

SOCAR Turkey 2020 Annual Report







**We Have
the Power**

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CORPORATE PROFILE

SOCAR Turkey, the symbol of the ideal of one nation-two states, is the most powerful representative of the economic cooperation between Azerbaijan and Turkey.

With the trade name 'SOCAR Turkey Enerji A.Ş.', SOCAR Turkey was founded in 2006 by the State Oil Company of Azerbaijan Republic (SOCAR), one of the most well-established oil and natural gas companies in the world. Starting to operate in Turkey in 2008, SOCAR Turkey participated in the tender of Petkim Petrokimya Holding A.Ş., which was privatized through the method of 'block sales' of 51% of public shares.

A strong strategic partnership was established between two countries with Petkim, which was transferred to SOCAR & Turcas Petrokimya A.Ş. on 30 May 2008. After Turcas withdrew from the partnership, 51 percent of shares of Petkim were fully transferred to SOCAR Turkey Enerji A.Ş., and the share of the company corresponding to 13 percent of its total capital was purchased by Goldman Sachs International on August 14, 2015. Thus, the shareholding structure of SOCAR Turkey Enerji A.Ş. was reshaped as 87% SOCAR and 13% Goldman Sachs International.

Focusing its investments on strategic fields such as petrochemistry, refining, and transmission, trade and distribution of natural gas, SOCAR Turkey established SOCAR Terminal, the largest integrated port of the Aegean region after Petkim, and STAR Refinery, the hugest real sector investment made in a single point in Turkey, and realized Trans-Anatolian Natural Gas Pipeline Project, which constitutes the longest part of the Southern Gas Corridor and carries the resources in the Caspian Sea to Turkey and Europe.

SOCAR Turkey, the largest direct foreign investor of Turkey, became the first company in Turkey to receive the title of 'Turkey's first Private Industrial Zone' for the area covering all projects of SOCAR Turkey in Aliaga, Izmir. STAR Refinery, one of SOCAR Turkey Group Companies, holds the first Strategic Investment Incentive Certificate in Turkey. Making Turkey an investment base, SOCAR Turkey acquired EWE Turkey Holding and its subsidiaries, which manage the operations of German energy company EWE AG in Turkey, on June 17, 2019. As of this date, 80 percent of Bursagaz and Kayserigaz, which are engaged in gas distribution in Bursa and Kayseri, EWE Enerji, the trade and electricity distribution company, Enervis, which offers energy services, and 100 percent of Millenicom, which operates in the telecommunication sector, were transferred to SOCAR Turkey. Completing the integration process through the actions taken in 2020 following the strategic investments made, SOCAR Turkey maintains its activities with the aim of becoming the biggest industrial holding in Turkey.

With more than 5,200 direct employees, SOCAR Turkey provides employment for more than 10 thousand people together with its contractors.

The amount of investments made so far in Turkey reached 16.5 billion USD, which will reach 19.5 billion USD when all investments are completed. This amount represents the largest investment by SOCAR in a country other than Azerbaijan.

Actualizing giant investments, one after another, with the strength derived from the unity of the two brother countries, SOCAR continues to produce and work with its reliance on the potential of the Turkish market and the stable growth dynamism of the country. Acting relying on the foregoing, the company takes a firm stand to play important roles in transformation of Turkey into an active driving force in production on international platforms.





VISION, MISSION AND CORPORATE VALUES

Vision

To be an integrated energy company adding value to all our stakeholders with the awareness of our economic and social responsibilities.

Mission

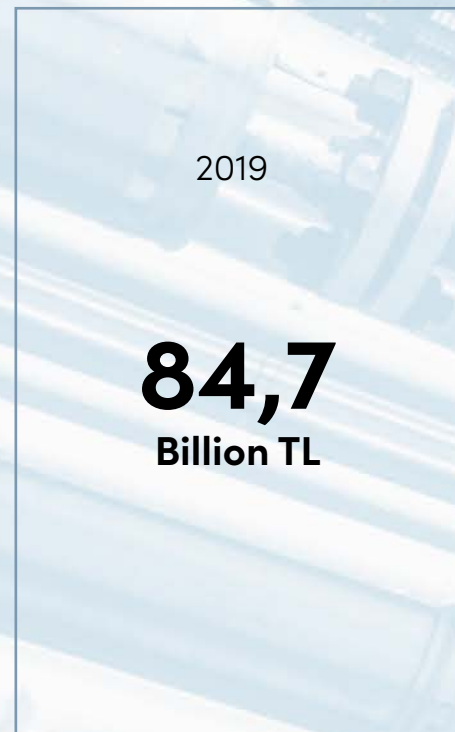
To manage and enhance our entire value chain, from the source to the end user, in an efficient and sustainable manner with our experienced, knowledgeable and committed human resources at all levels.

Corporate Values

- Reliability
- Inclusion
- Productivity
- Agility
- Liability
- Passion

FINANCIAL INDICATORS

Total Assets



Sales

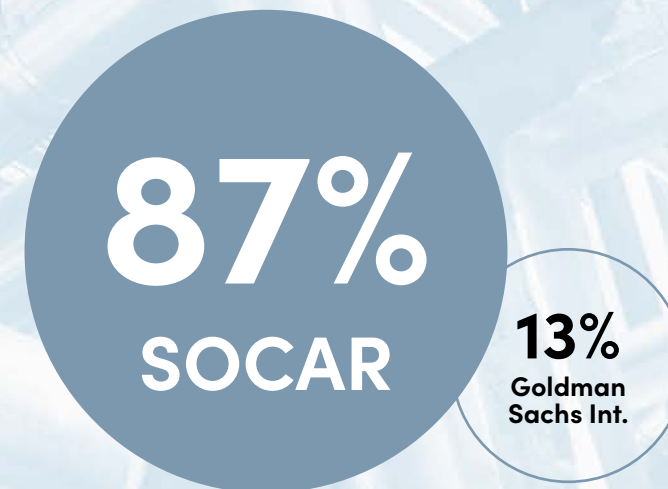


SOCAR Turkey Summary Financial Indicators

	2017	2018	2019	2020
Total Assets	46.839	61.918	84.783	103.707
Total Sales	10.454	13.881	31.364	31.350

**Financial figures prepared by consolidating SOCAR Turkey's combined financial data.*

Shareholding Structure





Rovnag Abdullayev
Chairman of the Board of Directors

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

The world has gone through a difficult test in 2020 due to the pandemic. During this difficult time, the social and economic impacts of which we will feel also in the upcoming years, we, as SOCAR Turkey, worked and produced with all our strength and kept strengthening Azerbaijan and Turkey.

Being experienced on global scale, the COVID-19 pandemic left its mark on 2020 with the social and economic impacts it caused on an unprecedented scale that has never been observed in the last century. The slowdown in the industry and the supply-demand imbalance in oil due to the travel restrictions brought by the pandemic have been centered on the global economic agenda. This challenging period and disagreements between oil exporting countries led to sharp falls in commodity prices, especially oil. Financial measures have been taken to eliminate the damage caused by the pandemic in the supply chains, production and employment. Although the oil prices recovered to a certain extent by reconciliation efforts of producers, decreased global demand and mandatory production restrictions led to sharp drops in the world trade volume.

In local context, the industries in which we operate have been relatively less affected by the negative environment caused by the pandemic due to the increase in importance of domestic production in the petrochemistry industry in Turkey and continuation of the need for petrochemical raw materials and uninterrupted energy. In particular, the energy industry passed the test successfully in Turkey during this difficult time.

Operating in almost all energy-related fields, we, as SOCAR Turkey, have been affected by the global and local developments caused by the COVID-19 pandemic; however, we have managed the process quite successfully thanks to our strong organizational structure. During this period, we prioritized focusing on production of strategic products required by Turkey.

Within this period, we have once again realized the importance of digital transformation and integration we have realized in the refinery and petrochemistry industry and that it was a right action to take. Having completed the digital transformation and operating in integration with each other, Petkim and STAR Refinery maintained all operational processes, such

as production, planning, optimization and sales, flawlessly by strong digital infrastructures during this time. Thus, we continued production of petrochemical raw materials, which is of critical importance for the Turkish industry, devotedly and uninterruptedly, while helping keeping the wheels turning in the industries from which we supply raw materials.

All our other subsidiaries operating under the umbrella of SOCAR Turkey, the largest direct foreign investor of Turkey, kept meeting the raw material needs of Turkey and demands of consumers, as well as offering solutions and producing during this challenging period. During this period, we proved that we are a 'domestic and reliable supplier' for our customers in the refinery and petrochemistry industry, while becoming the supporter of supply security of natural gas through TANAP, one of the largest projects in the world energy markets in the recent years.

SOCAR, the State Oil Company of the Republic of Azerbaijan, which is among the most well-established oil and natural gas companies in the world, has become an industry driving force offering integrated solutions on global scale in above 10 countries where it operates. We consider that the most sound investment climate and growth opportunities are available in Turkey among these countries, and we count on the economy and workforce of the country, and take a long-term approach to every field we operate.

The fact that the amount of our investments, which has exceeded 16.5 billion USD so far, will reach 19.5 billion USD with our ongoing investments in Turkey, the country other than Azerbaijan in which SOCAR group has made the largest investment, is also an indicator of our belief. We, as a group investing in strategic fields in Turkey, contribute to employment and production, while supporting reduction of current deficit of Turkey.

We strive to create economic, social and environmental value with the awareness that Turkey and Azerbaijan, two brother countries, are together and strong. We are now much stronger with the strategic investments we have made one after another and the integration process we have completed in refinery, petrochemistry, energy, logistics, distribution and storage.

We, as SOCAR Turkey, will continue to work and produce for the future and common welfare of Azerbaijan and Turkey as we do today. I would like to express my profound thanks to Turkish state and authorities for their great support to us, our colleagues from whom we get our greatest strength, and our stakeholders believing in us on this path we are walking with the aim of becoming the biggest industrial holding in Turkey.

MESSAGE FROM THE CEO



Zaur Gahramanov
CEO, SOCAR Turkey

Dear Stakeholders,

With the strength we get from SOCAR, the State Oil Company of the Republic of Azerbaijan that is one of the most well-established oil and gas companies in the world, we have become the largest direct foreign investor of Turkey, where we started to operate in 2008, through the projects we have realized one after another. The total amount of our investments in Turkey exceeded 16.5 billion USD with giant investments in relevant fields including Petkim, STAR Rafineri, TANAP, SOCAR Terminal, SOCAR Depolama, SOCAR Dagitim, Petkim RES, SOCAR Fiber, SCR Müşavirlik, SOCAR Enerji Ticaret, as well as Bursagaz, Kayserigaz, Enervis and Millenicom, which were brought under the umbrella of our company last year. With the aim of becoming the biggest industrial holding in Turkey and our projects to grow in the natural gas, refinery and petrochemistry industries, our total investment will reach about 19.5 billion USD.

We trust Turkey, Azerbaijan and the brotherhood of these two countries and invest in growing together. We know that we are 'strong together', and we work and produce through this approach.

With this understanding, we focused on sustainability by reviewing our priorities during the fight against COVID-19 pandemic, which affected whole world in 2020 and was quite challenging in economic, communal and social terms. Despite all the challenging times, we completed the year with full of achievements thanks to our agile structure, strong human resources and superior digital competencies.

We implemented integrated crisis management during COVID-19 pandemic

We know that ensuring business continuity in the industries where we operate is of strategic importance for our country. Therefore, we implemented an integrated crisis management in SOCAR Turkey and all group companies after the first case was reported in Turkey. Thanks to use of high technology and our digital competencies, we got organized within a short time and implemented our new operation methods ensuring both protection of the health of our employees and sustainability. We maintained our operations in the field and in all our facilities, making our production planning according to the needs of the country.

We offered uninterrupted service by focusing on the needs of Turkey during the pandemic.

During the COVID-19 pandemic in which many of the petrochemical plants and refineries around the world limited their production or ceased their activities temporarily, two of our production facilities, STAR Refinery and Petkim which were founded in integration with each other in Izmir Aliaga, operated uninterruptedly. STAR Refinery rapidly adapted to the pandemic conditions and its capacity utilization rate reached 98 percent thanks to its output elasticity. With flawless and high-quality supply of its raw material needs from STAR Refinery, Petkim focused on raw material production of packaging and medical supplies required by Turkey. SOCAR Terminal, the largest integrated container port in the Aegean Region, shaped all of its business plans with the awareness that ports play a big role in the entry of critical products such as medical supplies, medicine and food into the country. Our

companies such as TANAP, STAR Refinery, Petkim, SOCAR Terminal, Bursagaz and Kayserigaz, which are strategically important in refinery, petrochemical and natural gas distribution, produced and operated for Turkey by offering uninterrupted production and distribution services.

We maintained our investments with our natural gas distribution companies

Our new members, who joined SOCAR Turkey Family in 2019, also showed successful performance in 2020. The number of points reached by Bursagaz and Kayserigaz as part of the goal of the Ministry of Energy and Natural Resources for carrying natural gas to all parts of Turkey also increased. The natural gas consumption increased in residences as the consumers stayed at home more due to the pandemic, and Bursagaz and Kayserigaz, which always stand by the consumers in the field, offices and service points, rapidly met this increasing demand.

Our integration process has been completed

Providing direct employment for more than 5200 people, we, as SOCAR Turkey, have successfully completed the integration process in the fields of refinery, petrochemistry, energy, logistics, distribution and storage, on which we focus our strategic investments. Within this context, we took a new step to utilize our human resources effectively and increase excellence by ensuring efficiency in our business processes, and established the Integrated Business Center serving all our group companies. In addition, we realized 'Tek SOCAR, Tek Alev' (Single SOCAR, Single Flame) project, which we aim to implement in all our group companies, in Bursagaz and Kayserigaz. The logos of these subsidiaries, which are integrated with the infrastructure and innovative practices of SOCAR, were also replaced with the flame of SOCAR.

As we always say, we, as SOCAR Turkey, prioritize petrochemistry, refining and natural gas. In order to focus on our priority fields during this period, we transferred all our shares in SOCAR LNG and stepped out of this field in Turkey in 2020.

We are proud to be among the most preferred energy companies to work with. During this period in which technology was used to the fullest and capability of rapid decision-making and remote management of the teams came forefront, our human resources continued to be our major driving force.

We think that there is a significant distance to cover in the petrochemistry industry in Turkey, and we will keep investing in petrochemistry-refining-natural gas fields with the same determination in the upcoming period. With our reliance on potential and future of Turkey, we will continue to make investments, support reduction of current deficit of our country, and contribute to our economies and societies. We are ready and excited to provide all kinds of support for the developments that will further strengthen the position of Turkey in the global energy market. I would like to extend my thanks and respect to all our stakeholders who support and contribute to growth targets of SOCAR Turkey.



SOCAR TURKEY AT A GLANCE

Operating in the industries of petrochemistry, refining, natural gas, trade, transmission and distribution, the ultimate goal of SOCAR Turkey is to become the biggest industrial holding in Turkey by creating value-added chain, from crude oil to finished product, as part of the clustering model when all investments are completed.

SOCAR, largest direct foreign investor of Turkey, continues to decisively implement its strategies, which will raise the competitiveness in the energy industry to the top, as part of its investment plan of approximately 19.5 billion USD.

HEADQUARTER	
SOCAR TURKEY ENERJİ A.Ş.	Headquarter of petrochemistry, refining and natural gas operations
SOCAR TURKEY R&D AND INNOVATION A.Ş.	Innovative, sustainable, environmentally friendly and market-oriented products and technologies
SCR MÜŞAVİRLİK A.Ş.	Real estate construction and consultancy
REFINERY AND PETROCHEMISTRY BUSINESS UNIT	
PETKİM	The first and only integrated petrochemical producer in Turkey
STAR REFINERY	Diesel, jet fuel, LPG, reformat and naphtha producer
SOCAR STORAGE	Storage and operation
SOCAR DISTRIBUTION	Wholesale and retail sale of fuel, aviation and marine fuels
PETKİM WPP	Wind power plant
NATURAL GAS BUSINESS UNIT	
BURSAGAZ	Natural gas distribution company
KAYSERİGAZ	Natural gas distribution company
SOCAR ENERJİ TİCARET A.Ş.	Natural gas and electricity, trade and sales activities
ENERVİS	Energy industry service provider
PORTFOLIO MANAGEMENT BUSINESS UNIT	
SOCAR FİBER	Fiber optic line investment for electronic communication
SOCAR TERMİNAL	The largest container terminal in the Aegean Region
MİLLENİCOM	Telecommunication service provider
TANAP	The largest link of the Southern Gas Corridor that will carry natural gas of Azerbaijan to Europe



PETKİM

The first and only integrated petrochemical plant in Turkey

Founded in April 1965 and started production in 1970 with its 5 plants, Petkim today provides uninterrupted production with high capacity in its 15 main production facilities and 6 auxiliary facilities, and is the first and only integrated petrochemical plant in Turkey.

With its know-how and experience of 55 years, Petkim provides input to plastic, chemical, packaging, piping, construction, agriculture,

automotive, electricity, electronic and textile industry, as well as pharmaceutical, detergent and cosmetics industry, through nearly 60 types of petrochemical products in its portfolio. Meeting 18 percent of petrochemical raw material needs of Turkey, Petkim also contributes to meeting current deficit of Turkey. Petkim, the domestic and reliable supplier of Turkish industry, has long been holding the title of being the biggest exporter in the Aegean Region, while exporting to approximately 78 countries.

Turkey's Petrochemical Products Coverage Rate	18%
Annual Gross Production Capacity	3.6 Million Tons
Total Assets 2020	19.983 Million TL
Number of People Directly Employed 2020	2.376
Shareholding Structure	%51 SOCAR Turkey Petrokimya A.Ş., %49 Publicly-Held



STAR REFINERY

It produces strategic products in order to increase competitive power of Turkey

Established by SOCAR Turkey in Izmir Aliaga, the foundations of STAR Refinery were laid in 2011. STAR Refinery, the hugest investment by real sector in a single point in Turkey and the first refinery established by the private sector in Turkey since 1986, focuses on production of strategic products by taking into consideration the needs of economy and industry of the country.

