of innovation, our R&D investments and the global trends in the sector, we see it as our responsibility to consistently offer new and innovative products and applications. In this scope, we made many innovations in 2018 and we showed developments in our current applications.

Aykargo: Aykargo is an idea birthed on the Aythink platform, which is a tangible implementation of internal entrepreneurship (intrapreneurship) as part of our culture of innovation. The extensive Aygaz customer network made it possible for us to transform this into a business model

that could resolve the problems of customers who receive distribution and delivery services, especially in the e-business sector. From its humble beginnings as a pilot project with three dealers in four districts, Aykargo currently provides services in 39 districts of Istanbul and is expected to expand to other provinces. As a result of our work with Aykargo, we won the Best In-House Venture Project Award in 2019 as part of the Corporate&Startup Day organized in cooperation with Özyeğin University, Entrepreneur Organizations Platform, Bizz Consulting, the Turkish Union of Chambers and Commodity Exchange (TOBB) and Capital Magazine.

Greenodor: One of the research projects carried out at the R&D Center is the Greenodor project, which is a first in the world. LPG is a colorless and odorless gas that is normally odorized with sulfur components so that leaks can be easily detected. We aim to minimize the use of sulfur in odorizing LPG through a patented project that happens to be a global first. A significant part of the work is completed, and the center has already registered the trademark in ten countries. It is now turning the fuel of the future into an important tool in the fight against climate change by eliminating the use of sulfur as an odorant in autogas and cylinder gas through the Greenodor project.

At the end of 2017, we offered LPG products containing Greenodor to customers in pilot areas. After three months of field tests, we offered 180 tons of Greenodor autogas to nearly 20,000 customers. Greenodor was used in the cylinder gas filling at the Yarımca Terminal in 2018 and 35,000 cylinders





We manage customer notifications and complaints in international standards with the certificate of ISO 10002 Customer Complaints Management.

were filled in this test process. The results of all tests and pilot projects indicated that Greenodor is a suitable product for customer experience and feasibility. We will continue to lead the transition to eco-friendly odorant at Aygaz by working on commercializing this as a trade product in the near future.

Automation Project in Weighing Machines: In 2017 and 2018, we automated all weighing machines in our plants. We will enable automation on all weighing machines in 2019. With the integration of artificial intelligence, our weighing machines are now able to self-calibrate, so our processes have become more efficient.

Palm Rental Model: In keeping with our customer-oriented approach, we designed the Palm Rental Model based on insights from our customers. We launched daily rental of our outdoor heater, Palm. The module was also added to the Keyifli Bahçe website.

Chatbot: We transformed the chatbot design idea into a project which was birthed in a design-oriented thinking workshop in 2017. This idea led to online ordering via Facebook Messenger. Today, online product orders are possible via chatbot on the Aygaz Tüpgaz Facebook page throughout Turkey. We also plan to enable orders via WhatsApp Business in the near future.

CUSTOMER FOCUS AND SATISFACTION

Our customer network across Turkey is constantly expanding in tandem with the increasing diversity of our products and services. As of 2018, we are providing services to 7.5 million cylinder gas customers, 4.7 million autogas vehicles and 8,000 bulk gas customers.

We monitor customer satisfaction via customer satisfaction surveys, which we conduct regularly for different products segments.

As part of the 2018 Cylinder Gas Customer Satisfaction Survey, we interviewed 5,173 domestic cylinder gas consumers in 51 cities. The results of the survey indicated that customer satisfaction in the cylinder gas segment across the country was 78 points, a 1 point increase. Aygaz Tüpgaz remained at the same level as the previous year at 85 points, which is above the sector average. On the autogas customer satisfaction survey, we interviewed 3,734 people in 25 cities. Aygaz Autogas maintained its leading position with 89 points, which is three points above the sectoral commitment index. Aygaz has held the top spot on this survey since 2003 in the cylinder gas and autogas sectors. In addition, we continued on our success in the field by coming in first three consecutive times in both the cylinder gas and autogas segments in Turkey's Customer's Voice Customer Commitment Survey conducted by KalDer (Turkish Quality Association).

COMMUNICATION WITH CUSTOMERS

One way that we meet the expectations of our customers is by

taking their feedbacks in account in our processes. Our aim is to ensure the highest level of customer satisfaction. We use customer feedback in product development and new product design processes. We use telephone, e-mail, the company website, social media accounts and mobile apps to collect customer feedback. By assigning tickets in the system on the 24/7 hotline, we are able to resolve issues and respond to the complaint more quickly. In addition, our callback system makes it possible for the support center to respond to our customers, further enhancing customer satisfaction. We also offer customers easy access by allowing them to submit an application via WhatsApp.

We rigorously monitor all opinions and complaints that are forwarded to us through all communication channels. As part of the efficient management of complaints, we integrate international standards in our processes to further bolster our own internal policies. The ISO 10002 Customer Complaints Management certificate encompasses all of our products. In 2018, we received 23,000 complaints through all our channels. In May of 2019, we transitioned to the 2018 version of ISO 10002 standards.

We continue to provide training to our employees in both the cylinder gas and autogas segments because our employees communicate with consumers directly and play an important role in customer satisfaction. In both the cylinder gas and Autogas segments, we provided training to dealer employees and customers with the Aygaz Education Truck. In 2018, we organized 169 training sessions attended by 1,593 people in 30 cities.

INFORMATION SECURITY

Customers increasingly use our products and services via digital platforms. The number of digital platforms we use to communicate with our customers is also increasing. Digitalization is a global trend, but poses digital risks and the threat of cyber-attacks. Therefore, data and information privacy and security is an increasingly important issue, so confidentiality and protection of customer information is a vital concern for us. We have integrated the internationally recognized ISO 27001 Information Security Management System into our processes to strengthen our own internal Information Security Policy in order to provide security for all information. Regular audits are conducted in connection with this certification at our Head Office, the Gebze Plant and Ambarlı, Aliağa, Dörtyol, Samsun and Yarımca Terminals.

[You can find the Aygaz Information Security Policy on the Industry page of the Aygaz website.](#)

We secure customer information within the framework of the confidentiality agreements we make with employees and third parties. We block unauthorized access to all information on the Koç System servers. We only allow employee access on a need to know basis and only to limited data. Dealers only have direct access to limited information. Through our Dealer Protocol agreement, which is renewed every five years, we provide legal protection for dealer information. We have not received any complaints in 2018 regarding the confidentiality of customer information, violations or the loss of customer data.

SUSTAINABLE OPERATIONS





-
- **Supply Chain Management**
 - **Quality and Safety in Distribution Network**
> *Logistics*
-



Prioritizing operational excellence and safety, we monitor quality, ethical principles and social and environmental conditions across our value chain.

Our operations at Aygaz encompass an extensive range of operations from LPG supply to collecting products after their use. Our responsibility as the leading company in Turkey and the increasing importance of the LPG market in Europe makes our value chain all the more important, so we manage it in an integrated fashion by prioritizing operational excellence and safety. Our products are easily accessible thanks to our extensive dealer and logistics networks across Turkey, and we aim to achieve the highest level of quality and safety in our distribution operations.

SUPPLY CHAIN MANAGEMENT

The first link in our value chain is supplying LPG, other services and goods. As the only integrated LPG company in Turkey, safety is one of our supply-chain priorities.

Our Supplier Portal makes it possible to provide transparent, fast and accurate purchasing processes. We work with 473 suppliers and other than LPG all services and products are sourced locally. Our “Centralizing Supply Processes” project increases efficiency in the supply chain.

We select our suppliers according to many criteria including respect for human rights, working conditions, occupational health and safety, anti-corruption, the environment and we monitor quality, ethical principles and social and environmental conditions across our value chain. In addition, we are committed to complying with the criteria of the United Nations Global Compact, which we have signed. We do not procure products and services from suppliers who do not meet these criteria. We conducted audits on 37% of our 179 suppliers in 2018. We provided 1,489 person*hours of training to our suppliers in various areas, such as Safe Driving Training.

QUALITY AND SAFETY IN THE DISTRIBUTION NETWORK

We use the most advanced technological infrastructure in LPG distribution and the manufacture of LPG cylinders, tanks, valves and hoods. When developing our products, which play an important role in the lives of our customers, we make sure it is user-friendly in various areas from safety and ergonomics to efficiency and aesthetics. In our efforts related to sustainability, our priority is to be a prestigious company in the sector that has achieved high customer confidence and satisfaction, meeting international product and distribution safety standards and offering ground-breaking solutions through innovation and digitalization.

Dealers: Our dealers play a critical role in our success and achieving high customer satisfaction levels throughout Turkey. We serve the consumer through more than 2,400 cylinder gas dealers and more than 1,700 autogas stations across Turkey with our Aygaz and Mogaz brands. We require that all our dealers provide services that meet the highest standards and to comply fully with quality and safety requirements. Dealer training and our close relationship with them ensure that we achieve reach the targeted quality and customer satisfaction levels.

We engage in two-way communication with mutual respect via our Dealer Communication Line, dealer portal, campaigns, regional dealer meetings, and dealer visits. We assess complaints and suggestions we receive through one-on-one events with the dealers, visits and the dealer portal. Dealers are able to submit feedbacks related to any application as well as new products and services through the portal. These suggestions and complaints are collected and

Cylinder Tracking: The cylinder tracking system using QR code scanning launched in 2015 was fully implemented at all plants and facilities in 2017. It allows us to track our products in every process from production to distribution and to collection from the user. The project makes transparent tracking for our products possible, which improves efficiency in terms of quality and logistics management. As a result, we are able to monitor our cylinders more effectively during their life cycles. To date, we have labelled 15.7 million cylinders with QR codes and recorded more than 82 million cylinder movements in the cylinder gas sector. We have thus laid the foundations for big data in this field. We own the intellectual rights to this application and lead the sector in terms of transparency and efficiency as we will start issuing licenses to other players in the sector in the near future.

used to improve customer satisfaction levels, products and services. We also reward successful practices.

We monitor satisfaction and the commitment levels of our dealers through dealer satisfaction surveys conducted via Koç Holding.

Thanks to the Cylinder Tracking Project that we initiated in 2015 and disseminated across Turkey in 2017, we are able to track cylinder movements within the cycle of plant-dealer-customer via QR code scanning systems.

LOGISTICS

Safe transport of LPG is critical since it is an explosive and flammable substance. Operational excellence and safety are among our highest priorities. As the company with the largest LPG logistics operations in Turkey, we comply with the toughest standards in land and marine transportation of LPG from supply to distribution, without compromising quality and safety. Vehicle capacity, distribution routes and numbers are optimized through digital systems and data analytics based on the distribution and volume of our sales. We have the largest LPG road fleet in Turkey with nearly 200 autogas tankers. We use the Station Inventory Management and Routing System when we supply LPG to more than 1,700 autogas stations. We ensure

efficiency by creating accurate order requests and managing the distribution network with optimal routes, which reduces fuel consumption.

We operate in compliance with European Norms, the European Agreement concerning the International Carriage of Dangerous Goods by Road (AD) and Turkish Standards, and we take all appropriate security measures. In order to ensure fleet safety, we track our road transport fleet with the 24/7 Vehicle Tracking System and monitor speeds. We provide safe and economic driver training to our drivers.

In addition to overland transportations, we also conduct marine transportation. We have three custom equipped, fully pressurized vessels in our fleet with a total load capacity of 28,800 m³ and a fleet age of 12. The fleet conducted 17% of the marine supply and transportation activities this year.

As is the case in every stage of our operations, high quality and safety standards in our storage areas are one of our top priorities. We have the largest LPG storage capacity in Turkey with five sea terminals equipped with state-of-the-art technologies that meet international standards and have a capacity of 178,400 m³. In addition, we have six filling stations, nine distribution centers, and one production facility that manufactures pressure containers and accessories.

EMPLOYEES





-
- **Equal Opportunity and Diversity**
 - **Talent and Career Management**
 - **Training**
 - **Intrapreneurship**
 - **Employee Satisfaction and Loyalty**
 - **Occupational Health and Safety**
-

EMPLOYEES



We provide equal opportunities for our competent employees with high motivation to develop their talents, and support diversity.

Our competent and highly motivated human resources play an important role in the success we have achieved in the sector as Turkey's only integrated LPG company. We offer an engaging and transparent work environment where our employees are able to develop their talents and work in a happy and safe manner because they are our most valuable capital. We focus on improving employee satisfaction by identifying and implementing the factors required for a happy and safe workplace.

The principles in our human resource policies are:

- Equal opportunity for everyone
- Recruiting and assigning the right person for the right job
- Equal pay for equal work
- Performance-based merit
- Timely recognition and appreciation

- Continuity and efficiency in job achievements
- Effective internal communication
- Social sensitivity

We provide equal opportunities for all of our employees and support diversity. We integrate creativity in our work by developing our intrapreneurial muscles within the company, and we increase the competency levels of our employees.

The Aygaz family consists of a total of 1,115 people, 53% of whom are office workers and 47% of whom are field workers. 22% of our employees are covered by a Collective Labor Agreement.

15% of our employees are women and 85% are men. In addition, 17% of senior and mid-level management are women.

EQUAL OPPORTUNITY AND DIVERSITY

We believe that differences enrich our business culture, and we oppose any form of discrimination. We implement equal opportunity principles in all processes of performance management, compensation, education and the development of our employees.

We have been signatories of the United Nations Women's Empowerment Principles since 2016. Our goal is to empower women in social and economic life as well as in the workplace. We are committed to developing practices that are sensitive to gender equality, especially in LPG and energy sector. We started our work to support gender equality by raising awareness in our employees. We create distinction in the private sector with our Domestic Violence in the Workplace Policy. We provided training for our managers to raise awareness about domestic violence in cooperation with the Mor Çatı Foundation. The hotline which was created to prevent domestic violence in the workplace is still active. We did not receive any notifications in 2018 via the hotline.

The Equality at Work Committee, which we established to support the gender equality project Ülkem İçin (For my Country), consists of the Human Resources Manager and executives from senior management and it is still active. Our employees also started to contribute to the project voluntarily. Employee awareness of gender equality is very important to us because they serve thousands of households every day. We raise awareness by including the subject in training.

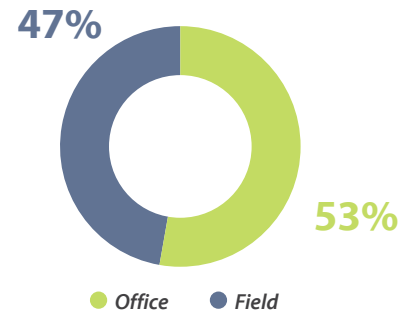
TALENT AND CAREER MANAGEMENT

Human resources is a critical to the success of our company in achieving future goals and the strategic priorities. We increase the competencies of our employees by offering education and self-improvement opportunities. This is how we lead the way of developing innovative product and service.

In talent management, both the personal preferences of our employees and the corporate needs of our company are determining factors. First of all, we evaluate the performance of our employees fairly to identify their areas of personal development and potential. We assess the performances of all of our office staff except temporary and special status employees. We measure employee competencies, and we plan their personal and professional development by taking into account the evaluations of their managers as well as feedback from their fellow team members. Performance assessment results are also determining factors in employee compensation. We use an international job evaluation system that measures the contribution of all work in reaching corporate goals and provides a ranking based on the size of the jobs to set compensation. Our current compensation system is based on a competitive compensation policy established based on the company's market position, competitive advantage and ability to pay.

We use the 360 Degree Competency Assessment that has been used by Koç Group companies for years in many processes, such as creation of corporate culture, selection and placement, performance management system, development planning, identification of potential people and career planning. Each

Employees per category



COMPETENCIES OF AYGAZ GROUP

Improving capabilities of oneself and colleagues



Creativity and entrepreneurship



Result oriented approach



Improving collaborations



Teamwork



Roadmapping



Customer oriented approach



Managing and adapting to differences



Communication



EMPLOYEES

Consult an Expert Mentorship Program enables exchange of information, skills and experiences between employees who have completed three years in Aygaz and mid-level and senior managers who are more experienced.

office worker who has completed six months at Aygaz is evaluated by their manager, other employees and their peers. They also conduct a self-evaluation. Our evaluations are based on the nine main competencies we have identified.

Our purpose of the competency assessment system is less about grading the behavior of our employees and more about identifying their strengths and weaknesses, interpreting the results together with them and creating an appropriate action plan. The system allows us to identify employee strengths, ensures these are developed further, which help employees in their career journey.

We announce all vacancies within the Koç Group on our in-house posting system, thereby giving our employees access to all job postings not only in Aygaz, but also in other Koç Group companies.

We continued by moving Human Resources (HR) processes to integrated and next generation digital platforms (SuccessFactors) as part of the Koç Group's digitalization goals. In this regard, we have implemented

many innovations both for our office workers and field workers. We cooperated with Microsoft Turkey and provided on-site training for the purpose of encouraging greater use of e-mail by field workers from either computers or mobile devices. We sent informational SMSs from the "Aygaz HR" address at certain times in order to establish continuous and effective communication and we organized surprise contests that could be joined only through e-mail in order to encourage usage among field workers. We began sending employee payrolls via e-mail as part of the digitalization process to emphasize the eco-friendly objectives of Aygaz and we saved paper in the process.

We moved the Performance and Talent Management modules to the cloud so that goal cards could be tracked by a mobile app. The program can also be used through the mobile app and integrates many processes with a digital platform, such as next generation performance management, personal career preferences, career planning and backups, which were previously managed on Microsoft Office-based files. As a result, we focused on creating a simpler and more



"It is only possible to attract and retain competent and high-quality human resources with effective and systematic talent management. We achieve this through our investments in the Aygaz employer brand. Our approach to employee experience, our human resource planning processes and the opportunities we provide in education and development help us realize our goal of improving the experience of our employees and fostering a creative working environment that supports continuous learning and development and retains employees with a high level of commitment."

Burak Paçacı
Human Resources, Aygaz



interactive employee experience. In coming years, we aim to integrate other processes such as selection, placement and education with the system, which has many functions for efficiency and offers cloud-based HR solutions.

Consult an Expert Mentorship

Program: Consult an Expert Mentorship Program has been active since 2016 and enables an exchange of information, skills and experience between employees who have completed three years at Aygaz and more experienced mid-level and senior managers. Our goal is to take advantage of the mentor relationship and transfer corporate culture in a more effective way while also improving employee experience.

Learn from the Young Experts

Mentorship Program: We launched the Learn from the Young Experts Mentorship Program in 2018 to empower young people with less experience who have just been hired at Aygaz Group to convey information about changing information technologies, changing mind-sets, the expectations of the new generation and new business concepts with older or more experienced executives so they can contribute to the creative thinking process.

Recognition is also an important part of talent management and employee development. We reward our employees' achievements in order to encourage their development. As part of the Award and Suggestion System, we give an Outstanding Achievement Award, Service Award, Most Successful Koç People Award, Innovation Awards, the Stars of Aygaz Award and Invention Award. We also reward employees who create added-value in connection with the company's strategy and priorities by virtue of their creativity and devotion, achieve successful results and develop projects in areas that prevent significant losses.