Producing naphtha and reformate, which are important raw materials for petrochemistry industry, in addition to petroleum products such as diesel, jet fuel, LPG, sulfur and petroleum coke, which constitute important items in the current deficit, STAR Refinery was officially inaugurated on October 19, 2018. Started full-capacity production as of September 2019, STAR Refinery meets approximately 25% of the need of Turkey for processed petroleum products.

Turkey's Petrochemical Products Coverage Rate	25%
Annual Gross Production Capacity	10.6 Milyon Ton
Total Assets 2020	66.868 Milyon TL
Number of People Directly Employed 2020	1.089
Shareholding Structure	60% SOCAR Turkey Enerji A.Ş., 40% Ministry of Economy of the Republic of Azerbaijan



TANAP – Trans-Anatolian Natural Gas Pipeline

The brand-new energy source of the world

Constituting the key link of the 3,500-kilometer Southern Gas Corridor stretching from Azerbaijan to Europe, the Trans-Anatolian Natural Gas Pipeline (TANAP) is the signature of two brother countries, Turkey and Azerbaijan, appended in Anatolia.

With legal infrastructure established on June 26, 2012 and Environmental and Social Impact Assessment (ESIA)" certificate received on July 24, 2014, the foundations of TANAP were laid on March 17, 2015. Carrying natural gas to Turkey since June 2018, the TANAP Project will connect with the Trans-Adriatic Pipeline (TAP) and carry natural gas of Azerbaijan produced in Shah Deniz-2 Field and other fields located on the south of Caspian Sea to Europe.

With TANAP covering a distance of 1850 km and built on a route extending from a height of 2,760 meters above sea level on land to an underwater depth of 65 meters, 16 billion cubic meters of natural gas will be carried in the first phase. 6 billion cubic meters of this gas will be used in Turkey, while 10 billion cubic meters of it will be transmitted to Europe. The carrying capacity of the pipeline can be increased to 24 billion cubic meters, and then to 31 billion cubic meters upon realization of additional investments.

The first phase of TANAP was inaugurated with a ceremony held on June 12, 2018, and the first commercial gas flow was provided on June 30, 2018.

The inauguration ceremony for the European connection of TANAP was held on 30 November 2019.

Main line length	1.850 km
Dardanelles Strait Transition	17.5x2 (Double Pipeline)
The highest point on the pipeline route	2.760 m
The deepest point on the pipeline route	65 m
Number of people directly and indirectly employed in the project stage	13 thousand
Number of cities on TANAP route	20
Approximate investment cost	USD 6,5 billion
Shareholding structure	51% SGC (51% of SGC is held by the Ministry of Economy of the Republic of Azerbaijan, while 49% is held by the State Oil Company of the Republic of Azerbaijan) 7% SOCAR Turkey Enerji A.Ş., 30% BOTAS Boru Hatları ile Petrol Tasima A.Ş. and 12% BP Pipelines (TANAP) Limited



SOCAR TERMINAL

The largest container terminal in the Aegean Region

Established by SOCAR Turkey in Aliaga, SOCAR Terminal, the largest container terminal in the Aegean Region, is a strategic logistics base.

Established in 2010 as a fully-owned subsidiary of Petkim, Petlim started to operate to improve Petkim Port and ensure that it is operated in a more economical manner. 30 percent of shares of Petlim were acquired by Goldman Sachs, one of the world's leading investment banks, in 2014, and a strategic cooperation agreement was executed with APM Terminals in 2013 for the operation of the port.

Realized with an investment of 400 million USD, the first phase of the project was completed in December 2016, and the second phase was completed in July 2018.

After the operations were taken over by SOCAR Turkey from APM Terminalleri Liman Isletmeciligi A.Ş. in early 2019, the port started to operate under the name SOCAR Terminal in line with the vision and goals of SOCAR Turkey.

With a one-piece duck structure of 700 meters and a minimum water depth of 16 meters, SOCAR Terminal offers service with an annual container handling capacity of 1.5 million TEU to giant ships with a capacity of 18,000 TEU.

Annual Capacity	1.5 million TEU
Potential Expansion Capacity	4 million TEU
Logistics Area	42 hectares on the port reach and 6 hectares on support service area
Number of People Directly Employed 2020	300
Dock and Maneuvering Area	700 meters
General Cargo and Bulk Cargo Dock	150 meters
Cargo Dock Carrying Capacity	10 tons/ m2
Investment Value	USD 400 million
Shareholding Structure	70% Petkim, 30% Goldman Sachs



SOCAR ENERJİ TİCARET

The largest private-sector natural gas wholesale portfolio in Turkey

SOCAR Enerji Ticaret undertakes natural gas and electricity trade and sales activities of SOCAR Turkey. Offering natural gas and electricity supply services centrally to its customers through its customer-oriented service approach, experience and professionalism in portfolio management, the company provides customized solutions in the energy industry.

Providing supply security to its customers in different segments, SOCAR Enerji Ticaret closely follows the developments in Turkey, Azerbaijan and the surrounding areas, evaluates the potential supply opportunities and diversifies its portfolio continuously.

Performing natural gas and electricity sales to natural gas and electricity distribution companies, organized industrial zones and eligible consumers, SOCAR Enerji Ticaret is the largest private sector player in the natural gas wholesale market in which it has been actively operating since 2009. The volume of natural gas and electricity trade and sales of SOCAR Enerji Ticaret, which is also one of the

leading companies in electricity trade and sales, reached 19 TWh in 2020, with a total turnover amounting to 5 billion TL.

SOCAR Turkey is one of the major natural gas and electricity users in Aliaga region with its industrial facilities. The annual natural gas consumption of SOCAR Turkey facilities reached approximately 1.5 billion cubic meters, and a further increase is expected with the investments to be made in the upcoming years. In addition, taking into consideration the consumption of Bursagaz and Kayserigaz natural gas distribution companies, which were recently acquired by the company, approximately 7 percent of the consumption of the country occurs in SOCAR Turkey facilities.

SOCAR Enerji Ticaret continues to contribute to development of the natural gas and electricity markets with its experienced team, and aims to continue to seize opportunities adding additional value to Azerbaijan and Turkish economy, and to increase its supply opportunities by taking into account the increasing market share.

Sales Volume	19 TWh
Total Revenue	5 Billion TL
Shareholding Structure	%100 SOCAR Turkey Doğal Gaz Yatırım A.Ş.



BURSAGAZ

Established by BOTAS in 1992 for natural gas distribution, Bursagaz was privatized in 2004. Bursagaz, the majority shares of which were acquired by SOCAR Turkey Enerji A.Ş. in 2019, put into action model practices in Turkey as the third largest natural gas distribution company in Turkey with more than 1 million subscribers and a technology-oriented management approach. Breaking new grounds in the relevant industry, Bursagaz was recognized as Turkey's Best Employer in 2014 as part of Great Place to Work - Turkey's "Best Employer Awards", and was awarded the LEED Platinum Certificate for its environment-friendly headquarter building.

Operating continuously to ensure natural gas delivery to all the regions within its license area and focusing on increasing customer satisfaction, the network length of the company reached 6,982 kilometers as of the end of 2020. As part of its vision of "becoming a world-class company", Bursagaz continues to implement its strategies in accordance with the international standards included in the existing management systems.

Network Length	6.982 km
Number of People Directly Employed 2020	284
Number of Independent Units	1.073.174
Investment Value	TL 1.008 billion
Shareholding Structure	80% SOCAR Turkey Enerji A.Ş., 10% Çalık Holding, 10% Metropolitan Municipality of Bursa



KAYSERİGAZ

Kayserigaz started operating in 2003 as part of the scope of the first natural gas distribution tender held by Energy Market Regulatory Board (EMRB) in Turkey. Kayserigaz, one of the key players in Turkish energy industry, provides natural gas distribution, transmission and marketing services in Kayseri, and has multiple contributions to development of Kayseri through its reliable and innovative services.

Increasing the number of its subscribers every year, the company also increased the Number of Independent Units, which was 20,000 in 2004, to 573,862 BBS by the end of 2020. With one of the cutting-edge natural gas distribution networks in Turkey, the company reached a network size of 5,373 kilometers. Continuing to operate under the umbrella of SOCAR Turkey since 2019, Kayserigaz provided a total of 700,762,652 standard cubic meters of natural gas to its subscribers in 2020.

With the SCADA system integrated into its network, the company can control the existing line from a single point, and ensures immediate intervention in possible emergency situations without loss of time and workforce. The customer satisfaction rate of Kayserigaz, the first company to hold ISO 10002, ISO 31000 and ISO 45001 certificates, is 95%.

Network Length	5.373 km
Number of Independent Units	573.862
Investment Value	TL 465.3 million
Number of People Directly Employed 2020	157
Shareholding Structure	80% SOCAR Turkey Enerji A.Ş., 10% Çalık Holding, 10% Metropolitan Municipality of Kayseri



ENERVIS

Istanbul, the company, all shares of which were acquired by SOCAR Turkey Enerji A.Ş. in 2019, continues to offer holistic services in cooperation with the branches in Bursa and Kayseri.

The services with high-added value offered by Enervis to its customers are as follows:

- Consultancy for energy efficiency in the industry and buildings and related applications,
- Consultancy for ISO 50001 Energy Management System,
- Consultancy for renewable energy systems, and related practices,
- Technical-professional training,
- Activities for natural gas infrastructure construction service
- Indoor installation control, meter calibration, meter reading, gas cut on/off operations

Enervis, a leading company in the energy services sector in Turkey, delivers its environment-friendly, efficient and high-quality products and solutions to its customers by utilizing the synergy and cooperation between the group companies of which it is a member, its sector-specific know-how and competent human resources, and creates enduring value.

Taking achievement of the national target of increasing the energy efficiency by 20%, which is one of targets of Turkey for 2023, as a mission, Enervis supports Turkish industrialists in efficient use of resources by industrial enterprises and generation of energy from green energy sources.

Number of People Directly Employed 2020	349
Shareholding Structure	%100 SOCAR Turkey Enerji A.Ş.

SOCAR DISTRIBUTION

Target of high market share in the energy distribution field

SOCAR Distribution was established to carry out the operations of SOCAR Turkey Enerji A.Ş. in the energy distribution sector.

SOCAR Distribution operates in wholesale and retail sales of fuel, aircraft and marine fuel, and it operates under the brands SOCAR in the fuel distribution sector, SOCAR MARINE in marine fuel market, and SOCAR AVIATION in aviation fuel market.

SOCAR Aviation

Entering the aviation industry in 2013, SOCAR AVIATION executed an important agreement with Pegasus Airlines at Istanbul Sabiha Gokcen Airport and initiated its first aircraft refueling operations, and continued to grow with the supplies it provided to the leading global airline companies in the industry. SOCAR AVIATION started to meet partial fuel needs of Turkish Airlines at Ataturk Airport, which is currently closed, and refueling needs of Izmir Adnan Menderes and Bodrum Airports in 2016.

In 2019, half of the consumption volume of Turkish Airlines at Sabiha Gokcen Airport and fuel consumption at Izmir, Bodrum, Antalya and Dalaman Airports were again met by SOCAR AVIATION.

SOCAR AVIATION started operating its own aviation facilities at Izmir Adnan Menderes and Milas Bodrum airports after winning the tenders held by DGSAA. As of 2020, aircraft fueling services are provided through SOCAR's own infrastructure, and the operations in Milas Bodrum and Izmir Adnan Menderes also represent the first aviation refueling facilities of SOCAR in the world.

With its own facilities in Izmir and Bodrum, SOCAR AVIATION is engaged in aviation fuel sales in all major ports of Turkey such as Istanbul Airport, Sabiha Gokcen Airport, Antalya Airport, Esenboga Airport, Dalaman Airport, Adana Airport and Trabzon Airport.

SOCAR Marine

Started operating in 2013, SOCAR MARINE contributes to development of maritime sector with its wide customer portfolio ranging from international maritime companies to domestic shipowner companies, high experience, maritime personnel, structure with quick response to needs and superior product and service concept, while providing significant foreign exchange inflow for the economy of the country through its operations.

Enabling supply of all marine fuels with different specifications in Iskenderun and Mersin regions for the first time, SOCAR MARINE led introduction of the region to international marine fuel market. With a total storage capacity of 113,000 cubic meters, including a storage capacity of 87.000 cubic meters in the Gulf of Izmit, 21,000 cubic meters in the Gulf of Iskenderun and 5,000 cubic meters in Aliaga region, and 14 sea tankers, SOCAR MARINE left its competitors behind by creating the strongest refueling network in Turkey with a transit marine fuel sales of 700,000 tons/year, and is the market leader.

Continuing to grow rapidly, SOCAR MARINE started marine fuel sales from SOCAR Storage terminal for the first time in 2019 as part of transit and export, and took the first steps for Izmir region to gain a strong position in the international marine fuel market.

Beside its physical fuel supplies, SOCAR MARINE increases the power of SOCAR brand in international arena with marine refueling at all international ports, from Gibraltar to Singapore and from Rotterdam to South Africa, as part of international marine fuel trade.

Rising to prominence with its operational efficiency, industry-specific experience and customer orientation since it started operating in 2013 and setting maintaining its strong position as its primary target, SOCAR MARINE serves its customers all over the world.

SOCAR MARINE, which will start domestic marine fuel sales with tax in 2021 as part of STAR Refinery integration, aims to demonstrate the measurable success it achieved in transit marine fuel sales in the domestic market as soon as possible.

With its outstanding performance in both sales and operations, SOCAR MARINE crowned its success with the award received in 'Logistics and Ship Fueling Category' at the 12th International Golden Anchor Maritime Success Awards held recently.

SOCAR Fuel Sales

SOCAR Fuel Sales, a company engaged in wholesale and retail fuel sales from all critical production/storage points across Turkey, realized a sales volume of over 900,000 tons in 2020, and expanded its dealer network across Turkey with 65 dealers.

As part of its wholesale fuel sales activities, SOCAR Fuel Sales completed execution of agreements to provide fuel supply to dealers, which are mostly located in the Aegean Region, from every point across Turkey, in order to increase the sales force of STAR Refinery in the Aegean Region. With the fuel supply agreements executed with the largest distribution companies in Turkey, fuel supply from the storages in Derince, Aliaga, Kirikkale, Mersin, Antalya, Marmara Ereglisi, Trabzon, Samsun and Dortyol started to be provided.

For retail fuel sales activities, SOCAR fuel sales won the tender for 9 fuel stations at Istanbul Airport, the first phase of which was inaugurated on October 29, 2018, as part of its strategy to take part in giant projects of Turkey. The new fuel stations, located in the airport zone and apron, started to operate to meet the fuel demands of consumers, car rental companies, taxis and airport vehicles. Thus, SOCAR fuel sales started to serve directly the consumers on an area of 16.280 square meters in the world's largest airport with a capacity of transporting 200 million passengers a year.

As part of the same strategy, SOCAR Fuel Sales initiated the fuel station projects for Northern Marmara Motorway (KMO) and Menemen-Aliaga-Candarli Motorway (IKA). Two SOCAR fuel stations, located opposite of each other at a strategic point of Northern Marmara Highway in the south of Izmir Highway, started to operate in February 2020. In addition to their strategic locations on the highway, SOCAR stations will be located near the first Informatics Valley to be established in Turkey.

The installation of the SOCAR station, which will carry out fuel sales to the trucks transporting export products, at Yalova Port, one of the border gates of Turkey opening to abroad, was also completed. Yalova RORO station operates as one of the five gateways enabling opening of international maritime trade operations of Turkey to the world. In addition, the tender held for building two SOCAR fuel stations located opposite of each other at Aliaga exit of Menemen-Candarli Highway was won, and the stations started to operate in July 2020 after intensive construction activities.

SOCAR FIBER

Strategic infrastructure investment by SOCAR

SOCAR Turkey Enerji A.Ş. founded SOCAR Turkey Fiber Optic A.Ş. on May 8, 2013 in order to meet the need for fiber optic communication infrastructure due to the constant increase in IP traffic and rise in the importance of speed in communication.

Holding the Infrastructure Operations Service license issued by the Information Technologies and Communications Authority on July 22, 2014, the company added a new element to the value chain of SOCAR as an optical infrastructure investment.

The founding purpose of SOCAR Fiber can be summarized as utilizing global potential in the telecommunications sector and offering backbone network services to operators for all means of electronic communication and fast Internet access. With this project designed as a fiber optic line with a length of approximately 1,850 kilometers to cross Turkey from east to west, SOCAR Fiber aims to contribute to the services, such as additional capacity and line backup, of operators and other telecommunication companies operating in the region and across the world.

Starting from Georgian border in eastern Turkey and ending at Greek border in western Turkey, SOCAR Fiber network crosses through 20 provinces and 67 districts in Turkey. The security of the line, Network Operation Centers of which are located in Ankara and Eskisehir, is ensured by 2 separate fiber optic cables in 2 separate channel systems along the fiber optic route.

A backup fiber optic line service is provided to TANAP over SOCAR Fiber line, which crosses Turkey on an east-west axis. Furthermore, negotiations on business development to contribute to the services, such as additional capacity and line backup, of operators operating in Turkey and the region and other telecommunication companies are still ongoing.

Length of Line	Approximately 1.850 km
Route Covered	20 provinces and 67 districts
Investment Value	EUR 80 million
Shareholding Structure	100% SOCAR Turkey Enerji A.Ş.



MİLLENİCOM

Founded in 2004 with the target of becoming the leading alternative operator in the liberalized Turkish telecommunication market, Millenicom started to offer service under the umbrella of SOCAR Turkey as of June 2019. Pioneering the alternative telecommunication sector in Turkey and offering various telecommunication and communication services to more than 260 thousand customers, Millenicom connects its users to the world through affordable, advantageous, smooth and high-quality Internet.

Millenicom offers fixed Internet and fixed telephone services to its individual customers with ADSL, VDSL, FIBER options, while providing advantages such as quota-free, unlimited Internet at attractive prices without contract, and 24/7 call center support. Millenicom aims to keep customer satisfaction at top level by meeting the needs of its existing customers in the best manner.

Offering affordable and life-easing cloud solutions, which improve the business quality, and IP-based high-quality sound in addition to fixed internet and telephone services for its corporate customers, Millenicom expands its product and services in accordance with the needs of its customers, through new product development activities and collaborations.

The company came "First in the Category of Alternative Operator Service of the Year" in the survey by Bilisim 500 in 2017 and "Third in Communication Services Sector" in the survey of Top 500 Service Exporters in Turkey in 2018 and 2019, and achieved significant successes within a short time.

Number of People Directly Employed 2020	561
Shareholding Structure	%100 SOCAR Turkey Enerji A.Ş.



SOCAR STORAGE

One of the largest storage facilities in Turkey

SOCAR Storage started to operate in 2016 to form the storage and operation link of energy chain of SOCAR Turkey.

Carrying out activities such as storage of fuel oil and liquefied petroleum gas (LPG) in the tanks, operations for filling of land and sea tankers, and operations for discharge from sea tankers to tanks in accordance with the national and international standards, SOCAR Depolama is the only storage facility in the Aegean Region where fuel and LPG are handled in a single place, and also provides the advantage of supply through pipelines from two separate refineries at the same time.

Located in Aliaga district of Izmir, SOCAR Storage Depolama is the largest terminal in the Aegean Region with a storage capacity of 532 thousand cubic meters of fuel oil and 45 thousand cubic meters of LPG, and is one of the 5 largest storage facilities in Turkey.

SOCAR Depolama facility will raise its operational capability to higher levels after completion of the project of pier expansion designed.

New investments to increase the capacity in the storage facility

With the awareness that storage activities play an important role in the value chain, SOCAR Turkey also utilizes the opportunities in the market in this respect. Being aware of the fact that its products will not be limited to Aliaga region, but will serve whole Turkey, the company set up the infrastructure and systems needed in this respect. Within this context, a tank capacity of 327,000 cubic meters was created in the first phase of the investment process initiated, and the project was completed in 2019.

Increases in the capacity of the storage facility not only provide flexibility to SOCAR Turkey in its production and general operational processes, but also facilitate the access to wider geographies in the country and enable margin protection. Integrated to STAR Refinery, which started to operate in 2018, through pipelines, SOCAR Depolama facility enables increase in the operational flexibility and efficiency of the refinery thanks to its high capacity.

Fuel Oil Storage Capacity	532.000 cubic meters
LPG Storage Capacity	45.000 cubic meters
Number of People Directly Employed 2020	73
Shareholding Structure	100% SOCAR Turkey Enerji A.Ş.



PETKİM RES

An important project in the field of renewable energy

Petkim Wind Power Plant (WPP), a project realized by SOCAR Turkey in the field of renewable energy, holds a mechanical power of 51 megawatts. With an investment cost of 55 million Euros, the project plays an important role in meeting the energy demand of Petkim depending on overall energy system of Turkey.

Having started to contribute to the increase in renewable energy capacity of Turkey and reduction of carbon emission after its commissioning, Petkim WPP increased the electricity generation capacity of Petkim by 22 percent.

Petkim WPP project was launched in 2014 in order to increase the energy security of Petkim, reduce its energy costs included in the production costs, and meet some of the electricity demand arising in production through environment-friendly renewable energy sources. Installation of all turbines of Petkim WPP, which is located on Petkim peninsula in Izmir Aliaga and consists of 17 turbines, was completed as of the end of 2017.

Investment Amount	EUR 55 million
Total Mechanical Power	51 MW
Annual Electrical Energy Planned to be Generated	200 GWh
Number of Turbines	17



REAL ESTATE INVESTMENTS

Execution and inspection of the processes with respect to design, comprehensive renovation and construction of management premises, management of all immovables and licensing processes of infrastructure and superstructure projects realized within "SOCAR Turkey Enerji Anonim Sirketi Private Industrial Zone", which is situated on an area of 1,453 hectares in Aliaga district of Izmir and was announced as the first private industrial zone in Turkey in accordance with the Presidential Decree dated October 19, 2018 and numbered 190, are undertaken by SCR Musavirlik ve Insaat A.Ş. on behalf of all SOCAR Turkey group companies.

Upon completion of the construction in 2018, Vadistanbul SOCAR Plaza with an area of approximately 24,000 square meters, SOCAR Turkey Aliaga Administration Building with an area of 30,000 square meters, and offices with an area of 11,200 square meters in total in Ankara KocTowers, which are all owned by SCR, were put into service.

In 2020, construction of SOCAR Information and Document Management Center in Aliaga Private Industrial Zone, where investments of SOCAR Turkey are settled, and building of high-security wall wire and fence on the routes designated as part of the security project were completed. In addition, planning and designing of new personnel dining premise and projects for R&D and Training Center and Logistics Center were also finalized. The former premises of head office, infirmary, communication and purchasing, which were situated on the area where the new personnel dining premise and the projects for R&D and Training Center will take place, were demolished.

With a construction area of 2,150 square meters, SOCAR Information and Document Management Center was designed to gather all informative resources, from documentation of industrial facility projects of SOCAR Turkey investments to petrochemistry and refinery operations, from corporate documentation to media archives and database management to electronic resources, under a single center, and its construction was completed in 2020.

With a construction area of 6,745 square meters and the intention of serving blue-collar employees, the new personnel dining premise was designed in accordance with modern standards with a capacity to serve 1,016 people at the same time, and the premise is planned to be completed and put into service in 2021.

Taking into account the lack of a business hotel equipped with high standards following the analyzes in Aliaga Region, construction of a hotel with 3 blocks and a total of 184 rooms on the land wholly owned by SCR was planned, and it was completed by an investor company. The investor company executed the agreements required for the hotel to serve under the umbrella of the world-famous Radisson brand. It is planned that the construction of the hotel is completed and the hotel starts operating in 2021.



R&D AND INNOVATION INVESTMENTS

Established in 2019 to communicate 51-years experience of R&D center, which was founded in 1961 in Yarimca facilities of Petkim and which continues to operate in Aliaga after the facility was moved there, in petrochemistry field to all the group companies of SOCAR Turkey, SOCAR TURKEY AR-GE ve Inovasyon A.Ş. was entitled to obtain R&D Center certificate issued by the Ministry of Industry and Technology in June 2020.

SOCAR AR-GE ve Inovasyon A.Ş. was founded to develop innovative, sustainable, environmentally friendly and market-driven products, catalyst and digital technologies for all stakeholders involved in the value chain, and to enhance the efficiency of the production processes in line with the vision of SOCAR Turkey to become an integrated energy company adding value to all stakeholders as based on economic and social responsibility. Its fields of activity involve catalyst researches, green chemistry, sustainable, clean and efficient energy, value-added products, development of new fields of application, product improvement and development of new products, digital transformation and environmental solutions.

Situated at Aliaga Refinery and Petrochemicals Business Unit complex, SOCAR R&D Center consists of 6 laboratories (Rheology, Catalyst, Polymer Characterization, Environment and Biotechnology, Chemical Analysis and Chromatography), pilot facilities with an area of 400 square meters (polymer processing, polymerization, chemical processes and catalyst testing systems) and offices.

Thanks to studies with open innovation model carried out by SOCAR R&D Center in cooperation with numerous national/international universities as part of development of university-industry collaborations, university students are provided with the opportunity to apply research results and take part in the projects.

Based on the environmental awareness of all of our group companies operating in the chain of energy, refinery and petrochemicals, SOCAR R&D Center is committed to becoming involved in the R&D and innovation projects covered by the Horizon 2020 - European Green Deal Call that aims the European Union's transition to carbon-free economy by 2050. Currently, SOCAR R&D carries out 2 European Union projects in the field of Horizon 2020 - Carbon Capture - Storage and Use (CCSU).

Established Area	1.200 square meters
Number of Researchers	24
Patent	15
Shareholding Structure	100% SOCAR Turkey Enerji A.Ş.

ABOUT SOCAR GLOBAL

Activities of SOCAR Global



EXPLORATION

- Absheron
- Bulla Deniz
- Zafar-Mashal
- Shafag-Asiman
 - Babek
 - Garabagh
- Ashrafi-Dan Ulduzu-Aypara
 - D230



PRODUCTION

- Azeri-Chirag-Gunashli (ACG)
 - Shahdeniz
 - Umid
- Bahar Gum Deniz
 - Binegedi
 - Kurovdagh
- Kursengi and Garabaghli
- Mishovdagh Kelameddin
- Muradkhanli, Jafarli and Zardab
 - Neftchala
 - Pirsahhat
 - Ramany
 - Surakhany
- South West Gobustan
 - Zigh and Hovsan



REFINING AND GAS PROCESSING

- Gas Processing Facility
- Heydar Aliyev Oil Refinery
 - STAR Refinery



PETROCHEMISTRY

- Azerikimya Production Union
 - Petkim
 - SOCAR Carbamide
 - Polypropylene Plant
- High Density Polyethylene Plant
 - SOCAR Methanol



TRANSPORTATION

- Baku Novorossiysk
 - Oil Pipeline
- Baku Supsa Oil Pipeline
- Baku-Tbilisi-Ceyhan Oil Pipeline (BTC)
- South Caucasus Natural Gas Pipeline (SCP)
 - TANAP
 - TAP
- Dubendi Terminal
 - Kulevi Terminal
- Rail Transportation
- SOCAR Terminal



SERVICES

- Azerigaz Production Union
- SOCAR Energy Ukraine
 - SOCAR Georgia Gas
- SOCAR Georgia Petroleum
 - SOCAR Petroleum
 - SOCAR Romania
 - SOCAR Trading
- SOCAR Energy Switzerland
- A1 and Pronto Oil in Austria

As an energy company offering integrated solutions, SOCAR continues to provide economic, social and environmental benefits on global scale and improve its international operations through strategic collaborations.

SOCAR&TURKEY COOPERATION

- Total amount of natural gas supplied by Azerbaijan to Turkey in 2013–2020: 58,6 billion cubic meters
- Rate of annual natural gas demand of Turkey met by Azerbaijan: 24,6%
- Duration to meet consumption of Turkey from natural gas reserves of Azerbaijan: 60 years

(For detailed information on SOCAR: www.socar.az)

Playing an important role in the future of Azerbaijan and Turkey and creating an integrated value chain in the field of energy, SOCAR is the largest direct foreign investor of Republic of Turkey.

Important investments in various parts of the world

State Oil Company of the Republic of Azerbaijan (SOCAR) was founded in 1992 to utilize the resources of Azerbaijan, one of the richest countries in the world in terms of oil and natural gas, for development on an international scale and providing global benefit.

As an energy company offering integrated solutions, SOCAR is engaged in oil and gas resources exploration, production, processing; distribution of oil, natural gas and natural gas condensates; national and international marketing of crude oil and petrochemical products and supply of natural gas in Azerbaijan.

SOCAR incorporates;

- 3 production units (oil and gas production, refinery and petrochemistry and gas distribution network), Heydar Aliyev Oil Refinery, Gas Processing Plant, Plant for Deep Sea Platform Legs;
- 2 investment partnerships (Integrated Drilling Partnership, Oil and Gas Construction Partnership),
- SOCAR Methanol,
- SOCAR Carbamide,
- Polypropylene Plant,
- High Density Polyethylene Plant,
- Oil, Natural Gas Research and Project Institute.

In addition, there are numerous subdivisions and subsidiaries operating under the umbrella of SOCAR, which makes the company one of the largest organizations in the world. Focusing on providing economic, social and environmental benefits on global scale through strategic collaborations, SOCAR rapidly boosted its international operations in this respect, and acquired assets in Turkey, Georgia, Ukraine, Romania, Switzerland and Austria.

Integrated value chain created in the field of energy

With the strategic goal of maintaining its position as a vertically integrated oil and gas company on global scale with exploration and production, logistics and refining, distribution and marketing operations, the ultimate goals of SOCAR include;

- Increasing operational efficiency through vertical integration of operations,
- Reduction of major economic risks by diversifying the investment portfolio.

Among the strategic projects carried out by SOCAR on a global scale, the investments in Turkey amounting to 19.5 billion USD are of greatest importance. Within this context, SOCAR plays an important role in the future of the two brother countries and creates an integrated value chain in the field of energy.

High contribution of oil and natural gas production to the economy

Azeri-Chirag-Gunashli (ACG) and Shahdeniz are two primary oil and gas production areas, which are of great importance for oil and gas industry of Azerbaijan. In 2020, oil production in Azerbaijan was 34.5 million tons, while natural gas production was 37.1 billion cubic meters.

The ACG oil field, where the first oil production started in 1997, is the largest oil field in Azerbaijan. As part of the project realized by ACG with an investment amounting to 43 billion USD, 520 million tons of oil and 176 billion cubic meters of natural gas have been produced so far and direct contribution to economy of Azerbaijan has reached approximately 150 billion USD.

The operations in Shahdeniz field, which plays an important role in natural gas production, are carried out in cooperation with many leading international energy companies such as BP, Petronas, TPAO, NICO, Lukoil and SGC.

As part of the Shahdeniz-2 project, natural gas has been carried to Turkey through Southern Gas Corridor since June 30, 2018. 10 billion cubic meters of natural gas is produced per year in Shahdeniz-1 field, and an additional 16 billion cubic meters of natural gas is expected to be produced each year in the second phase of the project. With a 20-kilometer-long and 7-kilometer-wide reserve, the size of Shahdeniz project is comparable to Manhattan in New York.

The Southern Gas Corridor designed to diversify the energy resources of Europe

Led by SOCAR, the Southern Gas Corridor (SGC) is one of the largest projects in Europe. With the Southern Gas Corridor project, SOCAR aims to contribute to meeting the increasing natural gas demand of Turkey and Europe.

With an investment amounting to 40 billion USD, this mega-project will contribute to the economic development of both Azerbaijan and transit countries, and connect Caspian region to Southeast Europe. Thus, the Southern Gas Corridor will cross two continents and six countries and carry natural gas to Europe, covering a distance of 3,500 kilometers.

The Southern Gas Corridor consists of four main parts: Shahdeniz Phase 2, Expansion of South Caucasus Pipeline and construction of TANAP and TAP pipelines.

South Caucasus Pipeline (SCP) connects Azerbaijan and Georgia. The total annual capacity was increased to 24,04 billion cubic meters after completion of the expansion of the pipeline, which initially had a transport capacity of 7,41 billion cubic meters.

With an investment amounting to 6,5 billion USD and crossing Turkey on an east-west axis, TANAP – Trans-Anatolian Natural Gas Pipeline is 1,850 kilometers long. The capacity of the line, which will carry 16 billion cubic meters of gas at the first stage, has the potential to be increased to 31 billion cubic meters with additional investments.

The first commercial gas produced in Shahdeniz Phase-2 field was delivered to Turkey through TANAP on June 30, 2018. The first commercial gas flow through TAP to Europe started on December 31, 2020.

Integration of business operation on global scale

With the large-scale investments made in recent years, SOCAR transformed from a local oil company into a fully-integrated international industrial force operating in all fields of oil and gas industry with offices and production facilities in different countries.

The strategy set by SOCAR for diversification of its investments in order to increase the efficiency of its operations and create added value by linking its current and potential business activities on a global scale will allow the company to reduce its reliance on crude oil and gas exports, while minimizing the risk of possible losses due to price fluctuations in international markets.

Azerikimya Production Union

Ethylene-Polyethylene Plant of Azerikimya Production Union, which consists of "Low Density Polyethylene Production Unit" (LDPE), "Isopropyl Alcohol Production Unit" and "Steam and Power Generation Complex", has been operating since 1988. In the plant where ethylene, propylene, polyethylene, pipeline gas, pipeline oil, butylene-butadiene fraction, methane-hydrogen fraction, steam, electrical energy and pure isopropyl alcohol are produced, the production is mostly exported abroad. The annual ethylene capacity of the Ethylene-Polyethylene Plant is about 300,000 tons, while the polyethylene capacity is about 135,000 tons.

In Ethylene-Polyethylene Plant, construction works for the new facility including auxiliary production facility in addition to reconstruction and modernization of existing facilities were initiated in order to provide raw materials of ethylene, propylene and hydrogen to SOCAR Polimer project, investment activities of which are ongoing and where it is planned to produce polypropylene (PP) and high density polyethylene (HDPE).

The activities within this scope include construction of a high-concentration hydrogen plant, a propanepropylene fraction processing plant and an EP-300 production management center to increase propylene yield. Another important goal of the project is to protect Caspian Sea against pollution and provide access to treated water for irrigation.

SOCAR Polymer

SOCAR Polymer is one of the largest investment projects in processing business of SOCAR. Established in 2013 to accelerate the development of chemical industry of Azerbaijan, SOCAR Polymer is a first in the country in terms of its structure and scale.

The first of the two plants, built in Sumgayit Chemical Industry Park, has been operating since July 2018 with a production capacity of 184,000 tons of polypropylene (PP). The second plant, which is planned to produce high-density polyethylene (HDPE) with a capacity of 120,000 tons, started operating in February 2019.

As part of the project, which mainly aims to replace imports and increase the export potential of the country, 25 percent of the production will be offered to the local market, while the remaining 75 percent will be exported to Turkey and other European markets. In the SOCAR Polymer Project, total investment cost of which amounts to approximately 816 million USD, 60 percent of this volume was financed externally, while 40 percent was covered by the shareholders as a contribution to the founding capital.

The plant, which will benefit from considerable tax and duty exemptions (profit, property, import VAT and other taxes) for 7 years, is expected to provide an export revenue of 6.6 billion USD over its life cycle, with 30 percent of this estimated to be net profit of the company.

3,500 people worked on site during the construction of the plant, including 500 people who were employed after it was commissioned. The experts working at the facility receive English training in order to encourage international mobility and experience exchange. SOCAR Polymer is the first project in Azerbaijan to be realized on the basis of the principle of irrevocable project financing, without the guarantee of the parent company.