We have launched the recognition and appreciation process, which was updated in 2018, and named the Stars of Aygaz for all our staff working both in the office and the field. With this new system, we recognize employees who create distinction based on the principles of open communication and equality. In addition, we focus on recognizing on morale while emphasizing competency and success. Nominees are evaluated in seven different star categories: People-Focused Stars, Development Encouraging Stars, Transformational Stars, Value Adding Stars, Result-Oriented Stars, Collaborating Stars



"Aythink provides all employees the opportunity to share their ideas freely and gives them an opportunity to develop and transform their ideas into products. As an employee on an Aykargo project and as an intrapreneur who carried an idea all the way to the implementation stage through the Aythink platform, I am always encouraging my colleagues to bring their ideas to the Aythink platform. It is very important for Aygaz to keep its main business robust and sustainable as well as preparing for the future by establishing collaborations with start-ups and creating new business models within the company."

Semih Dilsiz
Innovation Project Manager, Aygaz

"Renovation of the workspace as well as the addition of new social areas, such as the cafeteria, were all exciting motivations. It provided an environment that facilitated better communication and a more spacious and bright workspace organized as an open office. The cafeteria became a venue for more relaxed and productive meetings. It will make a huge difference to create social spaces that allow interaction especially between senior management and the young generation in the company."

Burcu Şener Sözer
Legal Counsel, Aygaz

EMPLOYEES



"I think our colleagues have done an excellent job in our new office space, which reflects the dynamic and energetic side of our company as it transforms from past to the present and provides what is required in today's work environment. We had consensus on this from the very beginning. We now have a much more spacious work environment after this renovation. I think and have seen a positive increase in interactions and the exchange of feelings and ideas between the departments as well as between people ever since the dividers between the desks were removed."

Ali Kızılkaya, Assistant General Manager (Technical Issues and Investments), Aygaz

and Customer-Oriented Stars. We award the finalists at the conclusion of the committee meetings of the relevant departments.

TRAINING

We bolster the expertise of our employees by integrating personal and corporate needs, and we focus on developing competencies in keeping with the digitalization of work processes.

We allocate resources for the education and development of all employees at every level. We provide training in leadership and digitalization as part of Koç Holding's LEAD and Aygaz's LEAD, and we contribute in the development of employees who have leadership potential through the You Are the Leader program as well as a New Leader Association Leadership program.

AygazLEAD, initiated in 2016 with two modules of training for the entry level managers in the Aygaz Group, continues with participation from mid-level managers and a focus on current trends, such as leadership skills, feedback, situational leadership, innovation, coaching and digital world trends to meet

today's needs and strategies. We conducted the first module of five-module training in November 2018.

We organized the Rhythm at Work Workshop to develop effective communication and teamwork skills on our field team at Facilities/Terminals and the Gebze Plant. By helping the employees understand themselves and their own competencies better, as well as understanding each other better, how to compensate for each other's deficiencies and engage in crisis management during emergencies, the training emphasizes how the world of rhythm corresponds to the realities of the work environment.

We provide training on the 7 Habits of Effective People, which deals with personal leadership and leadership with other people for all of our office workers who are not at the executive level. In this training, we teach them methods that help them be more effective in their private and social life by reviewing the 7 habits that make it possible.

Our employees participate in Koç University's Executive MBA and Technical MBA programs every

year. We offer the Program for Development in the Field for field managers to raise up sales experts that create distinction and are more effective at managing dealers.

We boosted the qualifications of current internal auditors as well as the number of auditors by providing training as part of the integrated management system in 2018. In the work we conducted based on an internal audit sampling model that is part of the integrated management system, we sampled one third of locations with similar operations, and we conducted audits on 47 departments with a total of 34 internal auditors.

In addition to conventional courses, we also provide leadership development programs, online training, reading materials, outdoor training and rotations through KoçAkademi. We organize orientation programs including introductions to the Koç Group and Aygaz Group in order to give new hires an overview of corporate culture. The orientation program also includes training in occupational health and safety as well as the environment. We provided an average of 39 hours of training per employee in 2018.

INTRAPRENEURSHIP

There are many Aygaz employees who have the potential to offer creative ideas and engage in intrapreneurship. The intrapreneurial spirit plays a critical role in becoming a company that cultivates innovation. We use the Aythink platform to foster and encourage this spirit.

[You can find detailed information regarding Aythink in the section called Responsible Products Everywhere, From Home to the Roads.](#)

EMPLOYEE SATISFACTION AND LOYALTY

Our top priority is to ensure our employees add value to the job they are doing and are satisfied with their work. Since 1996, we have regularly and meticulously measured employee satisfaction and loyalty every year and evaluated the working conditions of our office and field workers individually.

In 2018, employee satisfaction and loyalty was 74% among office workers and 64% among field workers.

We offer our employees a fringe benefits package with various options.



"Aygaz recognizes innovation, vision and entrepreneurship, which has taught us many things. We have achieved more than we could have imagined. Because Aygaz is positioned not only as a seller of cylinder gas, but also as a logistics company, we realized that it could provide excellent services and even deliver detergent or books as needed. We believe that a small project may be the spark needed for a big idea. All of the ideas received by our idea collection platform Aythink are important to us. We try to attract young people to our platform, people who are open to change, can change themselves and are willing to think outside the box."

Rıdvan Uçar, Assistant General Manager (Marketing and Innovation), Aygaz



EMPLOYEES



We also offer membership in the Koç Retirement and Support Fund, social benefits, private health insurance, training, awards, and membership in the KoçAilem privileges program, meal card/cafeteria services, workplace health services, transportation, personal accident insurance and a flexible fringe benefits program. In addition to general fringe benefits, we also offer other fringe benefits that differ depending on the position and nature of the job.

We organize events such as work results sharing meetings, Between Us interviews, cultural tours, sports festivals, end-of-the-year meetings and celebrations and social activity groups. We believe events organized outside of work and attended

by employees boosts employee commitment.

We organized a tour to Bozcaada and Safranbolu as part of the We Discover Together activity, which took place for the first time, and aimed to increase the feeling of solidarity among Aygaz employees and to conduct communication activities in different settings.

One of the important projects we completed in 2018 was the redesign of the building that houses Aygaz Headquarters based on ergonomics within the company. As a result, Aygaz employees now have a more dynamic, spacious and modern working environment. The most

important innovation in this area was the cafeteria, which facilitates socialization among employees.

Employees are able to use this space for meetings and personal work. We improve our business by listening to the opinions of our employees. We have different channels to collect all kind of feedback, the most effective of which is Koç Holding's central system. Thanks to this system, our employees are able to submit their opinions at <https://kocsnow.koc.com.tr/denetim> and keep their information confidential. In this regard, the Human Resources department organizes interviews with different departments and takes remedial actions.

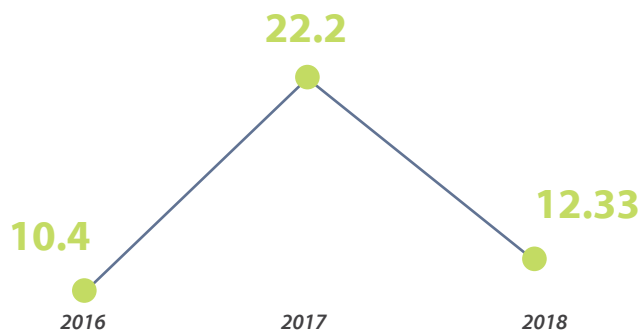


"It is a great opportunity for employees to bring their ideas to life, so that they are appreciated and transformed by taking advantage of the company's assets, just like a start-up. Employees who participate in the innovation work present their ideas directly to Aygaz Senior Management, and they are given the opportunity to see their contribution in a big platform, which is a much better way to implement their own ideas. Entrepreneurial work is also an excellent opportunity for an employee's career development. This program teaches employees how any business idea can be implemented from scratch. They also get the opportunity to develop themselves in spheres outside of their normal jobs."

Kadir Aslantaş
Responsible for Innovation and Intellectual Property, Aygaz

All 12 of our business locations, including Headquarters, the Gebze Plant and facilities have earned the ISO the 45001 Occupational Health and Safety Management System certificate.

Total accident frequency rate (IR)



OCCUPATIONAL HEALTH AND SAFETY

The LPG sector involves significant occupational health and safety risks. Occupational health and safety (OHS) is a top priority closely related to our business and the continuity of our operations. The health and safety of our employees is among the most important issues at our company. Therefore, we manage OHS at the highest level both for our employees and our business partners. We provide training that raises awareness of OHS to our employees and contractors' employees, and we take precautions to prevent any accidents that may harm our employees or our company in order to achieve our goal of Zero Work Accidents. The Quality System, HSE and Sectoral Relations Manager reports to the Deputy General Manager of Technical Issues and Investment, who is the highest ranking officer responsible for OHS.

All of our 12 business locations, including Headquarters, the Gebze Plant and facilities have the ISO 45001 Occupational Health and Safety Management System certificate, which is recognized as the international standard in OHS. We completed the transition to the ISO 45001 Occupational Health and Safety standard in 2019 in accordance with other management systems initiated

in 2018. We closely monitor and regularly report our performance in order to ensure the best management for health and safety risks through OHS Boards at these locations.