With the agreements executed, SOCAR Polymer continues to collaborate with Tecnimont, an Italian engineering company, as the engineering-procurement-construction (EPC) contractor, and Fluor, another leading engineering company, as the PMC contractor in order to supervise the operations of EPC contractor.

SOCAR Carbamide

Expanding its downstream activities in order to create more added-value in the gas processing chain and bring its processing technologies to the highest environmental standards, SOCAR initiated its investment of Carbamide (Urea) Plant in this respect. The total investment cost of Carbamide Project of SOCAR, which will produce ammonia, liquid and granular carbamide with an annual production capacity of 650,000-660,000 tons upon completion of its installation, amounts up to 800 million Euros.

The plant, which started to operate in January 2019 and will meet the annual domestic demand of 150,000-200,000 tons, will export two-thirds of the production to Turkey and global markets through Black Sea. The project is expected to increase agricultural development across the country by meeting the domestic fertilizer demand and have a significant impact on the agricultural industry in Azerbaijan.

SOCAR Methanol

The Methanol plant of SOCAR, the construction of which was initiated in 2008, started methanol production in 2013 upon completion of construction of the plant. The natural gas, the main raw material in the production process of SOCAR Methanol which is the first production facility in the gas chemistry field of Azerbaijan at that time, is supplied by SOCAR.

Around 90 percent of the production of the plant is exported to European and Asian markets through logistics infrastructure of SOCAR. In SOCAR Methanol, which has an annual production capacity of 650,000 tons and where more than 400 people are employed, analytical methanol, the first consumer good, started to be produced under SOCAR brand as of 2018.

Heydar Aliyev Oil Refinery

Heydar Aliyev Oil Refinery can process 21 of 24 crude oil classes and 15 different petroleum products. Among the products processed at the facility, which meets the demand for petroleum products of Azerbaijan and exports 20-35 percent of its production include automotive gasoline, jet fuel, diesel, petroleum coke and other. The modernization efforts to increase the processing capacity of the refinery from 6 million tons to 7.5 million tons are still in progress.

All projects carried out at the Heydar Aliyev Oil Refinery are of particular importance since they have marked the beginning of a new era in the development of petrochemistry industry in Azerbaijan. Therefore, it is intended to increase final product production of small and medium-sized enterprises through intermediate product production, while creating added value for SOCAR. Increased export of petrochemical products are expected to be the driving force behind transformation of Azerbaijan into a global player in the petrochemistry industry.

SOCAR Georgia

SOCAR realized its first major international investments in the countries (Georgia and Turkey) on BTC transit route connecting Azerbaijan to Europe. SOCAR Georgia was established in Georgia, one of these countries, in 2006. In the same year, Kulevi Oil Terminal and port, wherefrom oil was transported to western markets, were acquired. More than 23 million tons of oil and petroleum products have been transported from the Terminal since it started to operate in 2008, while all products are stored in the storage areas with a total capacity of 402,000 cubic meters and consisting of 21 reservoirs.

2 of the 3 docks at the terminal serve for tanker loading and one for anchoring the auxiliary fleet, while Aframax-class tankers of up to DWT 105,000 tons (net weight tonnage) can dock at the terminal.

Loading and unloading of oil and petroleum products into tankers are carried out simultaneously at either the dock numbered 1 or 2 (or at both docks) with a capacity of up to 8,000 m³/h for oil or a capacity of up to 2,000 m³/h for diesel and a capacity of 2,000 to 4,000 m³/h for diesel fuel

SOCAR Georgia Petroleum carries out wholesale and retail sales of petroleum products of Azerbaijan and third-parties in Georgian market, where it operates 111 fuel stations, 16 service centers and 5 oil terminals, and the company employs approximately 1,500 personnel.

SOCAR Georgia Gas is engaged in the supply and distribution of natural gas, while also managing local gas network of Georgia. Georgia plays a key role as SOCAR's link to Europe and a strategic partner of Azerbaijan. Taking into consideration this situation, SOCAR has undertaken the responsibility for the operation of energy infrastructure in both Azerbaijan and Georgia. Building and renewing natural gas pipelines (total length of pipes operated is 14,908 kilometers), the company operates 40 service centers across the country. As of today, more than 592,000 customers are connected to the distribution network of SOCAR Georgia Gas and more than 2,550 people are employed.

SOCAR Trading

Having started to operate in 2007, SOCAR Trading supported establishment of a central system in Azerbaijan and distribution of Azeri Light to the world and maximization of its value. According to Boston Consulting Group and Wood Mackenzie, establishment of SOCAR Trading provided additional crude oil revenues to Azerbaijan, which amounted around 1,7-1,8 billion USD during 2008-2013.

SOCAR Trading, wholly owned by SOCAR and headquartered in Geneva, Switzerland, is a successful marketing arm of SOCAR, which ensures increase in crude oil export and third party volumes of Azerbaijan. Within this context, SOCAR Trading doubled its trade volume of third-party crude oil and petroleum products during 2016-2018.

SOCAR Trading has undertaken many ambitious projects across the world following breaking into the market of LNG trading. These include the project of LNG-to-Power in Malta, where SOCAR Trading was involved as one of the shareholders and main LNG supplier. The first LNG supply was realized to Malta in 2017 as part of the project. Upon completion of this project, LNG team of SOCAR focused on a similar project in Ivory Coast and set to work on carrying LNG to this growing African country. The company increased its volume of LNG trade more than 4 times in 2018 compared to the same period of the previous year.

SOCAR Retail Petrol Stations

SOCAR operates in both wholesale and retail markets and offers its customers superior-quality services at retail stations and a wide range of products in wholesale.

The company has 62 petrol stations operating under SOCAR brand in Ukraine, 61 "premium" retail stations in Romania, 9 petrol and 32 natural gas stations in Turkey, 111 petrol stations in Georgia, as well as 200 retail stations in Switzerland and 38 petrol stations in Azerbaijan under SOCAR brand.

In addition, SOCAR Energy Holdings (Swiss subsidiary of SOCAR) broke into Austrian retail fuel market by acquisition of more than 82 petrol stations owned by A1 company and Pronto Oil, a mineral oil trading company.

HIGHLIGHTS FROM 2020

Petkim continued to be the reliable supplier for Turkish industrialists during the COVID-19 pandemic.

Petkim, the first and only integrated petrochemical plant in Turkey, operated uninterruptedly on 24/7 basis in order to meet the demands by focusing on the raw material production of medical supplies and packaging during the fight against the COVID-19 pandemic that affected whole world. Petkim did not increase the sales prices of above-mentioned products during this critical period and continued to be the reliable supplier for Turkish industrialists during the COVID-19 pandemic.

SOCAR Turkey was recognized as the most reputable energy company of the year

The ONE Integrated Marketing Awards, where the brands and stakeholders with the highest increase in reputation during the year are recognized, were presented to the winners with a ceremony held on January 9, 2020. SOCAR Turkey was recognized as 'Reputable of the Year' in the field of energy at ONE Awards, where more than 50 categories are judged.

Petkim has been included in the 'Global Lighthouse Network' of the World Economic Forum (WEF)

Petkim has been included in the 'Global Lighthouse Network' of the World Economic Forum (WEF) in January 2020 for the Industry 4.0 standard it has achieved through its digital applications and systems. Petkim was the only company from Turkey included in the Global Lighthouse Network in 2020. This network is highly prestigious and important in that it enables comparison between companies in terms of the standard of innovative and digital applications around the world and consists of the companies best applying Industry 4.0 technologies. On this platform, Petkim was one of the 44 companies set as an example from different countries across the world with their digital applications.

STAR Refinery broke into ISO 500 at the 5th place

STAR Refinery managed to break into ISO 500 List compiled by Chamber of Industry of Istanbul based on the sales from production in 2019, at the 5th place in its first year of production with full capacity. Petkim ranked 17th in this list.

Petkim became the export champion in the Aegean Region

The "Stars of Export Award Ceremony", where the biggest exporters of the Aegean Region are judged in all the sectors and relevant sectors, was held on Monday, February 24. Among the members of the Aegean Exporters' Association, Petkim was recognized as the "Highest Exporting Company in the Chemical Industry" and "Highest Exporting Company in the Aegean Region" with its export volume of petrochemical products in 2019.

SOCAR Turkey became the export champion in the chemical industry

SOCAR Turkey, the largest foreign direct investor of Turkey, became the export champion in the general ranking at the Stars of Export Award Ceremony 2019 held by Istanbul Chemicals and Chemical Products Exporters' Association (IKMIB). SOCAR Distribution, one of the subsidiaries of SOCAR Turkey, awarded the first prize and STAR Refinery awarded the second prize for the export of "Mineral Fuels" at the ceremony held online on Tuesday, July 7.

Petkim, STAR Refinery and SOCAR Storage received "COVID-19 Safe Production Certificate"

The 'safe production' by the facilities of SOCAR Turkey in Izmir Aliaga, which has put into effect the emergency action plan during the COVID-19 pandemic and been continuing to operate at full capacity, has been certified. Following successful conclusion of the inspections carried out by the Turkish Standards Institute (TSE) at the facilities operating under SOCAR Turkey Refinery and Petrochemistry Business Unit during June 19-24, Petkim, STAR Refinery and SOCAR Storage were entitled to receive "COVID-19 Safe Production Certificate". SOCAR Turkey Refinery and Petrochemistry Business Unit became the first integrated facility in Turkey to receive 'COVID-19 Safe Production Certificate' on this scale.

ACHIEVEMENTS IN 2020, STRATEGIES AND FUTURE GOALS

2020 has been a year that will mark the world history. The new type of coronavirus, which emerged in China and affected whole world including especially Europe within a short time, left mark on all aspects of life in 2020.

The pandemic, which was announced as a 'pandemic' by the World Health Organization (WHO) in March, was followed by a period in which the healthcare system was questioned even in developed countries. The impact of the pandemic, in which personal habits and expectations changed, on the global economy was also quite severe. The countries retreating into their shells, the restrictions imposed and the international contraction resulted in disruptions in the supply chain of many enterprises. The difficulty in accessing raw materials brought the self-sufficiency of countries to a critical point, especially in medical supplies. Some countries in Europe confiscated masks and medical supplies of other countries for various reasons.

The measures taken to prevent spread of COVID-19, which started to affect also Turkey in March 2020, had impact also on many sectors in our country. The restrictions on domestic and international flights and shutdown of certain businesses slowed down the economy.

Due to remote working and distance learning, electricity and natural gas consumption in residences increased, while consumption figures in industry and business decreased. The fluctuations in exchange rates during the year also had a negative impact on the economy.

The healthcare sector in Turkey has passed the most challenging test during this period. Healthcare professionals have made selfless efforts, while Turkey have not encountered any difficulties in production and supply of masks, gloves, and sanitation products, unlike some countries.

Expecting a growth by 2.5-3 percent in the global economy in early 2020, international organizations revised the figures upon the pandemic and started to speak of a contraction up to 5 percent. In deed, the World Bank pointed out the deepest economic recession since the Second World War due to the pandemic in its Global Economic Prospects

Report issued every six months. Expecting a growth by 2.5 percent in the global economy in January 2020, the organization revised its forecasts to a contraction of 5.2 percent in June.

Underlining that the global economic outlook remains extremely uncertain due to the COVID-19 pandemic, the Organization for Economic Cooperation and Development (OECD) announced its forecast for global economic shrinkage for 2020 as 4.5 percent in September.

Among the sectors most affected by the pandemic, 'energy' was on the top of the list. Oil prices hit the lowest level in the history. In April, the price of Brent oil per barrel was below \$20. Due to the impact of oil stockpiling at low prices, 'storage' problems emerged. Following the agreement of the Organization of the Petroleum Exporting Countries (OPEC) and the OPEC+ group, comprising of Russia and cooperating countries, on extension of reduction in oil production, the prices rose slightly above 40 USD during the year. The contraction in demand and excess supply had negative impact on the refinery, petrochemistry and natural gas industry. Many refineries and petrochemical plants around the world had to reduce their capacities, and some discontinued production.

SOCAR Turkey became the point of safe production

While the world was overwhelmed by the pandemic, SOCAR Turkey had a successful period compared to its competitors across the world by focusing its investments on strategic fields in Turkey and completing its digitalization and integration processes. Production and supply of goods continued uninterrupted in Izmir Aliaga, where giant facilities of SOCAR Turkey are situated.

SOCAR Terminal, the largest integrated container port in the Aegean Region with an annual container handling capacity of 1.5 million TEU, took proactive measures due to new type of coronavirus. During this challenging period of time, SOCAR Terminal revised its business plans with the awareness that ports play a big role in the entry of critical products such as medical supplies, medicine and food into the country.

Playing a critical role in the supply of raw materials for plastics, medical and packaging industry, Petkim continued production of raw materials needed in Turkey uninterrupted. Petkim, the first and only integrated petrochemical plant in Turkey, did not encounter any supply problems in the plastics and medical industry, which it supplies raw materials from, during production of materials required for the treatment of patients and the protection of healthcare professionals. Fulfilling its responsibility by uninterruptedly meeting raw material demands of the domestic manufacturers during this period of time, Petkim met all the demands for 'non-woven polypropylene' used especially in the production of mask and coverall fabric. Optimization of its operational costs, improvement of its production processes and maximization of the number of working days through effective maintenance programs enabled Petkim to increase its profitability despite the pandemic.

The STAR Refinery, which was officially inaugurated in October 2018 and holds the title of the biggest real sector investment made in a single point in Turkey with 6.3 billion USD, had great contributions to high performance of Petkim. With its advanced technology and structure integrated with Petkim, STAR Refinery operated almost at full capacity during the challenging pandemic. While the average capacity utilization rate of the refineries in the Eastern Mediterranean was reported around 86 percent during the first nine months of 2020, such rate reached to 98 percent at STAR Refinery. Thanks to its operational flexibility, STAR Refinery started to utilize all of its capacity for diesel when the demand for jet fuel were reduced upon restrictions imposed on the aviation industry due to the pandemic. Once again thanks to its structure integrated with Petkim, it was not affected by the fluctuations in the naphtha stocks and prices around the world.

Uninterrupted service in natural gas supply and distribution

Uninterrupted gas flow to Turkey through Trans-Anatolian Natural Gas Pipeline (TANAP), the key link of Southern Gas Corridor with an investment value

amounting to 40 billion USD along with 3,500-kilometer-long South Caucasus Pipeline (SCP) stretching from Baku to Italy and Trans-Adriatic Pipeline (TAP), continued in 2020 as well. The volume of gas transported to Turkey from June 2018 until the end of 2020 reached 8.4 billion cubic meters.

Adding a new link to its value chain by acquisition of EWE Turkey Holding, which is engaged in operations of the German Energy company EWE AG Turkey, and its subsidiaries Bursagaz, Kayserigaz, Enervis, EWE Enerji and Millenicom in June 2019, SOCAR Turkey has also shown its distinction in the new fields it has broken into in 2020. The combination of long-standing experience of SOCAR in natural gas distribution in Azerbaijan and Georgia and the know-how and experience of Bursagaz and Kayserigaz pioneering the industry in Turkey has created a strong synergy in 2020. There had been a significant increase in the natural gas consumption of residential customers due to the impact of measures taken across Turkey since March as part of the fight against pandemic. Offering natural gas distribution services to approximately 1.5 million subscribers in Bursa and Kayseri, Bursagaz and Kayserigaz implemented the measures one after another in order to secure the health of their employees and subscribers, while creating solutions for the increasing demand.

Bursagaz, the third largest natural gas distribution company in Turkey, delivered natural gas to all the mountain districts within its license area by making an investment amounting to 142.5 million TL in 2020. Bringing natural gas to Keles in the last quarter of 2019, Bursagaz also brought natural gas to the districts of Orhaneli, Buyukorhan and Harmancik in 2020. Boyalica Neighborhood located in the district of Iznik also started to utilize natural gas as of August 20, 2020. With an investment amounting to 16 million TL by Bursagaz, Uludag, which plays an important role in winter tourism of Turkey, also reached natural gas, an environment-friendly and comfortable fuel, again in 2020. With an investment of 35.6 million TL in its service area until the end of 2020, Kayserigaz also built a new line of 182 km long during the year, and brought natural gas to Kurukopru with an investment amounting to 3.6 million TL and the Neighborhood of Ebic with an investment amounting to 2.5 million TL.

SOCAR Turkey AR-GE ve Inovasyon A.Ş. was established

Attaching great importance to research and development studies, SOCAR Turkey received the license of SOCAR Turkey AR-GE ve Inovasyon A.Ş., which was established on December 17, 2019, from the Ministry in June. Having realized 25 projects under the roof of its existing subsidiaries, the group initiated negotiations to become a center open to all the sectors and universities in order to address the need for allocation of more resources to R&D by real sector in Turkey.

2021 and Later

With total investments to reach 19.5 billion USD in Turkey, SOCAR Turkey contributed to production and employment in 2020, while supporting reduction of current deficit of Turkey. Operating with the 'indigenous and national' approach in Turkey, the group plans all its investments in Turkey on long-term basis. Technology investments for sustainable production will be among the major items on the agenda of SOCAR Turkey, the largest representative of petrochemistry industry operating in the refining and natural gas industry, in the future, as it was in the past.

Some of the investments of SOCAR Turkey are still in progress and at the project stage. Additional investments intended to increase the operational agility and storage capacity of STAR Refinery are still ongoing. With these additional investments, the investment value of STAR Refinery will reach 7 billion USD. With the new investments, the total product storage capacity of STAR Refinery will increase to 2.5 million cubic meters.