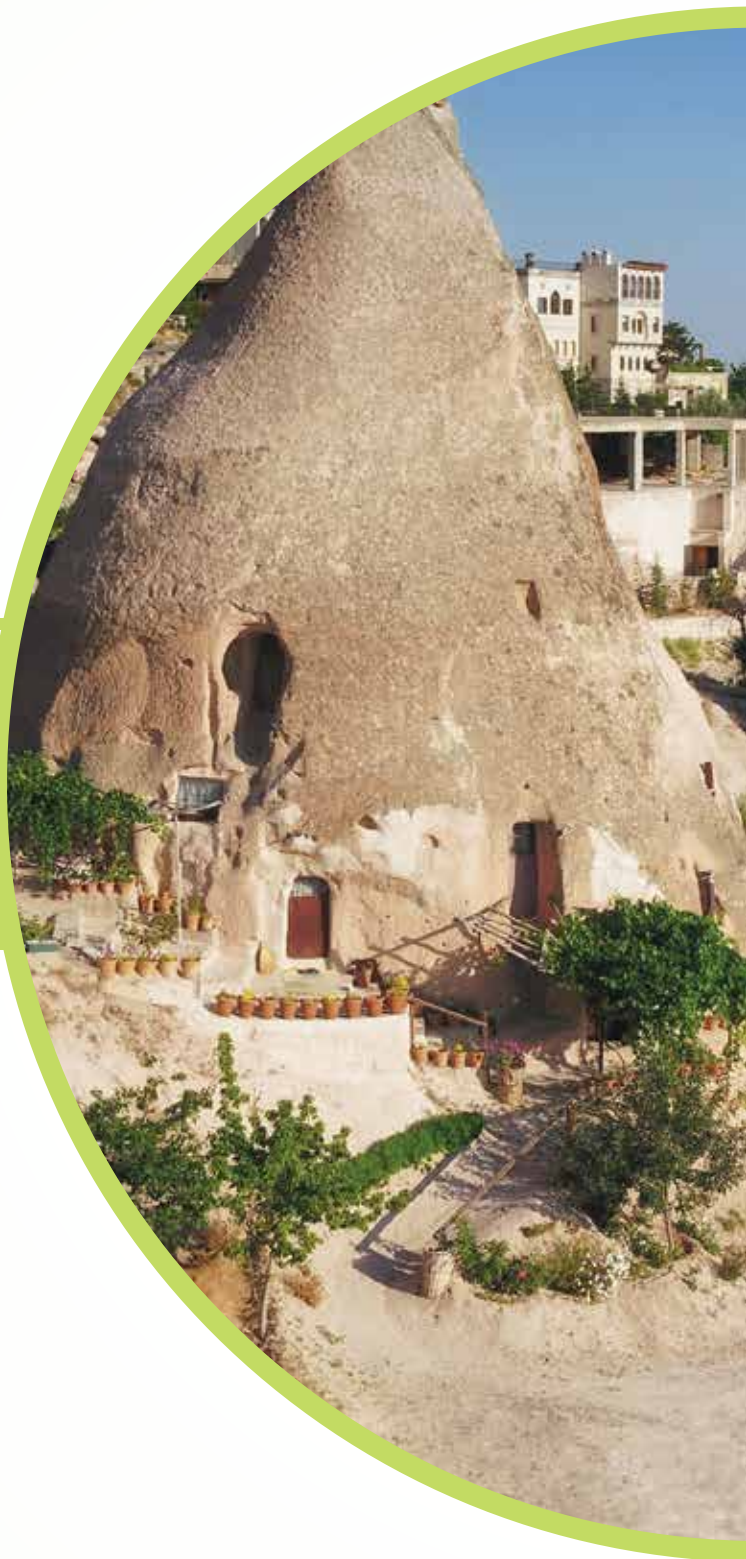
The adoption of OHS within our corporate culture is key to our continual efforts to improve our OHS performance. Therefore, we have OHS boards at all of our facilities. These boards consist of employer representatives, occupational safety experts, workplace doctors, employees, employee representatives and union representatives at the same facilities, where they regularly assess OHS issues every month and prepare action plans. In addition, we organize periodic meetings in which we assess all OHS work and objectives with the participation of departments such as the Quality System, HSE and Sectoral Relations Manager, Filling Stations, Investments and Facilities, Purchasing, Industrial Relations, Road Logistics and R&D Department.

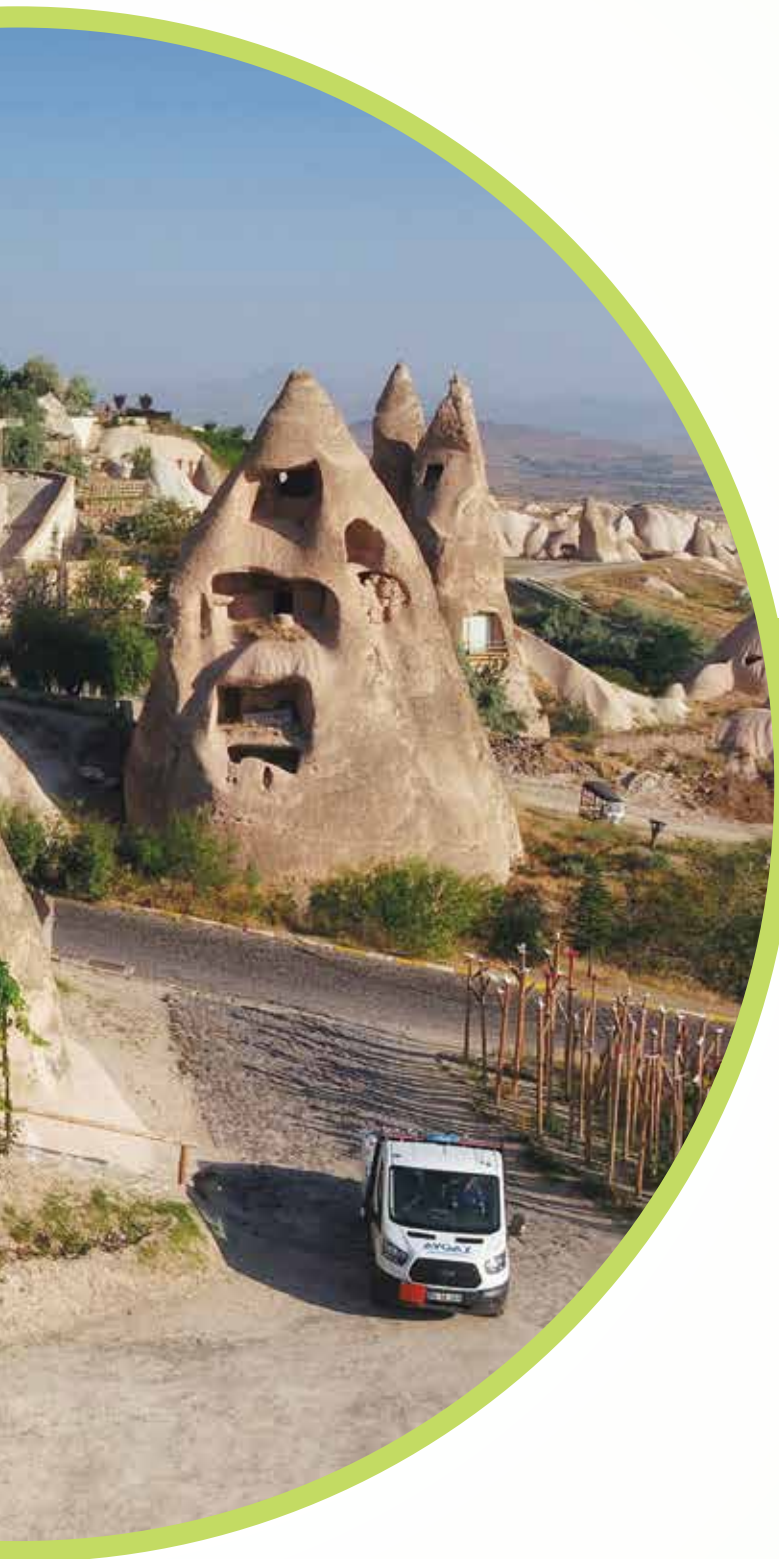
Accident Research and Root Cause Analysis reports are prepared by the relevant teams after any work accident that occurs in our facilities. We review the causes of the accident according to these reports and take measures. As part of our work to prevent accidents, we periodically conduct drills for fire, evacuation, rescue and chemical

spills at our filling facilities and cylinder filling centers. We do not limit our approach to the prevention of OHS risks in drills and training. We also prepare Workplace Accident Information Brochures in order to raise awareness and prevent the reoccurrence of accidents. We also introduced the OHS Training Booklet, which had been used in the Gebze Plant in previous years for the new hires at our filling facilities. Additionally, we implemented an illustration project so that employees can identify potential risks at filling facilities. In this project, we identified and assessed the risks with employee participation.

Our robust approach to OHS was developed for the purpose of providing a safe working environment at all times and preventing any kind of material harm to our company. There was no occupational disease reported by employees or contractor employees in 2018, and there were no work fatalities. There was a 45% percent decline in workplace accidents compared to the previous year. We focused on the preventive role of OHS training, and we provided approximately 8 hours of training per employee. OHS training per employee increased by 38% compared to the previous year, and the rate of OHS training per employee as part of other training was 21%.

ENVIRONMENTAL RESPONSIBILITY





- **Climate Change and Energy Management**
> *Climate Performance of the Products*
- **Waste and Water Management**
- **Biodiversity**

ENVIRONMENTAL RESPONSIBILITY



We monitor environmental impacts of all our operations and products while complying with relevant regulations and international standards.

Environmental responsibility is one of the main pillars of our sustainability approach. In today's world where environmental challenges such as resource scarcity and climate change are becoming more important, we have adopted the principle of identifying and minimizing the environmental impact of our products and activities. We monitor and improve the environmental impact of all our operations and products while complying with relevant regulations and international standards. In keeping with the goals and principles of the Koç Group, we manage environmental issues according to the Integrated Management Systems Policy and Aygaz Climate Change Strategy.

At 12 locations, including the Head Office, the Gebze Plant and filling facilities, we have implemented ISO 14001 Environmental Management System, and we have ISO 50001 Energy Management System at two of our facilities. The integrated management system allows us to adopt an integrated approach to environmental and energy management.

Environmental training is critical to compliance with management systems and raising awareness about environmental issues. The environment supervisors provide training at our facilities and conduct monthly field visits and environmental reports. We identify areas of improvement based on these reports and take the appropriate action. In 2018, we provided a total of 531 person*hours of training about the environment.

We do not limit environmental awareness to our employees. Our goal is to disseminate this culture to the families and friends of our employees as well. We aim to raise environmental awareness through awareness programs and events, which extend to the families of employees, and by distributing quarterly environmental bulletins to employees.