AWARDS

SOCAR Turkey was recognized as the most reputable energy company of the year at The ONE Awards

SOCAR Turkey was entitled to receive "Reputable of the Year Award" in the field of energy at The ONE Awards Integrated Marketing Awards, where the brands and stakeholders with the highest increase in reputation during the year are recognized. More than 50 categories were judged as part of The ONE Awards Integrated Marketing Awards, one of the important standards of the marketing industry and held by Marketing Turkey Magazine in cooperation with the research company Akademetre. In-person interviews with 1,200 people in 12 provinces were held within the scope of "Reputation and Brand Value Performance Measurement". Based on the results of the research, SOCAR Turkey had the highest increase in reputation in the field of energy during the year, and received its award at the ceremony held on January 9, 2020.

Petkim won two championships at the "Stars of Export Awards" held by Aegean Exporters' Associations

Petkim, the first and only integrated petrochemical plant in Turkey, received two awards this year again at the 'Stars of Export Award Ceremony' held by Aegean Exporters' Associations. Among the members of the Aegean Exporters' Association, Petkim was recognized as the "Highest Exporting Company in the Chemical Industry" and "Highest Exporting Company in the Aegean Region" with the volume of petrochemical product export amounting to 622 million USD in 2019. At the ceremony held on February 24, the Stars of Export awards were presented to Anar Mammadov, the Head of Refinery and Petrochemicals Business Unit of SOCAR Turkey and Petrochemistry Business Unit and General Manager of Petkim, by Erol Ayyildiz, the Governor of Izmir.

Petkim was the only company from Turkey to be selected to join the World Economic Forum (WEF) "Global Lighthouse Network", where the facilities that use Industry 4.0 technologies best in production are accepted in the world.

Petkim has taken a number of very important steps since 2018 in its digital transformation journey, which started with the goal of becoming the most digitalized. Thanks to the standards achieved in digital applications and Systems, Petkim was selected for inclusion in the 'Global Lighthouse Network' of the World Economic Forum (WEF). Petkim was the only company from Turkey to be selected to join the Global Lighthouse Network in 2020. Petkim's digital applications, exemplified in the Network, represent the highest digital application standard in its sector. Petkim took important steps in the digital transformation process in 2020, which it continues with the responsibility of being selected for the WEF - Global Lighthouse Network, with the aim of being the most digitalized company in Turkey and Azerbaijan, and with the mission of taking the leading digital application standard in its sector to the next level. It has implemented projects which ensure the widespread use of digital Technologies in many functions, especially in production, which increase production and energy efficiency with machine learning algorithms and which improve processes and strengthen infrastructures for data-based decision-making mechanisms. Petkim will continue its digitalization process with an array of new ideas and projects and will continue to advance its facilities in line with levels of digital maturity around the world, with work to ensure the maximum benefit from digital technologies, while gaining experience of new approaches and technologies in order to increase efficiency in operations, prevent unexpected stoppages and ensure automation in more processes.

TANAP collected awards

TANAP was awarded several times in the international arena for its large-

scale material supply management, and budget, time, resource, contract and risk management throughout the project.

Two awards from The Peer Awards to TANAP

It was entitled to receive double awards in early 2020 by "The Peer Awards", a UK-based organization offering considerable business value and transformational impact through its innovations and practices by providing a powerful platform to showcase interesting projects and share good practices, and awards those who are inspired by learning from others. TANAP was awarded in the categories of "Corporate Responsibility" and "Corporate Responsibility – Practical Public Projects" categories at "The Peer Awards".

"Project of the Year" Award to TANAP

Adding a new accomplishment to its achievements in international arena through its outstanding performance in project management, TANAP was awarded the first prize in the category of "Project of the Year" by US-based Project Management Institute (PMI), one of the world's largest professional associations in program and portfolio management. Creating a professional network through globally recognized standards, certificate programs, professional community activities, academic researches and courses across almost every country around the world, supporting development of professional standards in project, program and portfolio management and fully meeting Project Management Standards of PMI, TANAP was awarded "Project of the Year" for completion of the project on time and under the planned budget without compromising on safety and quality, as well as the social, economic and cultural values it created.

In addition to this award, TANAP was awarded in July in the category of "Company of the Year – Turkey 2020" by the UK-based "Global Business Outlook", which stands out with its publications on industry sectors and developments in the global business world.

Double awards to TANAP by World Commerce & Contracting, Innovation and Excellence Awards

In December, TANAP was entitled to receive the awards of EMEA (Europe, Middle East and Africa) - Delivering Social and Economic Benefit and Delivering Global, Social and Economic for its distinctive initiatives with positive impact and high standards in commercial/contract management by the US-based World Commerce & Contracting, Innovation and Excellence Awards.

U14 Female and Boy Teams of Bursa Yıldızları Basketball Club, the main sponsor of which is Bursagaz, marked Turkish and Anatolian Championships.

U14 Female and Boy Teams of Bursa Yıldızları Basketball Club, the main sponsor of which is Bursagaz, a subsidiary of SOCAR Turkey, U14 Girls and Boys Teams achieved great success in the regional championships and marked Turkish and Anatolian championships. Coming first in Bursa and holding up the championship cup without defeat, U14 Boy Team of Bursa Yıldızları qualified directly for Turkish Championship, while U14 Female Team of Bursa Yıldızları, which came second in Bursa, qualified for Anatolian Championship and was entitled to represent Bursa in the national championships. The cups and medals were presented to the teams at a ceremony held at Tofas Sports Hall on March 3, 2020.

SOCAR Turkey became the export champion in the chemical industry

SOCAR Turkey, the largest foreign direct investor of Turkey, became the export champion in the general ranking at the Stars of Export Award Ceremony 2019 held by Istanbul Chemicals and Chemical Products Exporters' Association (IKMIB).

SOCAR Distribution, one of the subsidiaries of SOCAR Turkey, awarded the first prize and STAR Refinery awarded the second prize for the export of "Mineral Fuels". Held for the fifth time in 2020, the award ceremony was held online for the first time on July 7, 2020 due to the COVID-19 pandemic.

'New Generation Development Program' won two separate awards from Stevie International Business Awards

The New Generation Development Program, which was developed by SOCAR Turkey in order to prepare the children, attending high-school and university, of the employees of SOCAR Turkey group companies for the future to increase employee commitment and contribute to the personal development of the young generation, was entitled to be awarded in two different categories by the jury of "Stevie International Business Awards", one of the most prestigious business awards in the world. Having awarded a Golden prize in the category of 'Education' and a Silver prize in the category of 'Employee Commitment', The New Generation Development Program was recognized as the 'educational campaign of the year' and appreciated by the jury members for being a unique and great program. The awards were presented at a ceremony held on December 1, 2020. 660 children in different age groups benefited from the trainings and creative activities, which were initiated face-to-face with 120 students from 4 different cities and then switched to online learning during the pandemic, representing a first in Turkey.

Golden Prize to SOCAR Turkey by Social Media Awards Turkey

As in every year, SOCAR Turkey was awarded the Golden Prize as a brand making the best use of social media in the category of energy companies at the "Social Media Awards Turkey", where 55 thousand companies from Turkey are judged.

At the Social Media Awards held by Marketing Turkey and Tick Tock Boom, the prominent companies in Turkey are judged for their performance in their social media accounts, and annual results are obtained by monthly scoring of the brands for such performance. These scores are determined through completely analytical data without the jury comments.

HUMAN RESOURCES

SOCAR Turkey regards human resources as its most important asset and builder of a sustainable future, and believes that its innovative practices in this field create added value for SOCAR brand.

Providing a safe, fair and healthy working environment equipped with ethical values, offering the practices to keep the motivation high, not only preferring qualified workforce but also being the first choice and remaining as the first choice while maintaining our corporate development, and creating human resources for future through a global approach lie in the heart of the human resources policy of SOCAR Turkey.

Believing in that each of its employees has impact on and important role to play in carrying the company into future for a growing structure, SOCAR Turkey operates with the awareness that success is directly related to the high performance displayed and to be displayed by its employees. We create our human resources in strict adherence to the principle of "assigning the right candidate to the right position" in line with our corporate values, and offer them competitive opportunities to ensure their development and high levels of motivation.

Highlights from the demographic structure of SOCAR Turkey as of the end of 2020:

- 5,247 full-time personnel are employed within the organization of SOCAR Turkey and its group companies.
- 59% of the employees of SOCAR Turkey and its group companies, which stand out with the number of well-educated employees in Turkish energy industry, have associate or higher degree, and 7% have master or PHD degree.
- The average age in SOCAR Turkey and its group companies is 39, and the average of years of service is 7.
- The female white-collar employees constitute 28% of the total white-collar employees.
- In 2020, a total of 501 personnel were employed, including 283 new employments and 218 internal transfers, within the organization of SOCAR Turkey and its group companies.

Organizational transformation program continues by accelerating

SOCAR Turkey gathered all Human Resources functions under a single roof through the transformation program it has created for upcoming periods and developed group policies involving all subsidiaries. In this context, multidimensional efforts, which include technology and digitalization, are made to set guidelines and policies and to transform them into standard practices in group companies.

Training and development activities of SOCAR Turkey help all employees to achieve their personal and professional goals.

Enabling employees to get different perspectives and expansion of their visions are among the primary elements making up the development plans at SOCAR Turkey. Beside the legally mandated trainings in SOCAR Turkey, professional and personal development trainings, which will provide the equipment that may be needed by employees, are also provided by academicians and professionals who are believed to provide a different vision, as well as in-house trainers who are experts in relevant fields. In addition, development plans are also delivered to employees in formats such as mentoring, training films, webinars and simulative training specially developed for SOCAR Turkey, three-dimensional online training offered through digital training platform, and videos, in addition to face-to-face training method, as part of the blended learning approach,

Having designed to accelerate the adaptation of new employees to the company, corporate culture and processes, the orientation program is executed with the joint participation of all the employees who will start to serve in all locations and companies. The program has been designed in a format suitable for face-to-face transference as well as for presentation on a digital platform. The program includes various layers ranging from video images to site visits and buddy support.

All SOCAR Turkey Leaders, including the CEO and senior executives, go through the development journey called "Lead Together" with the aim of getting to know and reinforcing the common leadership culture. The program, where nearly 700 company leaders take part, is an interactive activity designed with the method of learning by experience.

The program includes modules such as experience exchange of leaders, talks with experts, online meetings, mentoring, setting and realizing individual development goals, pre-/post-program inventory practices, book and movie recommendations, and TED Talk sharing.

As part of the talent management implemented throughout SOCAR Turkey and its group companies, various programs are designed to nourish the designated development areas of the target audience. Value Chain Business Simulation Program, ensuring contribution of each of the business units to the company performance and simulating the financial and operative cooperation of the refinery and petrochemical interaction under laboratory conditions and Mini MBA Programs, enriched with project assignments and industry-based virtual sessions designed under the guidance of domestic and foreign experts experienced in the energy industry and enabling the continuity of learning, can be exemplified in this category.

The training investments in SOCAR Turkey are fully recorded and reported centrally following the online processes carried out through the SOCAR Learning Center. Furthermore, all employees are provided with the opportunity to record and monitor their own development goals and plans through this platform.

SOCAR Turkey provided a support line for its employees during the pandemic

Employee Support Line received 1,928 calls from employees of SOCAR Turkey during the pandemic. 443 experts provided support to the employees in healthcare, psychology, law, healthy diet, ergonomics, technology, veterinary services and financial issues via the line offering service on 24/7 basis.

Development activities, involving also the families of the employees, were awarded across the world.

Having launched with the aim of contributing to the children of employees of SOCAR Turkey in their career journeys, the "New Generation Development Program" received two separate awards from the Stevie International Business Awards. The program, a first in Turkey, awarded a Golden prize in the category of 'Education' and a Silver prize in the category of 'Employee Commitment'. 120 children, who have graduated from the program so far, organized online events for employees' children of different age groups during the pandemic.

Employees were included in the rewarding process, which was transferred to the digital platform, with their suggestions.

"Better Together Better Rewards", the reward platform built on the corporate values of SOCAR Turkey, is used actively by all the employees. Achievements are appreciated and rewarded through fun and instructive corporate social communication platform, which is full with surprises.

New business life after the pandemic

"New working models" were among the forefront issues after the pandemic broke out. SOCAR Turkey, like many of the companies, switched to the remote working model during the pandemic. Thanks to its strong technical infrastructure and digitalized processes, SOCAR Turkey realized this transition smoothly without even the slightest negative impact on business continuity. SOCAR Turkey and its group companies plan to continue to make investments in new working models as of 2021. The working models of the company works are updated under the leadership of the senior management and in accordance with the feedbacks received from the employees. In the new period, new projects will be realized in order to keep both the efficiency of the company and the employee experience and satisfaction at the highest level.

New generation performance system

The performance management system was also redesigned in accordance with the changing working conditions and needs arisen due to the pandemic. The project team, participated by employees with many different functions, designed a content that aims to increase the communication of teams, which have to work far from each other and to facilitate following up the performance of both the employees and managers, by taking into account the results of the survey in which the opinions of all company employees were taken. In this context, a more inclusive system was developed based on "Continuous Performance" and "Continuous Feedback", which enabled employees to follow their goals throughout the year and record their current development, and included stakeholders in the evaluation process. In this way, the performance evaluations will be carried out continuously and in a more open and transparent manner in 2021 through this new system so as to support remote working model, which was initiated upon the pandemic and became the new normal over time.

CORPORATE VALUES OF SOCAR TURKEY

Trust

We gain trust through honesty, integrity, and ethical business practices. Operating under the standards based on integrity and high business ethics forms the essence of our business.

Mutual Trust

We treat others in an open, honest and transparent manner during business. We develop mutually beneficial relationships and partnerships based on trust, respect and achievement of our common goals.

Ethical Business Practices

In every effort we make, we take as an example and embrace the values and codes of ethics of SOCAR Turkey. We encourage everyone to practice these values and codes.

Transparency and Consistency

What we say is consistent with what we do. We share our opinions in an open manner and ask others to share their opinions also in an open manner to obtain efficient results. We include in our decisions and plans the people, who will be affected by such decisions and plans, and we exercise due diligence to ensure that the information is accessible, clear and concrete.

Honest Feedback

We design feedback processes for our business. We contribute to the success of others by providing a constructive feedback on time.

Agility

We forecast the changing needs of our customers, competitive market trends and opportunities. We embrace changes, move on with resilience, and strive to maintain our business focus even in rapidly changing conditions.

Adaptation to Change

We develop solutions for how to act and do business to adapt to ever-changing conditions.

Resilience

We remain resilient and maintain our high energy in order to achieve high performance standards even under challenging conditions.

Being Foresightful

We take long-term into consideration, see the big picture beyond the daily work, and make consistent predictions on sustainability of our company in order to be prepared for the future.

Inclusiveness

We know that we need people with different ideas, different strengths and different experiences for our company to be successful. We pursue different perspectives and encourage everyone to cooperate and contribute in order to achieve common goals.

Team Unity

We establish in-house collaborations and encourage effective teamwork with other groups, functions and teams in order to get results. We stand by the decisions taken by the team and support team spirit.

Valuing Diversity

We work better in a dynamic environment and establish collaborations with partners with different perspectives, experiences and styles to achieve our common goals. We strive to take the broadest perspective when sharing our opinions, offering solutions, making decisions or planning our strategies.

Sharing and Collaboration

For efficient results, we share our know-how and important information with our colleagues proactively. We do our business on the basis of the best for the company, rather than individual gains.

Passion

We are committed to our work both from our heart and mind. We do our business with strong emotions, which add meaning to our daily work. We respond new opportunities and challenges as quickly as possible with high energy and enthusiasm.

Commitment

We are strongly committed to our company goals and we do our business so as to support these goals.

Goal-Oriented

We make sure that our work is in line with the goals and objectives of our team and supports the vision of our company.

Enthusiasm and Desire to Achieve the Best

We always move forward and progress. We avail of our drive and commitment to motivate, engage and encourage others to achieve the best. We are enthusiastic to find new and ground-breaking ideas, and question and break the routines and habits, which are no longer useful.

A Perfect Workplace

We encourage a workplace making working attractive and fun. We share and celebrate achievements and successes with others.

Productivity

We hold ourselves accountable to our shareholders, customers, colleagues and society, and lead the way in creating a safe, reliable and sustainable environment wherever we operate. We focus on continuous improvement, use our time and resources in the best manner possible, and utilize the most effective and efficient processes while doing our business.

Simplicity

We always strive to simplify and improve our business processes, procedures and activities by improving ourselves and utilizing best practices.

Proper Resource Utilization

We strive to discover and implement safer, better, faster and more cost-effective ways to actualize the results. We exercise due diligence to do business that add value by proper utilization of our resources and that do not waste our energy, time and money.

OHS-E at the Heart of Every Effort We Make

We put occupational health, safety and environment (OHS-E) at the heart of every effort we make, and we take personal responsibility for the safety of ourselves and our environment. We never compromise on our commitment to prioritize OHS-E over the results of the business.

Liability

We are aware of the impact of our actions and decisions on people around us, environment and society. We embrace our business, act responsibly and attach importance to the results. We keep our promises and fulfill our commitments.

Ownership

We take personal responsibility for and own our actions. We are responsible for everything we work on and how to achieve it.

Keeping Promises

We keep our promises and fulfill our commitments. We reassure even in case of challenging commitments, and if needed, we work hard and keep our promise.

Excellence in Practice

Whatever we do, we do it well. We act professionally and strive for excellent practice. We acknowledge our mistakes and find ways to prevent recurrence of such mistakes. We report the responsibilities in a clear manner when working with others in order to improve coordination and avoid repeated labor.

OCCUPATIONAL HEALTH, SAFETY AND ENVIRONMENT (OHS&E) MANAGEMENT

OHS-E culture adapting industry best practices

Putting occupational health, safety and environmental awareness at the heart of its business strategy, SOCAR Turkey aims to ensure that its activities are always safe and efficient in every field it operates.

Providing a healthy and safe working environment by effective management of risks in line with this goal, SOCAR Turkey grounds on learnings achieved from high-hazard operations in the industry, international standards and long-standing experience, and makes investments in the light of principles and guidelines set for its corporate OHS-E Policy.