We donated 125 saplings through the TEMA Foundation for each auditor and meeting participant in order to reduce carbon emissions as part of the Meeting for Integrated

Management Systems Internal Audits and Management Review in 2018. As part of the event organized for Environmental Day, we included the children of Aygaz employees, prepared a video with their messages relating to protecting the environment and shared this video via different channels. In addition, we organized an interview session around the theme of "A Future Without Seasons/Climate Change" with Bünyamin Sürmeli, the Weather Man, in order to attract attention to climate change and raise employee awareness during the World Environment Week events.

CLIMATE CHANGE AND ENERGY MANAGEMENT

Climate change is among the most important challenges of our time. Climate change causes extreme weather conditions, and changing climate conditions impact many sectors directly and indirectly.

We are aware of the impact that fossil fuels have on climate change, so we assess the risks and opportunities to our business and plan the necessary actions. We manage our operations based on our strategy and work towards minimizing energy consumption and greenhouse gas emissions across our value chain while raising awareness with our stakeholders.

[You can find Climate Change Strategy on the Sustainability page which is under Social Responsibility section in our website.](#)

We implemented energy monitoring software at the Gebze Plant to monitor our energy consumption more efficiently. This system will help us to monitor energy consumption

points more accurately and reduce energy consumption. We reduce our emissions and energy consumption through projects which increase efficiency in our operations.

In 2018, we achieved a total reduction of 330 tons of CO₂ and realized savings of TL 156,000 with 14 efficiency projects. We saved 680 MWh of natural gas and 280 MWh of electricity with different projects, such as transition to LED illumination, energy-efficient pump replacement, improvement of leakage points, etc.

Arinna Solar Energy Systems

Renewable energy is a key component in the fight against climate change. We aim to reduce our carbon emissions by using renewable energy. We have implemented the Arinna Project, which generates electricity through rooftop solar panels, and we installed the first solar energy system on the roof of the Gebze Plant Administration Building. With this power generation equipment that boasts of a total capacity of 75 kW and includes three different solar panel technologies (polycrystalline, monocrystalline and thin-film) each with a capacity of 25 kW, we aim to find the most ideal solution by comparing different panel technologies while generating electricity. This year, we generated 284 GJ of solar energy at the Gebze Plant.

We made the second pilot installation in this project at the Opet/Aygaz station in Pendik. We completed the installation and commissioned the system this year.

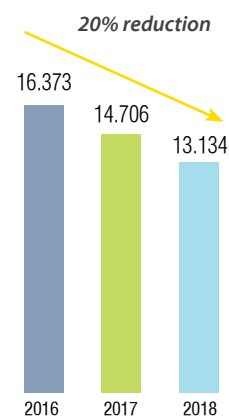
CLIMATE PERFORMANCE OF OUR PRODUCTS

Another significant factor in climate change is generated not

We carry out integrated management at 12 locations, including the Head Office, the Gebze Plant and filling facilities with the ISO 14001 Environmental Management System and ISO 50001 Energy Management System.



Total Greenhouse Emissions (ton CO₂)

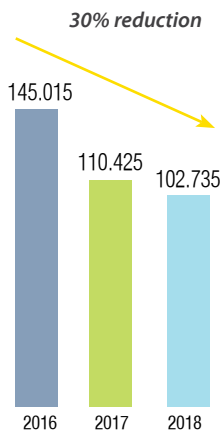


ENVIRONMENTAL RESPONSIBILITY



We reduced our total water consumption by 30% through the projects we conducted in the last three years.

Water Consumption (m³)



during production but when the products are used. Therefore, the product performance and reducing their impact on climate change are important issues. LPG contains less hydrocarbons than other fossil fuels, so it causes less carbon emissions and generates less solid particle (PM) and nitrogen oxide (NOx) emissions. According to the World LPG Association, the carbon footprint of LPG used for heating purposes is 20% less than oil fuel and 50% less than coal. Similarly, autogas usage may create a 10-12% reduction in carbon emissions compared to petroleum.

Because LPG has a better climate performance than other fossil fuels, it contributes to the reduction of carbon emissions. In addition, Aygaz Otogaz, whose formulation is specially developed, helps consumers reduce fuel and greenhouse gas emissions.

In 2018, consumers who used Aygaz Autogas reduced carbon emissions by 19,951 tons with their fuel savings.

GreenOdor

LPG is a colorless and odorless gas that is normally odorized with sulfur components so that it can be easily identified in the case of a leak. We launched a project for a sulfur-free odorant, which is a first in the world with the support of TÜBİTAK TEYDEB and Istanbul University's Technocity. We have completed the testing phase of the project and obtained the patent for the product. Our goal is to improve Aygaz's reputation and prevent 24 tons of sulfur emissions per year by launching the GreenOdor product, for which we have obtained international registration.

[You can find detailed information in the Innovative Products and Practices section.](#)

WASTE AND WATER MANAGEMENT

Another environmental impact is water consumption and waste. We monitor our impact across the value chain as part of waste management. We reduce our waste at the source, recycle it and dispose of it in a safe manner when recycling is not possible. Our goal is to achieve zero waste to landfills with our Zero Waste Project launched in 2018, and we began with a campaign to raise awareness. We reduced waste by removing paper cups and plates while also teaching employees to decrease their consumption of paper, plastic and water.

We track and recycle the products used by our customers. We reclaim returned and expired tanks and those that are not suitable for re-use are recycled at Eskişehir Gas Cylinder Distribution Center.

In water consumption, we aim to reuse as much water as possible and use it in the most efficient way. We have reduced our total water consumption by 30% through the projects we implemented over the last three years. We achieved this level of reduction first at the Gebze Plant thanks to our waste heat recovery project, which made it possible for us to decommission the cooling tower, thus saving 7,500 tons of water. Through this project, we reduced the amount of water consumption in the plant by nearly 18%. In 2018, we reused the water consumed in bottle washing and hydrostatic test units, and we achieved a total savings of 209,000 m³ of water.

BIODIVERSITY

Biodiversity plays a critical role in the continuity of the ecosystem provided by nature. We assess the impacts

and risks created by our operations with regard to biodiversity, and we manage these in line with the Biodiversity Policy, developed in cooperation with Koç Holding and the Nature Conservation Center. We have adopted a protective approach to ecosystems and all their different components, habitats, ecosystem services and all species.

In investment processes, we assess the potential impact with environmental impact assessments in new fields of operation and take the necessary precautions if impacts on biodiversity are identified. We do not operate in locations identified as natural conservation areas according to regulations and international agreements or in the Ramsar Convention's protection areas. No land or water resources are affected by our operations in terms of biodiversity.

In addition to the assessment of negative impacts on biodiversity, we also cooperate with different organizations to protect biodiversity and support related projects. We have been supporting a number of projects conducted by the Mediterranean Conservation Society since 2015. We contributed to the protection of species such as the Mediterranean Monkfish (*Monachus monachus*) and Sandbar Shark (*Carcharhinus plumbeus*) as part of the Gökova Bay Marine Protection Areas Monitoring and Protection project. The project expanded over time, and the areas that were protected by banning fishing were transformed into the Marine Rangers Project. Significant progress was made by identifying these areas as international protection areas. The project received the Whitley Gold Award in 2017.

During the first half of 2019, we supported the Mediterranean

Conservation Society project providing rapid assistance to stranded cetaceans (dolphins and whales). As part of this project, a systematic Stranding Communication Network has begun to be established with contributions from locals, fishermen, public institutions and NGOs on Aegean shores. The communication network is extremely important to ensure immediate notification of stranding incidents, timely assistance to the animal if it is still alive, and if not, research as to why the stranded cetacean is dead. Our aim with this project is to contribute to the protection of existing populations of species.



"As an energy distribution company, we included renewable energy investments that aim to reduce greenhouse gas emissions, and we realized that Aygaz could significantly contribute to the sector if more investments are made in the future."

Ertuğ Bozdoğan
Administrative Affairs
Responsible, Aygaz

SOCIAL RESPONSIBILITY





- **For My Country**
- **Culture-Art**
 - > *Archaeological Excavations*
 - > *Aygaz Library*
 - > *History of Ottoman Era Diplomacy*
 - > *Sponsorship for Istanbul Theatre Festival*
- **Environment**
 - > *Road to the Future*
 - > *What Will the Weather Be Like Tomorrow?*
- **Health care**
 - > *Diabetic Children's Camp*
- **Sports**
- **Education**

SOCIAL RESPONSIBILITY



We invest in the future through projects in the fields of gender equality, history, culture and arts, environment, health, sports and education.

The development of the regions and societies we operate in is vitally important to us, and we contribute to their environmental, social and cultural development through social responsibility projects. We take the needs of society into account based on our corporate citizenship perspective, as we conduct leading projects in our country in the fields of gender equality, history, culture and arts, environment, health, sports and education, all of which are investments in the future.

FOR MY COUNTRY

We are actively participating in the For My Country project, which was launched in 2006 by the Koç Group in order to raise awareness of social responsibility among Koç companies, employees, dealers and suppliers. With a theme that changes every two years, we have conducted a number of projects since 2016 that fell under the theme "I Support Gender Equality for My Country."

First of all, we signed the Women's Empowerment Principles in 2016, which were created in partnership with the United Nations Global Compact and the UN Gender Equality and Women's Empowerment Department. Thus, we made an international declaration of our commitment to support women's empowerment in society, business and economic life.

We published the Workplace Domestic Violence Policy for the purpose of raising awareness in the workplace to prevent violence against women. According to our surveys, 75% of our female employees are subjected to some kind of violence. With this policy, we aim to raise awareness about domestic violence among all our employees, to provide an egalitarian and safe work environment and to support all employees who are subjected to violence by advising them of the necessary steps to take. We cooperate with the Federation of Turkish Women Associations (TKDF) and the Mor Çatı

Foundation. We continued to support the TKFD Domestic Violence hotline in 2018 as well. The hotline had received 55,000 calls as of the end of 2018, and the number of calls related to violence was over 30,000.