SOCAR Turkey, where its employees, the primary resource of all its activities, play an active role in occupational health, safety and environmental benefits, encourages its employees to share their ideas, take responsibility and identify risks and implement the industry best practices in a participatory and transparent environment.

Basic Operational Principles of SOCAR Turkey

Occupational Health:

Health and safety of all our employees, as well as the contractors and our neighbors, are crucial for us.

Occupational Safety:

Occupational safety is our occupational capacity. We cannot do our business without ensuring occupational safety.

Environment:

We are the devoted guardians of our natural resources. We lead the way to leave a clean environment to the next generations.

Main Principles

We, as SOCAR Turkey, believe that;

- All accidents can be prevented.
- Compliance with all OHS-E principles is a must to work at our company.
- We attach importance to our environmental responsibilities in order to achieve success.

- All employees of SOCAR Turkey, regardless of their ranks and seniority levels, are responsible for our OHS-E policy.
- We keep our promises.
- Working in compliance with our OHS-E management system and compliance with the commitments under our policy all pave the way to guarantee excellency in OHS-E.

SOCAR Turkey OHS-E Management System (SAFE - SOCAR Aims For Efficiency)

SAFE OHS-E Management System has been implemented in order to accomplish the objective set out in the OHS-E policy of SOCAR Turkey, published in 2015, and the performance of this system is continuously checked and maintained through a systematic approach.

Within the scope of SAFE OHS-E Management System, SOCAR Turkey strives to offer a superior added-value by providing a healthy and safe working environment in all areas, from offices to high-hazard fields of operation.

The proactive OHS-E approach enables monitoring regulatory compliance and following up the innovations in the field of OHS-E closely and implementation of such innovations in relevant operational areas, ensuring much more progress in OHS-E performance with each passing day. With the development of SAFE, excellency in OHS-E will continue to be the focus for SOCAR Turkey in the upcoming years.

SAFE sets out 16 basic principles and 100 expectations, which aim to achieve corporate OHS-E goals based on these principles.

16 Basic Principles of SAFE Management System

1. Regulatory Compliance
2. Leadership and Responsibility of Management
3. Risk Assessment and Management
4. Operational Responsibility
5. Contractor and Supplier Management
6. Competence, Training and Behaviors
7. Change Management
8. Facility Design and Construction

9. Environmental Assessment and Management
10. Protection of Human Health
11. Information and Documentation
12. Social Responsibility
13. Customers and Products
14. Performance Monitoring and Development
15. Incident Analysis and Prevention
16. Emergency Preparedness and Crisis Management

OHS-E VISION of SOCAR Turkey

The OHS-E vision of SOCAR Turkey consists of forming a culture embracing industry best OHS-E practices to achieve excellence in Occupational Health, Safety and Environment.

Forming a supportive and strong OHS-E culture is possible by regarding OHS-E as an essential business priority within the organization. OHS-E is regarded as an investment, rather than a cost, at SOCAR Turkey, and it is considered an important element for continuous development of the organization.

The responsibilities for performing, sharing and updating risk assessments are clearly defined in operational documentation at SOCAR Turkey, where OHS-E risks are systematically assessed and managed. Such activities are carried out by competent people, who have received training in this respect, while activities involving risks in terms of OHS-E are prioritized; action plans are developed and followed up; and the efficiency of the actions are checked, according to the assessment results.

Contractor and Supplier Management: Evaluation of the OHS-E performance of the candidate contractors and suppliers and their capability of meeting OHS-E expectations of SOCAR Turkey form an integral part of the service provider selection process.

SOCAR Turkey has assured the capability of its contractors to manage the risks that may be encountered during their operations, and contractors and suppliers are expected to fully meet OHS-E requirements. These obligations are guaranteed as set forth clearly in the contracts.

OHS-E teams in all the group companies are actively involved as control and support points in the operations of contractors and suppliers.

INFORMATION TECHNOLOGIES

The transformation, initiated by Information Technologies Integration Project in 2019 to ensure maximum value creation and to actualize efficiency targets, has continued in 2020.

Corporate practices are reshaped through the vision of Digital Transformation so as to support integrated operating model of SOCAR Turkey, manage changes in global and domestic markets, and enable functions to generate maximum efficiency. Aiming to fully update the systems forming the backbone of corporate practices through the best examples across the world, The "Project Earth" continues successfully with great support of senior management and business units of SOCAR.

The necessary digital infrastructure will be provided for SOCAR Turkey to operate in an integrated manner, and the transformation, which will support the philosophy of data-based management, will be implemented at the end of the project. The primary activities carried out in Information Technologies in 2020 are as follows:

Employee experience

Offering a single-employee experience for SOCAR employees, the HR platform was introduced by taking into consideration the world's best practices. Through this application, it is aimed to increase employee commitment by introducing additional fun and instructive functions, where achievements built on corporate values are appreciated and rewarded, in addition to basic functions such as common entity, recruitment, job orientation, performance management, training management, career management, etc.

In addition, the interface of the career page, where working conditions in the SOCAR Group are given in detail and applications for open positions are received, has also been renewed through up-to-date technologies. SOCAR employees were enabled to use the applications also in mobile devices, and agile working model was supported.

Digitalization in production units

The projects ensuring Industry 4.0 principles and the industry best practices in the world enabled integration of other production unit functions with industrial systems and corporate practices in addition to the refining operations.

In particular, it is aimed to support the production process through the innovations in maintenance and repair processes. The reflection of the synergy, created by combining the supply chain and purchasing processes, on the costs is monitored and the processes are supported by robot applications.

Digitalization in financial processes

The financial processes of SOCAR Turkey were restructured through a holistic approach in order to ensure digitalization of financial operations executed with internal and external stakeholders. In this context, utilization of instant market data in financial operations, instant integration with all banks, and efficiently involving robot employees in financial processes increased the efficiency of financial processes.

Decision-making procedures were also supported through the digital infrastructure, where the financial impacts of global and local fluctuations can be monitored in detail.

With the SOCAR Service Center, requests for Human Resources, Support Services, Information Technologies, Security, Operations Technologies, Corporate Applications and Information and Document Management started to be received through a single platform across SOCAR Turkey and its group companies, and it is aimed to create a transparent, traceable and reportable structure.

"Single" SOCAR experience through the activities for information technology infrastructure

Infrastructure, system and network consolidation activities are still ongoing across SOCAR Turkey group companies.

In this context;
▪ Petkim and STAR Refinery were equipped with single and redundant Internet connection.

- Firewall devices in Petkim network were deactivated, and the functions of these devices were transferred to the existing firewall devices.
- The VPN infrastructure used by the consultants to connect to the systems was turned into a single infrastructure and included in the central password management system. This ensured more secure, supervised and controlled access by consultants.
- The MPLS connection used for the communication between Vadistanbul Office and Aliaga Management Office was made redundant, and mutual access to web services was provided.
- Active and passive network infrastructure of STAR Refinery Administration Building, the construction of which was completed, was also completed and put into operation.
- The information technology infrastructure works required for the new main entrance gate of SOCAR Turkey Akaryakit Depolama were completed, and it was put into service.
- The infrastructure and coordination works required for the 1st phase of process camera imaging systems of Petkim were successfully completed, and the systems were put into service.
- The infrastructure works of the engineering rooms and R&D and material management warehouse offices located in the plants of electricity generation, ethylene and aromatics in Petkim were completed, and these were included in the card pass system located centrally.

Teams, new collaboration platform of Microsoft, was made available to the employees of SOCAR Turkey after all the necessary infrastructure works were completed. Teams offered more efficient and effective working opportunities especially during the remote working period. Teams mobile application, which also offers highly competent mobility features, makes it possible to work efficiently and stay online regardless of location.

- The SQL databases used throughout the group were combined to provide cost and manageability advantages, and its structure was changed to contribute to business continuity projects. The SQL server was also changed to AlwaysOn to support high availability and disaster recovery scenarios.
- Server and client patch management procedures, which are carried out regularly at certain intervals, were standardized throughout the group. Furthermore, patch management was started for the 3rd party applications.
- Initiatives on continuity of the information technologies as part of business continuity were started, and impact analyzes were performed for the existing structure, and scenarios were developed.

E-mail signatures, which were set after the integration and intended to be applied as a standard in all the group companies, were put into use on the system. Another important work for single SOCAR culture was completed.

- Internet access outside the corporate network started to be controlled for the purpose of protection of systems and information. In this context, access to websites with harmful content was also blocked for access outside the corporate network.
- A more stable and secure system was introduced for VPN connections, which have become more important upon the pandemic. This ensured endpoint security and control for security of both the computers and systems. A new system was introduced for a more comprehensive control of connections at corporate network level. In this way, all kinds of network devices started to go through stricter controls before being included in the corporate network.
- An IP address was allocated by subscription to an international organization in order to enable corporate Internet and MPLS access independently from the Internet service provider.
- The communication between Internet and data centers was made redundant through Internet and MPLS access and ISP redundancy. This ensured communication continuity as part of the information technology continuity.
- Microsoft Teams and Cisco video conferencing devices were integrated for proper management of increased online meeting demands, which allowed top managers to attend online Teams meetings through Cisco devices.
- The works for configuration of the Internet and local network infrastructure of the stations of the distribution company in accordance with the current security and infrastructure policies and standards

were initiated. In this context, SDWan technology, a new generation connection infrastructure, was used. As part of this set plan, it is aimed to ensure that all the stations use this system.

- The virtualization infrastructure was changed to SDDC (software defined data center), and the system for micro segmentation, automation, management simplicity and facility, and system security were made even stronger.

Information Security at SOCAR Turkey

The continuity of Information Security Management System, which was developed to enable implementation of information security policies throughout SOCAR Turkey under international standards and in accordance with legal requirements, was ensured, while efforts were made to consolidate information security policies, standards and procedures across the group.

"Inspection for ISO 27001 Information Security Management System Certification of STAR Rafineri A.Ş.", carried out by TSE in 2020, was successfully completed, and ISO 27001 certificate was issued. ISO 27001 Information Security Management System Certificate of Petkim Petrokimya Holding A.Ş. was also renewed.

Various briefings and announcements are released across SOCAR Turkey and its group companies to raise awareness of the employees towards information security, while regular social engineering (phishing) tests are carried out, and trainings and conferences on raising awareness towards information security are held.

The efforts to make cyber security solutions more common across the group in order to ensure end-to-end information security on business platforms continued in 2020. In this context, the efforts for two-step identity authentication, data tagging and classification, authorized account management, mobile device management, endpoint incident detection and response, installation and dissemination of data leakage prevention systems, and regular security audits and tightening were made.

In order to closely monitor security vulnerabilities published against rapidly increasing cyber threats today, automatic and centralized security scanning is carried out across SOCAR Turkey and its group companies, and security vulnerabilities detected on information systems are directed to the relevant teams and the situation of security vulnerabilities is closely monitored.

A number of projects are conducted on network and system security in order to improve the cyber security infrastructure for industrial control systems and operational technologies in the refinery and Petrochemistry Business Unit. Efforts to acquire cyber security solutions, which are customized for industrial control systems and capable of detecting anomalies, are still ongoing.

Leakage tests to see how the company would be affected in case of a real cyber attack, to test the competence of the current security controls and to take proactive measures are carried out, and required remedial actions are taken. In accordance with the "Security Analysis and Test Procedures and Principles for Industrial Control Systems Used in the Energy Industry" published by EMRA, the efforts for security analysis and tests on Industrial Control Systems (ECS) are also ongoing.

In order to improve the capability of monitoring and response against cyber attacks targeting the company, efforts to keep logs of industrial systems as part of the project of Central Security Incident Logs Management System, which was realized as to involve SOCAR Turkey and its group companies.

The efforts for installation of database logging and monitoring system are also ongoing in order to increase the security levels of the databases used in the company. Cyber intelligence resources are utilized as part of the security operation center monitoring service, while alarms for suspicious incidents are monitored on 24/7 basis and immediate response is ensured against cyber incidents. Again, in this context, new generation security technologies increasing the visibility and capability of malware detection on end-user computers started to be used, and the efforts to make it more common across the group have been completed.

CORPORATE SOCIAL RESPONSIBILITY

SOCAR Turkey realizes social responsibility projects supporting social development through multidimensional approach, and contribute to the economy of the country, while creating added value for the society. In this context, the company creates direct or indirect value for the society through long-term projects being realized with respect to environment, sports, education, health and culture and arts.

DONATIONS FOR THE COVID-19 PANDEMIC

Upon announcement of COVID-19 pandemic, SOCAR Turkey put into action an integrated crisis management and made in-house and external efforts specific to the COVID-19 period under the leadership of the senior management and under the management of Human Resources, Occupational Health and Safety, Public Relations and Corporate Communications units. In this context, it took part in social projects in cooperation with public institutions, non-governmental organizations and local administrations in parallel with the needs, while taking awareness-raising actions and carrying out internal communication activities planned specifically for this period in order to ensure health and safety of its employees. As part of collaborations, it aimed to contribute to the sustainability of social and economic life across the country, especially in the regions where it operates, by establishing collaboration with 20 institutions.

The social responsibility activities carried out by SOCAR Turkey for the COVID-19 pandemic were as follows:

- It took part in the donation campaign "Biz Bize Yeteriz Turkiyem" (We Are Self-Sufficient, Turkey), which was held to support the citizens with low-income who suffered from the pandemic, together with TANAP.

- A support fund was created together with the Ministry of National Education of Azerbaijan and the Azerbaijan Embassy in order to meet the accommodation and living needs of Azerbaijani citizens and Azerbaijani students studying in Turkey, who could not return to their country and had to stay in Turkey due to the pandemic. In this context, the basic needs of approximately 10 thousand Azerbaijani citizens, such as shelter, food and transportation, were met.

- SOCAR Turkey took part as a business partner in the projects, which contributed to the fight against the pandemic risk and offered immediate solutions to reduce the affects of the pandemic, in

the district of Aliaga in İzmir, where it carries out most of its operations. In this context, it offered large-scale support to public institutions and local administrations in the region through its donations, which mainly consisted of preventive medical supplies. As part of the collaborations established in Aliaga, surgical masks, contact-free thermometers, disposable aprons, N95 masks, tyvek coveralls, double gloves and surface disinfectants were supplied to local public institutions, healthcare and educational institutions, in addition to the support provided for distribution of food parcels to citizens aged 65 and over. Material support was provided for the production of masks, transparent face shields, aprons, laryngoscopes and face shields.

- Petkim made a donation for renovation of the emergency building of Aliaga State Hospital, which plays an important role in the fight against COVID-19 in Aliaga.

- **Corporate Donation to Koruncuk Foundation:** Attaching great importance to the education of children and youth, SOCAR Turkey participated in "İyilik Kolisi" (Favor Parcel) campaign of Koruncuk Foundation on behalf of all its employees on April 23, National Sovereignty and Children's Day. Koruncuk Favor Parcels, containing basic food, cleaning and personal care products, were donated in order to ensure that children in Koruncuk spend the pandemic at home with their families in a healthy and well manner.

- **Corporate Donation to Darussafaka Society:** The donations, which have been made on behalf of all the employees on Mother's Day and Father's Day since 2017 to Darussafaka Society, the first non-governmental organization in Turkey that was established in 1863 to provide equal opportunities in education to needy and talented children who have lost one or both of their parents, also continued in 2020. Distance learning expenses of approximately 1,000 students in Darussafaka, who switched to distance learning due to the COVID-19 pandemic, were covered.

- **Corporate Donation World Environment Day:** On behalf of all its employees, SOCAR Turkey donated a total of 5,500 saplings in Istanbul, İzmir, Bursa and Kayseri, the provinces where it operates, for "Geleceğe Nefes" (Breath For the Future) project initiated by the Ministry of Agriculture and Forestry in November 2019. As part of this project, saplings were donated to the "Saglik Kahramanlari Hatira Ormani" (Memorial Forest for Healthcare Heroes) in 81 provinces, and the donated saplings were given the names of healthcare professionals.

DONATIONS FOR EARTHQUAKE IN IZMIR

SOCAR Turkey made in-kind and cash donations to Governorship of İzmir, Metropolitan Municipality of İzmir and Disaster and Emergency Management Directorate (AFAD) to support the citizens affected by the earthquake that happened in İzmir at the end of October. In addition to these donations, SOCAR Turkey provided rent assistance to citizens whose houses were damaged in the earthquake.

EDUCATION PROJECTS

Heydar Aliyev Schools and Petkim Schools

The most prominent part of SOCAR Turkey's corporate social responsibility activities is the Heydar, which provide education to nearly 10.000 students in the provinces of Izmir, Adana, Kars, Ankara and Kocaeli.

Ankara Heydar Aliyev Middle School
Number of students: 1,800
Providing education since: 2006

İzmir-Aliğa Heydar Aliyev Technical and Industrial Vocational High School
Number of students: 720
Providing education since: 2012

Kars Heydar Aliyev Industrial Vocational High School
Number of students: 720
Providing education since: 2015

Adana-Ceyhan Heydar Aliyev Technical and Industrial Vocational High School
Number of students: 480
Providing education since: 2008

Kocaeli Petkim Primary School
Number of students: 1,500
Providing education since: 2013

İzmir Republic of Azerbaijan 100th Year School
Number of students: 898
Providing education since: 2019

Kocaeli - Körfez Petkim Middle School
Number of students: 1.587
Providing education since: 1980

İzmir - Aliğa Petkim Primary School
Number of students: 590
Providing education since: 1980

İzmir - Aliğa Gazi Primary School
Number of students: 224
Providing education since: 1980

İzmir - Aliğa Petrochemical Primary School
Number of students: 560
Providing education since: 1999

İzmir - Karşıyaka Petkim Latife Hanım Primary School
Number of students: 918
Providing education since: 2001

SOCAR Turkey continued to increase the value it adds to the society through its efforts in education again in 2020. These efforts are mainly as follows:

"Dersimiz Girişimcilik" (Our Lesson is Entrepreneurship) Project

As part of "Dersimiz Girişimcilik" (Our Lesson is Entrepreneurship) Project, entrepreneurship trainings are held for high school students, who still attend school, in order to accelerate development in its field of activity of District Directorate of National Education in Aliaga and to reduce intra-regional development differences. The project has been designed for a period of 2 years, including the academic years of 2018-2019 and 2019-2020.

As part of the project, which aims to provide information on entrepreneurship to high school students and to promote entrepreneurship, entrepreneurship trainings were provided to high school students in a total of 10 schools, 8 of which are located in Aliaga and 2 in Bornova in Izmir. Students formed teams and developed business ideas during the trainings that were in workshop format.

After completion of the workshops held in the academic year of 2019-2020, the business ideas developed by the project teams were evaluated as part of the "Business Idea Competition" by the evaluation team formed by the participation of all stakeholders, and 10 projects, which made it to the semi-finals, were determined. Then, "Business Camp Trainings" were held, where the project teams, which made it to the semi-finals, received a number of trainings to make their projects more effective.

After the Business Camp Trainings, the "Business Idea Final Competition" was held, and the projects ranking in the top were determined.

Some of the results obtained at the end of the academic year of 2019-2020, which was the second period of the project;

- Evaluations of 2,500 students about entrepreneurship were received in the project that was initiated in the academic year of 2019-2020.

- 815 students were reached in the second period of the project.

- A total of 214 hours of training was delivered to students through workshops and Business Camp Trainings as part of the project.

- 90 business ideas were developed by 815 students, and these students applied to the Business Idea Competition held after the training with 21 projects in the second year of the project.

Corporate Donation to ACEV (Mother Child Education Foundation)

Donation was made to "Hayat Dolu Bulusmalar" (Life-Affirming Meetings) program of ACEV on behalf of all the employees of SOCAR Turkey on March 8, International Women's Day, in order to emphasize the importance that SOCAR Turkey attaches to gender equality. This donation contributed to the trainings held for young women in their early stages of life to gain knowledge and awareness on issues such as personal development, individual healthcare, women's labor, rights and participation in decision making.

Kayserigaz established collaborations with universities to support education

Supporting educational activities with the awareness that the way to knowledge and experience is through well education, Kayserigaz held basic trainings on natural gas at Nuh Naci Yazgan University and Metropolitan Municipality of Kayseri by engineers and Corporate Communication Team of Kayserigaz.

Contribution to cultural development of children by Kayserigaz: Dolgi Children's Theater

With the Dolgi, the mascot of Kayserigaz that was registered in 2009, over 100,000 children were reached in Kayseri through the activities held since 2009. Numerous promotions of Dolgi were made through 3 different storybooks, 3 different theaters, English magazine, coloring and puzzle books and jigsaw puzzles for different age groups. These materials were delivered to the children in the events held.

The theater play, in which the character

voicing was designed and music was composed by a professional team and 7 characters took part with special mascot outfits, was staged in Kayseri City Theater, schools and shopping malls.

Kayserigaz informed primary school students at the Dolgi Children's Theater on issues such as "saving, methods of saving, energy, how to save energy in our homes, natural gas" during the Energy Saving Week. An Energy Week event was held at Hasan Polatkan School together with Dolgi Children's Theater in January 2020.

Educational material support to special-ed classrooms by Bursagaz

In 2018, Bursagaz, a subsidiary of SOCAR Turkey, brought in a different dimension in the project "Engelli Egitimini Kolaylastiralim, Topluma Deger Katalim" (Let's Make Education for Disabled Easier and Add Value To Society) launched in 2011. Having 115 special-ed classrooms in Bursa completely renovated as part of the project, Bursagaz renewed training sets of 40 classrooms in total with the aim of being able to touch again these renewed classrooms and meeting the needs arisen over time. In February 2020, 20 classrooms chosen among these classrooms were visited and training sets were delivered.

Project of Excellence In Education by Bursagaz

The project Excellence in Education was put into effect in order to support the efforts of Provincial Directorate of National Education in Bursa for development in Vocational and Technical Education. The experiences of Bursagaz in excellence practices were shared in the light of theoretical and practical information during the project events held with the participation of 28 teachers from the Provincial Directorate of National Education. The efforts made as part of the project, which was completed in 2020, were compiled and the project report was prepared and shared with the relevant stakeholders.



ENVIRONMENTAL PROJECTS

SOCAR Turkey carries out activities for proper use of natural resources and minimization of environmental pollution to ensure environmental sustainability.

In this context, the details on the parks built in Ankara and Istanbul in the name of Heydar Aliyev, the founding leader of Azerbaijan, and handed over to local municipalities after restoration that still regular maintenance work carried out are as follows:

Ankara Heydar Aliyev Park

District/Province:

Yenimahalle, Batikent/Ankara

Area: 97,400 m²

Starting date of construction:

January, 2012

End date of construction: February, 2014

Istanbul, Sariyer Heydar Aliyev Park

District/Province:

Kirecburnu, Sariyer/Istanbul

Area: 4,540 m²

Starting date of restoration:

November, 2017

End date of restoration: May, 2018

In addition to plant care, elimination of technical problems in the area, maintenance and daily cleaning of all areas in the park, landscaping of the parks is also carried out.

Ankara Heydar Aliyev Memorial Forest

In Heydar Aliyev Memorial Forest established in Ankara in 2010, restoration works were carried out; tree care was conducted; the forest road was repaired again and forest was bordered; 670 new pine trees were planted after the areas without trees were determined. General area cleaning, tree irrigation, trimming, disinfection and fertilization, as well as plowing, are maintained.

Other efforts of SOCAR Turkey and its subsidiaries for environment are as follows:

Azerbaijan Karabakh Memorial Forest

SOCAR Turkey donated 20,000 saplings to OGEMVAK Foundation for Forestry Development and Forest Fires Fighting Services Support in December 2020 and contributed establishment of Azerbaijan Karabakh Memorial Forest in Aliaga Samurlu in the name of the heroic Karabakh martyrs.

Social and Environmental Projects Realized As Part of TANAP Project

TANAP is a huge project that will position Turkey and Azerbaijan among the most important global players in the energy industry. In addition to extensive economic contribution of the project to both countries, great importance was attached to its environmental and social aspect. TANAP Social and Environmental Investment Programs (SEIP), which was realized in this context, is a program supporting investment and development projects implemented on TANAP route.

In addition to the studies for based on which rules and scope the investment programs would be implemented during the operational period, year 2020 stood out with successful closures of the projects, which were supported during construction.

Three different funding mechanisms were utilized in this program for which 84 million USD was allocated by TANAP during the construction period of the project.

1. Program contribution funding mechanism:

Most of the projects and protocols within the scope of this funding mechanism were completed upon the end of the construction period and the transition to the operational period. There is only a single ongoing project under this mechanism:

Protocol Signed with the Ministry of Energy and Natural Resources of the Republic of Turkey and the Ministry of National Education of the Republic of Turkey

The activities within the framework of the protocol signed for the construction of "TANAP Natural Resources Vocational and Technical Anatolian High School" in Sivas with 16 classrooms, a hostel with a capacity of 100 students, workshops and an indoor sports hall are still ongoing.

2. Direct grant funding mechanism:

"Direct Grant" is the "call for grant" method, in which TANAP SEIP determines and announces the applicants suitable for the issues in its priority areas through open invitation procedure. Around 8,500 project applications were received as part of two Calls for Grant announced along the route. As a result of administrative and technical evaluations, approximately 860 projects were deemed eligible for funding, and relevant contracts were executed. The funding provided to the projects, the operational period of which started in 2018, amounted to approximately 27.4 million USD. All of the projects were completed by 2020. Efforts to support sustainability of the projects to be deemed successful will continue during the operation period.

3. Direct investment funding mechanism:

The funding provided to the projects within the scope of the contracts executed under this funding mechanism amounted to approximately 7 million USD. Most of the projects carried out under this mechanism have been completed, and the ongoing projects are as follows:

- SERCEV (Association for Children with Cerebral Palsy) (SERÇEV) (Accessible Life from East to West Project)
- Can Sucak Candan Biseyler Foundation (Can'ınız Sag Olsun Project) and
- Animal Rescue Association (Neuter - Vaccinate - Keep Alive Project)

High energy and water saving in environment-friendly Headquarter of Bursagaz

The efforts made in Headquarter of Bursagaz, which holds Platinum LEED Certificate and was designed through a sustainable and environmentalist approach, ensured a 14 percent saving in energy consumption. This corresponds to the electrical energy consumed by 22 houses (2,400 kWh/year).

Electrical energy needs of the building, electricity consumption of which is controlled by an automation system, are partially met by solar and wind energy through solar panels and wind turbines on the roof and facade. In addition, the energy generated by the trigeneration system greatly contributes to the energy needs of the building. 148,315 kWh of electrical energy generated by trigeneration system in 2020 enabled meeting 39% of the total electricity consumption of the building. This corresponds to the electrical energy consumed by 62 houses (2,400 kWh/year). In total, energy saving obtained was equivalent to the energy consumed by 84 residences.

"The Safety of Your Family is in Your Hands" Project from Bursagaz

Carrying out various activities for safe and efficient use of natural gas and raising awareness of users in this respect, Bursagaz launched a campaign for safe natural gas use in 2015 for systematic management of the process. Every year, this campaign continues for a period starting from September until March of the next year.

Bursagaz utilizes different communication channels to systematically inform the people in Bursa and its customers about safe use of natural gas. With ongoing efforts in this respect through the concept of "Ailenizin Guvenligi Sizin Elinizde" (The Safety of Your Family is in Your Hands) since 2016, Bursagaz provides information to prevent incidents that could threaten safety of the people especially with the increasing natural gas usage during the winter.

Reaching its subscribers through its

social media accounts in addition to short message service (SMS), Bursagaz often includes safe natural gas usage in its monthly bulletins and warns its subscribers about what to do to continue using natural gas safely. In addition to all of these, public continued to be informed through bill advertisements and messages, booklets and various outdoor activities, while informative trainings and conferences were held in this respect in schools, workplaces, associations and chambers. The company will continue to make efforts on safe use of natural gas in the upcoming years.

Joint fight against air pollution by Bursagaz and Metropolitan Municipality of Bursa

In 2017, Metropolitan Municipality of Bursa and Bursagaz realized a joint project to end air pollution in Bursa. As part of the project aiming to reduce use of coal by making natural gas usage more common and to prevent air pollution, natural gas connection was introduced to the families, whose installation for conversion to natural gas was completed.

With the project, subscription fees of the households, which did not have subscription for natural gas were covered by the Metropolitan Municipality. For needy citizens who did not have natural gas installation, installation conversion was ensured, and natural gas heater and stove were delivered. In order to reduce the costs, Bursagaz did not receive any fees for project approval for the installations as part of the project. One-fifth of the security deposits set by Bursagaz were covered by Metropolitan Municipality of Bursa and the rest by Bursagaz.

The project, for which bill support amounting to 75 TL per month for each household for 4 months a year (December, January, February and March) was provided, continued in January, February and March of 2020, but then suspended due to the pandemic.

BURAK (Bursagaz Search and Rescue Team)

Bursagaz Search and Rescue Team (BURAK), established as part of the efforts for contribution to society, support AFAD teams, and manage and contribute to search and rescue operations in emergency. BURAK, the first and only in the relevant sector, participated in the urban debris search and rescue training and drill together with AFAD Provincial Directorate of Bursa in 2020. In addition, the team participated in two different desk and field disaster drills and played an active role in Earthquake Week events, as well as the events held for commemoration of Marmara Earthquake August 17. BURAK team also participated in 3 rural search activities throughout 2020.

"Safe and Efficient Use of Natural Gas" project by Kayserigaz

Kayserigaz makes efforts to inform the people in Kayseri about the vital measures to be taken during winter, in which natural gas is highly used, in order to raise awareness of the people in Kayseri. As part of the project, in 2020, campaign visuals for safe use of natural gas were used on billboards, CLP boards, bus and taxi stops in the city center and districts of Kayseri. Visuals about safe use of natural gas were also used in the surrounding of the pressure regulation (PR) stations and valve assemblies in order to inform the public. In addition, "Guide for Safe and Efficient Use of Natural Gas", compiled by Kayserigaz to inform subscribers who are familiar with natural gas, was delivered at all the subscriber points located in the districts and city center.



SPORTS PROJECTS

SOCAR Turkey offers free sports opportunities to all children aged 6-17 under the umbrella of Petkimspor Club in Aliaga, where it operates, to contribute to sports. The company aims to establish an environment where children can be happy with basketball, volleyball, football and tennis clubs that are free and open to everyone.

Petkim, one of the group companies of SOCAR Turkey, continues its social responsibility projects for Aliaga with its belief in the unifying power of sports.

Free Volleyball and Basketball Sports Schools by Petkimspor

Reflecting the importance attached by Petkim to the sport development of children and young people, Petkim Sports Club offers sports and training opportunities to sports lovers aged between 6-12. A total of 225 students, including 75 female students in volleyball and 150 male students in basketball, received free training during the winter season of 2019-2020 in Petkimspor Sports Schools.

Through the sports schools, Petkimspor can discover the children with the potential to become professional athletes, encourage the children and their families living in Aliaga in sports and raise the awareness of the society towards sports. Thus, it aims to introduce happy individuals, who are physically, mentally and psychologically healthy, and have self-confidence and well-developed life skills, to the society.

Continuing to develop sports opportunities in the district through its social investments in Aliaga, Petkim undertook the construction of three basketball courts in Aliaga Avcı Ramadan Park and made these courts available to the people in Aliaga, thus increasing the sports opportunities of young people in Aliaga who are interested in basketball.

Petkimspor has also been promoted from Turkish Basketball League to ING Basketball Super League at the end of 2019-2020 season, and hosts many critical games in Aliaga, and these accomplishments enable it to offer the residents of Aliaga an atmosphere where they can be proud of their districts.

Support to basketball by Bursagaz

With long-standing contribution to sports in order to develop life disciplines of young people through basketball and game, which is the most effective way of learning, and to make them regard sports as a habit, Bursagaz continued to support dozens of young people under the umbrella of Bursagaz Sports Club in 2020, accompanied by 3 professional trainers. Bursagaz Sports Club extended its mission and vision by being included in the joint training and planning standards with the infrastructure organization under the coordination of Petkim Sports Club in 2020. U14 female and boy teams of the sports club, which Bursagaz has supported for long years within the scope of its corporate social responsibility approach, achieved great success in Bursa championships. U14 boy team, which held up the championship cup without defeat and came first in Bursa, and U14 female team, which came second in Bursa, received their cups and medals at the ceremony held at Tofas Sports Hall. Turkey and Anatolian Championships could not be held in 2020 due to the global COVID-19 pandemic. The sports activities of the club continue in accordance with to the pandemic rules announced by official authorities.

Petkim has become the official sponsor of Boccia National Team of Turkey Physically Disabled Sports Federation

Petkim has been also supporting Boccia National Team for several years in order to raise awareness especially in inclusion of disabled people in social life and to contribute for further development of Boccia disability sport in Turkey. By a 2 year-contract (effective for 2019-2020) executed with Turkey Physically Disabled Sports Federation, Petkim has boosted the support it offers to Boccia National Team, and become the Official Sponsor of the team.

The sponsorship of the Boccia National Team of Turkey Physically Disabled Sports Federation has a special meaning for Petkim, which considers integration of people with severe disabilities into social life in their community as one of the most important indicators of the level of development of countries.

Sports and cultural events by Kayserigaz for disabled citizens

Kayserigaz has become the sponsor of wheelchair basketball team by the support it provided to Disabled Sports Club of Municipality of Melikgazi. Employees of Kayserigaz voluntarily participate in the games and support the team.

Association of Youth and Sports Club of Kayserigaz

Association of Youth and Sports Club of Kayserigaz was founded on July 24, 2020. The founding purpose of the association is to contribute to raising young people with sports culture and discipline, to represent Kayseri in national events in the best way possible, to participate in Turkish basketball second league and to train athletes for higher leagues. The basketball team is in the Turkish basketball second league. With an average age of 18, the basketball players came together from different cities of Turkey. Club management consists of the employees of Kayserigaz.



Board of Directors



Rovnag Abdullayev
Chairman of the Board of Directors

Rovnag Abdullayev graduated from Institute of Infrastructure and Civil Engineering at Moscow State University of Construction. Abdullayev, who started his career in 1989, worked as an engineer, department chief and senior engineer at "Neft Dashlari" and "28 Mayis" Oil and Gas Production Departments and the Caspian Sea Oil and Gas Construction Trust, respectively. Becoming the director of the trust in 1997, Abdullayev was appointed as the director of Baku Oil Refinery named after Heydar Aliyev in 2003. Serving as the President of SOCAR since 2005, Rovnag Abdullayev is the Chairman of the Board of Directors of SOCAR Turkey Enerji A.Ş., Petkim Petrokimya Holding A.Ş. and STAR Rafineri A.Ş.

Abdullayev, who acted as the President of Neftci Football Club from 2004 till 2008, has been the President of the Association of Football Federations Azerbaijan (AFFA) since 2008 and the President of the Azerbaijan Judo Federation since 2015. Abdullayev, a member of the New Azerbaijan Party, was elected as a member of the Milli Majlis in the third, fourth and fifth terms. Abdullayev, a member of the Committee on Natural Resources, Energy and Environment of Milli Majlis, a member of the working groups on relations with the British, Georgian and Russian parliaments, and the chairman of the working group for the Azerbaijani-Norwegian Interparliamentary Relations, has been honored with the "Victory Medal" by the resolution of the President of the Republic of Azerbaijan in 2015.



Vagif Aliyev
Deputy Chairman of the Board of Directors

Vagif Aliyev graduated from the Department of Hydraulic Engineering at Azerbaijan Construction Institute.