[You can find the Aygaz Workplace Domestic Violence Policy on the website.](#)

CULTURE-ART ARCHAEOLOGICAL EXCAVATIONS

We have contributed to the momentum driving archaeological excavations in Turkey. Since 2005, we have been supporting excavation work at the Sagalassos Ancient City, which is located in the foothills of the Taurus Mountains and dates back to 4,200 BC. As part of the restoration work, excavations were made in 2018 on the foundations of the Agora within an area of 3,500 square meters. All the necessary certifications were obtained,

and analyses were conducted in order to protect the area's flooring. Papers were written about the results of the excavations and combined everything learned since the 1990s. The work that focuses on the Tychaion and Prytaneion monuments in 2018 will continue in the next excavation season.

Another project that has been receiving our support since 2010 is the Excavation of the ancient City, Citadel and Tumulus of Van, which is being conducted in cooperation with the Ministry of Culture and Tourism, Directorate General of Cultural Assets and Museums and Istanbul University. As part of the ongoing work on 95 hectares, a right footprint belonging to a human was found on a mudbrick this year and dates back approximately 2,500 years. This footprint is thought to belong to the Late Iron Age/ Post Urartu period. Another important discovery from this period was a group of graves where people were buried in the hocker position. In addition, twelve glass bracelets were found on the arm of a skeleton that is thought to belong to an adult woman who lived in the Middle Ages and indicates how advanced the craft of glass working was at this time.

AYGAZ LIBRARY

We launched the Aygaz Library Project in 1996 to protect the history and cultural heritage of our country and to pass these on to future generations. We published 15 books including various studies in fields, such as culture, arts, history and archaeology.

In 2018, we published the book entitled Your Excellency's Obedient Servant, which consisted of hand-written letters from people who left their mark on history. Among the letters that were selected from Koç Holding's Chairman of the Board of Directors Ömer M. Koç's collection, there are letters from important people in history, such as Grand Vizier Mustafa Reşid Pasha, the young Abdülhamid Efendi, Queen Victoria, Lord Kitchener, the author Pierre Loti, and the Caliph Abdülmecit

Efendi. Other publications included Dersaadet's Photographers, Nemrut: The Mountain of Gods and the First Year of the 2nd Constitutional Era.

HISTORY OF OTTOMAN ERA DIPLOMACY

As part of The History of Ottoman Era Diplomacy project, we compiled information and documents collected from Ottoman archives. We have published 66 books to date.

SPONSORSHIP FOR THE ISTANBUL THEATRE FESTIVAL

We have been sponsoring the International Istanbul Theatre Festival since 2004 with the purpose of supporting the art of theatre in our country. In 2018, various plays throughout the world were performed at the festival that we co-sponsored. In addition, we helped introduce more young people to theatre by sponsoring a student project that was part of the festival.

ENVIRONMENT ROAD TO THE FUTURE

Road to the Future (Geleceğe Yol Al) is a platform established to bring up climate change and fuel preferences and raise people's awareness on the issue. Consisting of an interesting content written with a clear and coherent language, the platform has the goal to present the adverse impacts of today's habits on the environment, our health and sustainable economic growth.

[You can reach the website of the project at http://gelecegeyolal.com.](http://gelecegeyolal.com)

WHAT WILL THE WEATHER BE LIKE TOMORROW?

We launched the What Will the Weather Be Like Tomorrow project in 2010 in cooperation with the Ministry of Environment and the Regional Environment Center (REC) in order to raise awareness about climate change. We are organizing the Climate Change

Awareness Workshop in the Discovery Globe located in the Rahmi M. Koç Museum. 13,533 students from 310 schools participated in the training this year, and nearly 86,000 students from a total of 1,950 schools have participated since 2012.

HEALTH CARE DIABETIC CHILDREN'S CAMP

We care about the health of society, which is why we have supported the Diabetic Children's Camp organized by the Association of Children and Adolescent Diabetics since 2004. The 26th camp took place at the DSI Iznik Social Facilities this year and was attended by 96 children and young people from the age group of 9 to 18. To date, more than 2,000 people have attended this camp, which is one of the first health camps in Turkey for children and teaches how to live with diabetes. Children and young people are provided with a fun environment that includes swimming, basketball, football, gymnastics and tennis activities as well as artistic activities like handicrafts, dance, music and painting.

SPORTS

Our Mogaz brand has been a sponsor of the Beşiktaş Gymnastics Club's Handball Team since 2013 in order to support the development of sports in Turkey. The Beşiktaş Mogaz Handball Team successfully represents Turkey in the European Handball Federation's (EHF) Championship League. In addition, we also sponsor the Fenerbahçe Sports Club's Professional A Football Team.

EDUCATION

We have been supporting the education of children and youth since 2001 through our cooperation with the Turkish Education Volunteers Foundation (TEGV). As part of this year's Firefly Learning Department Training Program, nearly 1,000 students were given education in writing code, which is considered the alphabet of the future.

COMMUNICATION WITH STAKEHOLDERS



Effective communication and cooperation with our stakeholders play an important role in our efforts to further our business success and conduct trail-blazing activities in our sector. We work to improve communication channels with our stakeholders, which we have already amplified through the stakeholder analysis conducted last year. Our

future projects are guided by the opinions of concerned stakeholders, which we regularly collect in connection with our Sustainability Report. In accordance with our Disclosure Policy, we transparently share our performance, future expectations and strategies with our stakeholders in a timely, balanced and fair manner.

[For further details about sharing information with stakeholders, please see Disclosure Policy on Corporate Overview and Governance Section in our website.](#)



“One of the most important measures and indicators of sustainability is stakeholder communication. As the Koç Group energy company, Aygaz has become more competent in the journey to excellence in all units and departments as a result of establishing and successfully implementing quality management systems under the guidance of our association and the training of relevant departments. The importance placed on collaboration increases the success of the company.”

Seval Kızılcın
Secretary General, KalDer

“Through our close collaboration, Aygaz adopts a close and constructive approach on issues which will benefit the sector. They establish a close and moderate dialogue to find the most appropriate solution, and they adopt a collaborative working culture.”

Cem Önce
Secretary General, Turkish LPG
Association

| Stakeholder Groups | Communication Methods | Communication Frequency | Addressing Issues Raised by Stakeholders |
|--|---|--|--|
| Shareholders, Investors, Analysts | Investor conferences, face-to-face meetings at the Head Office, responding to information requests received by phone or email, teleconferences, analyst meetings, senior management meetings, Investor Relations page on the website, annual report, sustainability report, company presentations, profit announcement, disclosure announcements, material disclosure announcements | Simultaneous response to requests at least every quarter | |
| Business Partners and Dealers | Dealer Communication Hotline, satisfaction surveys, Aygaz Training Truck and Training Bus, joint projects, audits, dealer portals | Daily | <ul style="list-style-type: none"> Product quality and safety to be covered more widely in communications Sharing best practices regarding customer orientation-Making more extensive use of brand power Putting innovation at the center of the customer experience Focusing on competition under market conditions Adding new business channels and taking advantage of opportunities |
| Employees | Employee satisfaction and loyalty surveys and questionnaires, online idea collection platform, intranet, internal communication events, announcements, committee meetings, trade publications, suggestion systems | Daily | <ul style="list-style-type: none"> Sustaining the contribution to the development of social projects Increasing next generation approaches (flexible working hours, etc.) in human resources practices Boosting internal entrepreneurship activities even more Talent management and career planning Increasing the level of knowledge about R&D and innovation |
| Affiliates and Subsidiaries | Meetings, joint projects | On demand | |
| Public Institutions and Regulatory Authorities | One-on-one meetings, official visits, industry meetings | At least once a month | |
| Customers | Communication campaigns, advertisements, website, social media, Aygaz Mogaz Hotline, market and customer loyalty surveys, visits | Daily | |
| Media | Press releases and press conferences, interviews, reputation surveys, website, corporate publications | Weekly | <ul style="list-style-type: none"> Developing a corporate responsibility project that will reflect the power of the Aygaz brand and can be conducted for years to come |
| Non-governmental Organizations (NGOs) and Associations | Following industry agenda, social responsibility issues, joint projects, sponsorship and donations, reputation surveys, working committees and boards | Weekly | <ul style="list-style-type: none"> Continuing with work that is sensitive to environmental policy and the problems of the country and managing environmental issues in an integrated way with quality management Raising awareness among end consumers about energy efficiency |
| Labor Unions | Face-to-face evaluations, collective bargaining agreement, joint projects, General Assembly, open employer meetings | At least four times a year | |
| Suppliers | Supplier portal, audits | Daily | <ul style="list-style-type: none"> Conducting work to increase employment areas in operations across the country Strengthening equality, safety, occupational health implementations |
| International Organizations and Initiatives | Joint projects, conferences, seminars, corporate memberships | At least once a month | |
| Universities | Conferences, trainings, festivals | At least once a month | |

COMMUNICATION WITH STAKEHOLDERS

We have membership and cooperative relations with nearly 100 organizations in our stakeholder economy, and we work together on joint projects and programs.

| Organization Memberships and Cooperation Institutions | |
|--|--|
| Advertisers' Association | Istanbul Culture and Arts Foundation (IKSV) |
| Aegean Region Chamber of Industry | Istanbul Mineral and Metals Exporters Association |
| Bay Area Chamber of Commerce | İzmir Chamber of Commerce |
| Bay Area Petroleum Products and Industrialists Association | Kayseri Chamber of Commerce |
| Bottled Water Manufacturers Association (SUDER) | Kırıkkale Chamber of Commerce and Industry |
| Business World and Sustainable Development Association (SKD) | Kırıkkale Employment and Vocational Education Board |
| Clean Sea Foundation - TURMEPA | Koç Group Executives Association |
| Corporate Communication Specialists Association | Kocaeli Chamber of Industry |
| Denizli Chamber of Commerce | Lüleburgaz Chamber of Commerce and Industry (LTSO) |
| Diyarbakır Chamber of Commerce and Industry | Mersin Chamber of Commerce and Industry |
| Dörtüyoç Chamber of Commerce and Industry | Nazilli Chamber of Commerce |
| Electronic Trade Businesses (ETİD) | Safranbolu Chamber of Commerce and Industry |
| Energy Efficiency Foundation | Samsun Chamber of Commerce and Industry |
| Erzurum Chamber of Commerce and Industry | Technology and License Managers Association |
| Eskişehir Chamber of Commerce | The Turkish Industry and Business Association (TÜSİAD) |
| Eskişehir Chamber of Industry | Trabzon Chamber of Commerce and Industry |
| Foreign Economic Relations Board (DEİK) | Turkey Corporate Governance Association (TKYD) |
| Foreign Trade Association of Turkey | Turkey Liquefied Petroleum Gas Industrialists Association |
| Gaziantep Chamber of Commerce | Turkey Metal Industrialists Union (MESS) |
| Gaziantep Chamber of Industry | Turkey Personnel Management Association (PERYÖN) |
| Gebze Organized Industrial Zone | Turkey Quality Association (KalDer) |
| International Chamber of Commerce (ICC) | Turkish Employers Unions Confederation |
| International DME Association | Turkish Investor Relations Association |
| İskenderun Chamber of Commerce and Industry | Turkish Union of Chambers and Exchange Commodities (TOBB) |
| Isparta Chamber of Commerce and Industry | Union of Chemical, Petroleum, Rubber and Plastic Industry Employers (KIPLAS) |
| Istanbul Chamber of Commerce (ITO) | World Energy Council Turkish National Committee |
| Istanbul Chamber of Industry (ISO) | World LPG Association – WLPGA |

ANNEXES

- **Environmental Performance Indicators**
- **Social Performance Indicators**
- **GRI Content Index**

ANNEXES

ENVIRONMENTAL PERFORMANCE INDICATORS

| ENERGY CONSUMPTION (GJ) | 2016 | 2017 | 2018 |
|--|---------|---------|---------|
| Direct energy consumption (fossil fuels, vehicle fuels etc.) | 94,676 | 83,621 | 63,345 |
| Purchased electricity | 77,940 | 73,996 | 64,387 |
| Solar power | - | - | 284 |
| Total energy consumption | 172,616 | 157,618 | 128,016 |
| Energy saving | 6,923 | 6,541 | 3,852 |

| GREENHOUSE GAS EMISSIONS (TONS OF CO ₂) | 2016 | 2017 | 2018 |
|--|--------|--------|--------|
| Scope 1 | 6,221 | 4,814 | 4,429 |
| Scope 2 | 10,152 | 9,891 | 8,705 |
| Total | 16,373 | 14,706 | 13,134 |
| Greenhouse gas intensity (kg CO ₂ / tons) | 7,1 | 6,5 | 6,7 |

| AIR EMISSIONS (KG/HOUR) | 2016 | 2017 | 2018 |
|----------------------------------|------|-------|------|
| NOx | 1,92 | 1,94 | 1,72 |
| SOx | 0,2 | 0 | 0,07 |
| Volatile Organic Compounds (VOC) | 5,38 | 14,35 | 8,3 |

| WATER CONSUMPTION (M ³) | 2016 | 2017 | 2018 |
|-------------------------------------|---------|---------|---------|
| Groundwater | 61,188 | 42,511 | 42,395 |
| Surface water | 48,622 | 35,777 | 35,957 |
| Rainwater | 5,000 | 5,280 | 3,600 |
| Other (received through tankers) | 30,205 | 26,857 | 20,783 |
| Total water consumption | 145,015 | 110,425 | 102,735 |
| Recycled water | 256,143 | 112,625 | 208,743 |
| Waste water | 61,992 | 56,956 | 48,131 |

| ENVIRONMENTAL INVESTMENTS AND EXPENDITURES (TL) | 2016 | 2017 | 2018 |
|---|-----------|-----------|-----------|
| Investments and expenditures | 6,791,469 | 5,224,181 | 2,828,470 |

| WASTES (TONS) | 2016 | 2017 | 2018 |
|---------------------------------|--------|--------|-------|
| Recycled hazardous waste | 679 | 586 | 495 |
| Recycled non-hazardous waste | 12,472 | 12,317 | 9,123 |
| Disposed of hazardous waste | 31 | 33 | 48 |
| Disposed of non-hazardous waste | 223 | - | - |

SOCIAL PERFORMANCE INDICATORS

| NUMBER OF EMPLOYEES BY GENDER AND CATEGORY | 2016 | | 2017 | | 2018 | |
|---|--------|------|--------|------|--------|------|
| | Female | Male | Female | Male | Female | Male |
| Number of office workers | 112 | 485 | 118 | 483 | 123 | 469 |
| Number of field workers | 19 | 566 | 16 | 578 | 16 | 507 |
| Total number of employees | 1,182 | | 1,195 | | 1,115 | |
| Total number of employees covered by collective bargaining agreements (unionized) | 0 | 301 | 0 | 311 | 0 | 242 |

| EMPLOYEES BY TYPE OF WORK | 2016 | | 2017 | | 2018 | |
|---------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Part-time | Full-time | Part-time | Full-time | Part-time | Full-time |
| Number of employees | 43 | 1,139 | 118 | 1,142 | 86 | 1,110 |

| EMPLOYEES BY AGE | 2016 | 2017 | 2018 |
|------------------|---------------|------|------|
| | >50 years old | 45 | 48 |
| 31-49 years old | 885 | 922 | 909 |
| <30 years old | 252 | 225 | 145 |

| NUMBER OF EMPLOYEES BY TERM OF EMPLOYMENT | 2016 | | 2017 | | 2018 | |
|---|--------|------|--------|------|--------|------|
| | Female | Male | Female | Male | Female | Male |
| Employed for 0 to 5 years | 54 | 484 | 53 | 383 | 52 | 293 |
| Employed for 5 to 10 years | 21 | 191 | 24 | 288 | 23 | 301 |
| Employed for 10 years and more | 55 | 377 | 57 | 390 | 60 | 386 |

| MID-LEVEL AND SENIOR MANAGERS BY GENDER | 2016 | | 2017 | | 2018 | |
|---|--------|------|--------|------|--------|------|
| | Female | Male | Female | Male | Female | Male |
| Senior managers | 1 | 9 | 1 | 9 | 1 | 7 |
| Mid-level managers | 11 | 49 | 14 | 48 | 13 | 60 |

| EMPLOYEES TAKING PARENTAL LEAVE | 2016 | | 2017 | | 2018 | |
|--|--------|------|--------|------|--------|------|
| | Female | Male | Female | Male | Female | Male |
| Number of employees on leave | 2 | 0 | 6 | 0 | 6 | 0 |
| Number of employees returning from leave | 0 | 0 | 2 | 0 | 9 | 0 |

SOCIAL PERFORMANCE INDICATORS

| TURNOVER OF EMPLOYEES BY GENDER | 2016 | | 2017 | | 2018 | |
|-------------------------------------|--------|------|--------|------|--------|------|
| | Female | Male | Female | Male | Female | Male |
| Number of employees leaving the job | 8 | 308 | 15 | 233 | 16 | 185 |
| Number of employees hired | 30 | 300 | 19 | 242 | 18 | 129 |

| NUMBER OF EMPLOYEES SUBJECT TO PERFORMANCE EVALUATION PER CATEGORY | 2016 | 2017 | 2018 |
|--|----------------|------|------|
| | Office workers | 567 | 576 |
| Field workers | - | 282 | 279 |
| Total Number of Employees | 567 | 858 | 845 |

| TRAINING | 2016 | 2017 | 2018 |
|----------------------------|-----------------------|--------|--------|
| | Total training (hour) | 55,288 | 45,695 |
| Training per employee | 47 | 38 | 39 |
| Total OHS training (hours) | 9,034 | 6,869 | 8,842 |
| OHS training per employee | 7,64 | 5,75 | 7,93 |

| EMPLOYEES' OHS PERFORMANCE | 2016 | 2017 | 2018 |
|---|--------------------------------|------|-------|
| | Number of incidents with death | 0 | 0 |
| Occupational disease rate (ODR) | 0 | 0 | 0 |
| Total accident frequency rate (IR) ¹ | 11,86 | 24,4 | 12,33 |
| Lost day rate (LDR) ² | 0,2 | 0,31 | 0,19 |

| CONTRACTORS' OHS PERFORMANCE | 2016 | 2017 | 2018 |
|---|---------------------------|-------|-------|
| | Number of fatal incidents | 0 | 0 |
| Occupational disease rate (ODR) | 0 | 0 | 0 |
| Total accident frequency rate (IR) ¹ | 26,11 | 42,53 | 20,31 |
| Lost day rate (LDR) ² | 0,27 | 0,44 | 0,24 |

¹ Total accident frequency rate (IR): Number of work injuries x 1,000,000 / Total person*hour

² Lost day rate (LDR): Lost day due to work-related injuries X 1,000 / Total person*hour

GRI CONTENT INDEX



| GRI Standard | Disclosure | References | Omission |
|----------------------------------|-------------------------------|---|----------|
| GRI 101: FOUNDATION 2016 | | | |
| GENERAL DISCLOSURE | | | |
| GRI 102: General Indicators 2016 | Organizational profile | | |
| | 102-1 | 1 | |
| | 102-2 | 6-8 | |
| | 102-3 | https://www.aygaz.com.tr/en/corporate/head-offices-and-regional-directors | |
| | 102-4 | 6-8 | |
| | 102-5 | 7, 8 | |
| | 102-6 | 6-8 | |
| | 102-7 | 6-8 | |
| | 102-8 | 61, 62 | |
| | 102-9 | 32 | |
| | 102-10 | 6-8, 32 | |
| | 102-11 | 17-19 | |
| | 102-12 | 56 | |
| | 102-13 | 56 | |
| | Strategy | | |
| | 102-14 | 3 | |
| | 102-15 | 11-12,17-19 | |
| Ethics and integrity | | | |
| 102-16 | 7 | | |
| 102-17 | 16 | | |

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The service was performed in the Turkish version of the report.

ANNEXES

| GRI Standard | Disclosure | References | Omission | |
|--|--|---|----------|--|
| GRI 101: FOUNDATION 2016 | | | | |
| GENERAL DISCLOSURE | | | | |
| GRI 102: General Indicators 2016 | 102-18 | 19 | | |
| | 102-19 | 19 | | |
| | 102-20 | 19 | | |
| | 102-21 | 10, 19, 54-56 | | |
| | 102-22 | https://www.aygaz.com.tr/uploads/yatirimci-iliskileri/faaliyet-rapor/87084051_1db7_4a4c_876d_78f0994dd08e__afr_eng_5mart_r.pdf | | |
| | Stakeholder engagement | | | |
| | 102-40 | 54-56 | | |
| | 102-41 | 36 | | |
| | 102-42 | 12-14, 54-56 | | |
| | 102-43 | 54-56 | | |
| | 102-44 | 11-12, 54-56 | | |
| | Reporting practice | | | |
| | 102-45 | 8,1 | | |
| | 102-46 | 11-12 | | |
| | 102-47 | 11-12 | | |
| | 102-48 | There is not any change. | | |
| | 102-49 | 11-12 | | |
| | 102-50 | 1 | | |
| | 102-51 | Aygaz Sustainability Report 2016-2017 | | |
| | 102-52 | 1 | | |
| | 102-53 | 1 | | |
| | 102-54 | 1 | | |
| | 102-55 | 61 | | |
| 102-56 | Report was not subjected to external audit | | | |
| GRI 200 ECONOMIC STANDARDS SERIES | | | | |
| ECONOMIC PERFORMANCE | | | | |
| GRI 103: Management Approach 2016 | 103-1 | 7-9 | | |
| | 103-2 | 7-9 | | |
| | 103-3 | 7-9 | | |

| GRI Standard | Disclosure | References | Omission |
|---|------------|---|----------|
| GRI 201: Economic Performance 2016 | 201-1 | 7-9 | |
| | 201-2 | 47,48 | |
| | 201-3 | https://www.aygaz.com.tr/uploads/yatirimci-iliskileri/faaliyet-rapor/87084051_1db7_4a4c_876d_78f0994dd08e__afr_eng_5mart_r.pdf | |
| INDIRECT ECONOMIC IMPACTS | | | |
| GRI 103: Management Approach 2016 | | 22-28 | |
| | 103-2 | 22-28 | |
| | 103-3 | 22-28 | |
| GRI 204: Procurement Practices 2016 | | 22-28 | |
| PROCUREMENT PRACTICES | | | |
| GRI 103: Management Approach 2016 | 103-1 | 32 | |
| | 103-2 | 32 | |
| | 103-3 | 32 | |
| GRI 204: Procurement Practices 2016 | 204-1 | 32 | |
| ANTI-CORRUPTION | | | |
| GRI 103: Management Approach 2016 | 103-1 | 14-18 | |
| | 103-2 | 14-18 | |
| | 103-3 | 14-18 | |
| GRI 205: Anti-corruption 2016 | 205-1 | 14-18 | |
| | 205-2 | 14-18 | |
| | 205-3 | 14-18 | |
| ANTI-COMPETITIVE BEHAVIOR | | | |
| GRI 103: Management Approach 2016 | 103-1 | 16-17 | |
| | 103-2 | 16-17 | |
| | 103-3 | 16-17 | |
| GRI 206: Anti-competitive Behavior 2016 | 206-1 | 16-17 | |
| GRI 300 ENVIRONMENTAL STANDARDS SERIES | | | |
| ENERGY | | | |
| GRI 103: Management Approach 2016 | 103-1 | 46-47 | |
| | 103-2 | 46-47 | |
| | 103-3 | 46-47, 58 | |

ANNEXES

| GRI Standard | Disclosure | References | Omission |
|-----------------------------------|------------|------------|----------|
| GRI 302: Energy 2016 | 302-1 | 46-47 | |
| | 302-2 | 46-47 | |
| | 302-3 | 46-47, 58 | |
| | 302-4 | 46-47, 58 | |
| | 302-5 | 46-47 | |
| WATER | | | |
| GRI 103: Management Approach 2016 | 103-1 | 48, 49 | |
| | 103-2 | 48, 49 | |
| | 103-3 | 48, 49, 58 | |
| GRI 303: Water 2016 | 303-1 | 48, 49 | |
| | 303-2 | 48, 49 | |
| | 303-3 | 48, 49, 58 | |
| BIODIVERSITY | | | |
| GRI 103: Management Approach 2016 | 103-1 | 49 | |
| | 103-2 | 49 | |
| | 103-3 | 49 | |
| GRI 304: Biodiversity 2016 | | 49 | |
| EMISSIONS | | | |
| GRI 103: Management Approach 2016 | | 46-47 | |
| | 103-2 | 46-47 | |
| | 103-3 | 46-47, 58 | |
| GRI 305: Emissions 2016 | 305-1 | 58 | |
| | 305-2 | 58 | |
| | 305-4 | 58 | |
| | 305-5 | 46-47, 58 | |
| | 305-7 | 58 | |
| EFFLUENTS AND WASTE | | | |
| GRI 103: Management Approach 2016 | 103-1 | 48, 49 | |
| | 103-2 | 48, 49 | |
| | 103-3 | 48, 49, 59 | |

| GRI Standard | Disclosure | References | Omission |
|---|------------|------------|----------|
| GRI 306: Effluents and Waste 2016 | 306-1 | 48, 49 | |
| | 306-2 | 48, 49 | |
| | 306-4 | 48, 49 | |
| ENVIRONMENTAL COMPLIANCE | | | |
| GRI 103: Management Approach 2016 | 103-1 | 46, 47 | |
| | 103-2 | 46, 47 | |
| | 103-3 | 46, 47, 58 | |
| GRI 307: Environmental Compliance 2016 | 307-1 | 46, 47 | |
| SUPPLIER ENVIRONMENTAL ASSESSMENT | | | |
| GRI 103: Management Approach 2016 | 103-1 | 32 | |
| | 103-2 | 32 | |
| | 103-3 | 32 | |
| GRI 308: Supplier Environmental Assessment 2016 | 308-1 | 32 | |
| GRI 400 SOCIAL STANDARDS SERIES | | | |
| EMPLOYMENT | | | |
| GRI 103: Management Approach 2016 | 103-1 | 36-39 | |
| | 103-2 | 36-39 | |
| | 103-3 | 36-39 | |
| GRI 401: Employment 2016 | 401-1 | 59, 60 | |
| | 401-2 | 42, 59, 60 | |
| | 401-3 | 59, 60 | |
| OCCUPATIONAL HEALTH AND SAFETY | | | |
| GRI 103: Management Approach 2016 | 103-1 | 43 | |
| | 103-2 | 43 | |
| | 103-3 | 43 | |
| GRI 403: Occupational Health and Safety 2016 | 403-1 | 43 | |
| | 403-2 | 43, 60 | |

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| GRI Standard | Disclosure | References | Omission |
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| TRAINING AND EDUCATION | | | |
| GRI 103: Management Approach 2016 | 103-1 | 40, 41 | |
| | 103-2 | 40, 41 | |
| | 103-3 | 59 | |
| GRI 404: Training and Education 2016 | 404-1 | 40, 41, 59 | |
| | 404-2 | 40, 41 | |
| | 404-3 | 59 | |
| DIVERSITY AND EQUAL OPPORTUNITY | | | |
| GRI 103: Management Approach 2016 | 103-1 | 36 | |
| | 103-2 | 36 | |
| | 103-3 | 36 | |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 | 59, 60 | |
| | 405-2 | There is no discrimination in the remuneration policy for female and male employees. | |
| NON-DISCRIMINATION | | | |
| GRI 103: Management Approach 2016 | 103-1 | 16, 17, 36 | |
| | 103-2 | 36 | |
| | 103-3 | 36 | |
| GRI 406: Non-discrimination 2016 | 406-1 | 16, 17 | |
| FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING | | | |
| GRI 103: Management Approach 2016 | 103-1 | 16, 36 | |
| | 103-2 | 16, 36 | |
| | 103-3 | 16, 36, 59-60 | |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | 407-1 | 59-60 | |
| CHILD LABOR | | | |
| GRI 103: Management Approach 2016 | 103-1 | 16 | |
| | 103-2 | 36 | |
| | 103-3 | 36 | |
| GRI 408: Child Labor 2016 | 408-1 | 16, 36 | |

| GRI Standard | Disclosure | References | Omission |
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| FORCED OR COMPULSORY LABOR | | | |
| GRI 103: Management Approach 2016 | 103-1 | 16 | |
| | 103-2 | 36 | |
| | 103-3 | 36 | |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 | 16, 36 | |
| SUPPLIER SOCIAL ASSESSMENT | | | |
| GRI 103: Management Approach 2016 | 103-1 | 32 | |
| | 103-2 | 32 | |
| | 103-3 | 32 | |
| GRI 414: Supplier Social Assessment 2016 | 414-1 | 32 | |
| CUSTOMER PRIVACY | | | |
| GRI 103: Management Approach 2016 | 103-1 | 29 | |
| | 103-2 | 29 | |
| | 103-3 | 29 | |
| GRI 418: Customer Privacy 2016 | 418-1 | 29 | |

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