Vagif Aliyev, who started his career as an engineer in Construction and Assembly Department at Azer-Sea Oil Construction Trust of Caspian Sea Oil & Gas Production Union in 1981 and assumed several positions successfully, was appointed as the Head of Investments Department at SOCAR in 2005. Vagif Aliyev has also been a member of the Board of Directors of Petkim Petrokimya Holding A.Ş. since 2008, a member of the Board of Directors of SOCAR Turkey Enerji A.Ş. since 2009, and a member of the Board of Directors of STAR Rafineri A.Ş. since 2012. He served as the Chairman of the Board of Directors of Petkim Petrokimya Holding A.Ş. from 2009 till 2020, and as the Chairman of the Board of Directors of SOCAR Turkey Enerji A.Ş. and STAR Rafineri A.Ş. from 2013 till 2020. Aliyev has been serving as the Deputy Chairman of the Board of Directors of SOCAR Turkey Enerji A.Ş., Petkim Petrokimya Holding A.Ş. and STAR Rafineri A.Ş. since 2020.

Aliyev is a member of the Audit Committee and Risk Committee, which functions by direct reporting to the Board of Directors of SOCAR Turkey Enerji A.Ş.



Suleyman Gasimov
Member of the Board of Directors

Suleyman Gasimov graduated from Azerbaijan National Economy Institute (currently known as Azerbaijan State Economic University) and Academy of Public Administration, which functions under the Presidency of the Republic of Azerbaijan.

He assumed several positions in the oil and gas industry, including accountant, economist, deputy chief accountant and chief accountant from 1982 till 1991. He continued his career as chief accountant in Offshore Oil and Gas Production Unit of Khazardenizneftgas (Caspian Sea Oil and Gas) Production Unit at Azerineft (Azeri Petroleum) Oil and Gas Production Department from 1991 till 2003. Serving as the chief of department of Economics and Accounting, deputy chief and chief of department at SOCAR from 2004 till 2006, Gasimov has been serving as Vice President for Economic Issues since 2006. Having granted a "Taraggi (Progress) Medal" in 2006, the "Shohrat (Honor) Medal" and the "Second-Degree Labor Medal" in 2011 by the Republic of Azerbaijan, Gasimov holds the degree of Doctorate in Economics and has published more than 40 scientific articles. He has also been a Member of the Board of Directors of SOCAR Turkey Enerji A.Ş. since 2011, a Member of the Board of Directors of Petkim Petrokimya Holding A.Ş. since 2012, and a Member of the Board of Directors of STAR Rafineri A.Ş. since 2014. Suleyman Gasimov also holds the Chairmanship of the Audit Committee, which functions by direct reporting to the Board of Directors of SOCAR Turkey Enerji A.Ş.



Elshad Nassirov
Member of the Board of Directors

After graduating from the Department of International Relations at Moscow State Institute, Elshad Nassirov studied at the Department of Oriental Studies at Academy Institute in Moscow.

After starting his career at the Ministry of Foreign Affairs of the Soviet Union in 1987, he worked at the Embassy of Kabul and the Embassy in New Delhi. After the independence of Azerbaijan, he became a member of the permanent diplomatic mission of United Nations in Azerbaijan in 1992.

Joining SOCAR in 1997, Nassirov started to serve as Marketing and Operations General Manager and was appointed as Executive Vice President in charge of Investment and Marketing at SOCAR in 2005. He is responsible for the investments of SOCAR in the oil and gas industry in Georgia, Turkey, Ukraine, Switzerland, Malta and many other countries. Within the scope of his role, he also assumed leadership in the Southern Gas Corridor and other investment projects. Elshad Nassirov has been a Member of the Board of Directors of SOCAR Turkey Enerji A.Ş. since 2020. Nassirov has been also the Vice President of the Association of Football Federations Azerbaijan (AFFA) since 2004.



David Mammadov
Member of the Board of Directors

David Mammadov graduated from the Faculty of Chemical Technology of Oil and Gas at M.Azizbeyov Institute of Petroleum and Chemistry as a Chemical Engineer.

He started his career as an Operator in Baku Oil Refinery in 1976. Assuming several positions there, Mammadov has been the Vice President for Refining at SOCAR since 2005. Mammadov has also been a Member of the Board of Directors of SOCAR Turkey Enerji A.Ş. since 2007, a Member of the Board of Directors of Petkim Petrokimya Holding A.Ş. since 2008, and a Member of the Board of Directors of STAR Rafineri A.Ş. since 2012. Mammadov has been serving as the Deputy Chairman of the Board of Directors of Petkim Petrokimya Holding A.Ş. since 2012, and is also a member of the Early Risk Detection Committee, which functions by direct reporting to the Board of Directors of SOCAR Turkey Enerji A.Ş.



Volker Bernd Schultz
Member of the Board of Directors

Volker Bernd Schultz graduated from the Department of Chemical Engineering at the University of KwaZulu-Natal in South Africa, and earned MBA degree in Graduate School of Business at Stanford University.

Having worked for BP for 23 years in his career, Schultz assumed several positions there as Head of Strategy & Portfolio and Planning & Performance Reporting for Refining & Marketing, Business Unit Leader and Managing Director at BP Lingen Refinery, and Financial Affairs Manager and Commercial Manager at BP Amoco Yorktown Refinery. He served as the CEO of Essar Oil Stanlow Oil Refinery from 2011 till 2015. Serving as a Member of the Board of Directors of SOCAR Turkey Enerji A.Ş. since 2017, Schultz is also the Chairman of the Committee on Corporate Governance and Sustainability, which functions by direct reporting to the Board of Directors of SOCAR Turkey Enerji A.Ş.

Being a board Member of the UK Government's Industrial Development Advisory Board, Schultz also advises a variety of companies on strategy and merger and acquisition (M&A) opportunities.



Farruh Gasimov
Member of the Board of Directors

Farruh Gasimov graduated from Faculty of Law at Baku State University and earned doctorate degree at Moscow Institute of Public Administration and Law.

From 1985 till 1991, he served as a lecturer and associate professor at Baku Institute of Social Administration and Political Science. Gasimov has been serving as Vice President at Legal Department of SOCAR and Member of the Board of Directors of SOCAR Turkey Enerji A.Ş. He was a Member of the Board of Directors of Petkim Petrokimya Holding A.Ş. from 2009 till 2020, and a Member of the Board of Directors of STAR Rafineri A.Ş. from 2012 till 2020. The responsibilities of Gasimov include holding the Chairman of the Early Risk Detection Committee, which functions by direct reporting to the Board of Directors of SOCAR Turkey Enerji A.Ş., and being a Member of the Committee on Corporate Governance and Sustainability.

Senior Management



Zaur Gahramanov
CEO

Zaur Gahramanov graduated from the Department of International Economic Relations at Azerbaijan State University of Economics with a bachelor's and master's degree. He continued his academic career by studying MBA degree at the University of Chicago Booth School of Business (USA) from 2014 till 2016.

Starting his career at KPMG in the finance and tax departments, Gahramanov continued his career at Ernst & Young. After working in performance management and finance at Statoil company in Norway from 2004 till 2008, he joined SOCAR in 2008. He served as CFO at SOCAR Trading SA Switzerland until 2013. Gahramanov, who was then appointed as the Deputy Head of Investments Department of SOCAR Azerbaijan, has been serving as the CEO of SOCAR Turkey Enerji A.Ş.

Gahramanov also serves as a Member of the Board of Directors at TANAP, BOS Shelf, SOCAR Energy Switzerland and Neftci Professional Football Club, and Deputy Chairman of the International Investors Association (YASED).



Teymur Abasgulyev
Chief Financial Officer

Teymur Abasgulyev graduated from the Department of International Relations and Law at Baku State University with a bachelor's and master's degree.

He started his professional career in 1994 at the Center for Strategic and International Studies. He undertook the management of projects of various multinational and local market-leading companies in central and Eastern Europe as a senior manager and partner at PricewaterhouseCoopers from 1996 till 2003.

Abasgulyev has been serving as the Chief Financial Officer of Group Companies at SOCAR Turkey Enerji A.Ş.

Abasgulyev has been a member of the UK Association of Certified Public Accountants (FCCA) since 2002.



Sibel Ugur
Chief Human Resources and
Corporate Services

After studying at the Department of Physics at Bogaziçi University for two years, Sibel Ugur graduated from the Department of Guidance and Psychological Counseling with a bachelor's degree.

Starting her career as a psychological counselor, Ugur continued her career in the field of Human Resources (HR) after three years. She received HR Management Certificate from Continuing Education Center at Istanbul Technical University (ITU) in 1999. She served as HR Manager at Disbank from 2000 till 2005, HR Director at Fortis Bank from 2005 till 2011, and Wages and Fringe Benefits Director at TEB from 2011 till 2015. She undertook management of important projects in the field of human resources, and in particular, organizational development, performance management, remuneration and fringe benefits, and mergers and acquisitions. Continuing her career at SOCAR Turkey Enerji A.Ş. as Remuneration and Fringe Benefits Coordinator, Remuneration and Fringe Benefits Director, respectively, since 2015, Ugur has assumed the position of Head of Human Resources at SOCAR Turkey Enerji A.Ş. in 2019, respectively. Sibel Ugur has been serving as Chief Human Resources and Corporate Services since October 2020. She is also a Member of the Board of Directors of KIPLAS, Member of the Board of Directors of SOCAR Turkey Ortak Hizmetleri Yonetim A.Ş., Member of the Board of Directors of Millenicom and Member of the Committee on Employment and Skilled Labor at YASED.



Mehmet Celal Savas
Chief Legal Officer

He graduated from the Faculty of Law at Istanbul University.

He served as an assistant at the same faculty from 1989 till 1994 and as a freelance lawyer until 2000. He served as Legal Counsel at BP Turkey from 2000 till 2006. He also represented BP Turkey at the Committee on European Downstream Activities of BP as a Member of the Board of Directors. In 2006, he assumed the position of Chief Legal Counselor at Siemens Turkey, and then member of the Board and Executive Board of Directors. In 2016, he became a Member of the Board of Directors of Gebze Organized Industrial Zone on behalf of Siemens Turkey.

Serving as Chief Legal Officer at SOCAR Turkey Enerji A.Ş. since 2018, Savas also serves as a Member of the Board of Directors in some of the group companies of SOCAR Turkey.



Gunter Seymus
Head of Natural Gas Business Unit

Gunter Seymus graduated from the Department of Translation at Catholic University of Louvain in Belgium. After graduating from Louvain University in London, he earned master's degree in International Relations at King's College London.

He served in the fields of research and M&A consultancy at Datamonitor and AMR International in London from 2001 till 2007. Then, he was engaged in a biofuel investment and trading initiative in Geneva. Seymus joined SOCAR Trading SA in 2008. He undertook management of corporate planning and merger-acquisition activities until 2012 here. Then, he represented SOCAR in the Negotiation Team of Gas Export as part of Shah Deniz and Southern Gas Corridor project. He played a role in the supervision of the Trans Adriatic Pipeline construction project in the distribution company established in Zurich. Joining SOCAR Turkey in 2016, Seymus undertook management of several M&A activities and strategic projects, including the EWE Turkey Holding transaction in 2019. Seymus was appointed as the Head of Gas Business Unit in 2019 to manage these assets under SOCAR Turkey.



Anar Mammadov
Head of Refinery and Petrochemicals
Business Unit

Anar Mammadov graduated from Department of Law at Baku State University after completing medical education at Azerbaijan Medical University. He had doctorate degree on oil supply, logistics and trading at the College of Petroleum Studies in UK, and master degree in Business Administration under TRIUM Global Executive MBA.

He undertook management of Avista, the company he founded, from 1995 till 1998. He served as the Regional Director at Milio International from 1998 till 2007. He served at Arxel Carbonexis from 2007 till 2009, SOCAR Georgia from 2009 till 2014, and SOCAR Greece from 2014 till 2016 as CEO. In 2016, he assumed the position of General Manager of Petkim. In November 2019, he was appointed as the Head of Refinery and Petrochemicals Business Unit. With more than 15 years of experience in the oil and energy industry, Mammadov was awarded a Taraggi (Progress) Medal by the Presidency of Azerbaijan in 2018.



Hakan Irgit
Chief Digital Transformation Officer

Hakan Irgit graduated from the Department of Computer Information Systems and Business Administration at North Texas University.

He served in the Technology Strategies Group and Global Business Practices Group at Andersen Consulting in North America from 1996 till 2000. He undertook management of transformation projects in Budapest, London and Hague-based energy companies at Accenture Energy Group from 2001 till 2003. He undertook management of Business Intelligence Group in North America, and served energy, pharmaceutical, insurance and media companies from 2004 till 2008. He founded Accenture Turkey Oil, Gas, Infrastructure Services, Petrochemistry and Natural Resources Industry Group in 2008 and served as the Country Lead until 2018.

Irgit joined SOCAR Turkey Enerji A.Ş. in November 2018 as Chief Integration Officer. He was in charge of integration of the functions and operations of the Refinery and Petrochemistry Business Unit and the Gas Business Unit. He has been serving as the Chief Digital Transformation Officer at SOCAR Turkey Enerji A.Ş. since 2020.



Mikayil Yusifov
Chief Communications and Government Relations Officer

Mikayil Yusifov graduated from the Department of International Relations at Bilkent University. After master's degree in International Relations and Economics at Corvinus University in Hungary, he had second master's degree in European and International Relations at Vienna Diplomatic Academy in Austria.

He started his professional career in 2008 as a director at the Azerbaijan-NATO school affiliated to the Ministry of Foreign Affairs of the Republic of Azerbaijan. He served as the Head of Protocol Division at the Central Bank of Azerbaijan until 2013. He also served as a lecturer in International Relations, Security and Politics at Khazar University from 2009 till 2013.

Continuing his career at SOCAR Turkey Enerji A.Ş., he served as Protocol Manager, Chief of Staff and Executive Office Director at SOCAR Turkey Enerji A.Ş., respectively, Yusifov has assumed the position of Chief Corporate Services Officer at SOCAR Turkey Enerji A.Ş. in 2018. He has been serving as Chief Communications and Government Relations Officer since October 2020.



Emil Eminov
Head of Portfolio Management Business Unit

Emil Eminov graduated from the Department of Economics at Dokuz Eylul University. Then, he earned master's degree in Finance and Strategy at Wharton School of the University of Pennsylvania.

Starting his career at PricewaterhouseCoopers in 2000, Eminov assumed several positions such as management consultant, investment consultant, partner and co-founder in various companies from 2004 till 2012. In 2013, he assumed the position of Deputy General Manager and Project Sponsor at SOCAR Polymer plant.

Eminov has been continuing his career as Chief Investments and Projects Officer at SOCAR Turkey Enerji A.Ş. since 2016, and serving as Head of Portfolio Management Business Unit since October 2020.



Kanan Mirzayev
Chief Strategy Officer

After graduating from the Department of Finance at Azerbaijan State University of Economics, Kanan Mirzayev earned master's degree in the Department of Management of Industrial Enterprises at Aston University in UK. Continuing his education in UK, Mirzayev received a Senior Management Diploma in Business Administration at the Chartered Management Institute (CMI), and studied Leader Development program at Harvard Business School from 2019 till 2020.

Mirzayev, who was engaged in several international projects and served in the companies of SOCAR from 2004 till 2011, assumed various positions in the fields such as Business Administration, Occupational Health and Safety and Quality. Since 2011, he has assumed the positions of Occupational Health, Safety and Environment Manager at Baku Wind Energy Project, Business Analyst at Investment Department of SOCAR, Senior Business Analyst and Deputy CEO at SOCAR Energy Greece, Deputy General Manager of Strategy and Business Development at Petkim and Deputy Head of Business Excellence at Refinery and Petrochemistry Business Unit, respectively. Mirzayev has been serving as Chief Strategy Officer at SOCAR Turkey since October 2020.

CORPORATE GOVERNANCE PRACTICES

SOCAR Turkey has adopted a corporate governance approach, which reflects strong vision, well-established corporate culture, values and ethical approach of SOCAR and supports this solid structure through its compliance with laws and regulations, and implemented exemplary practices in this respect in all its fields of activity.

Petkim, the only public company of the group, is included in BIST Sustainability Index, where public companies are selected based on their approaches and practices on aspects such as environment, social responsibility, occupational health and safety, corporate governance, and transparency. Petkim became one of the 15 companies included in the Sustainability Index among companies traded on Borsa Istanbul in 2014 with its efforts based on sustainability. The company maintains its position in the index as a result of the review made in 2019.

There is an Investor Relations Department in Petkim within the scope of Capital Market Legislation, and this department ensures healthy and reliable communication between investors and the company. In addition, an information policy based on transparency and accuracy has been developed and disclosed to the public in order to ensure that the shareholders, public and other stakeholders are timely, fully, accurately and clearly informed in an equally accessible manner as per the relevant legislation.

The progress of Petkim in the corporate governance process is regularly disclosed to the public through the Reports on Compliance with Corporate Governance Principles, which are compiled as per the Capital Market Legislation and included in the annual reports. Audit Committee, Early Risk Detection Committee and Corporate Governance Committee have been established at Petkim in line with the Capital Markets Legislation and CMB Corporate Governance Principles. In addition, in line with the resolution of the Board of Directors as per the relevant CMB communiqué, the duties of the Nomination Committee and Remuneration Committee are undertaken by the Corporate Governance Committee. The website of the Group provides information about its companies, the sectors in which they operate, and relevant brands. Detailed information on public company is available in "Investor Relations".

SOCAR Turkey implements the best corporate governance practices in all its companies, except its public company, and continues to operate with the determination to create permanent and sustainable value for all its stakeholders. With the aim of producing means for more efficient corporate governance across SOCAR Turkey and its group companies, cross-functional committees have been established to enable;

- Better informed and efficient decision-making,
- Improvement of the efforts for cross-functional and cross business line coordination,
- Facilitation of information sharing, problem solving and policy development.

The committees designed in this respect are as follows:

Committees with direct reporting to the Board of Directors:

Audit Committee

The Audit Committee supervises the effectiveness and sufficiency of the internal control systems of SOCAR Turkey, the functioning of such systems and the accounting and reporting systems, the integrity of the information generated, the functioning and effectiveness of the independent auditing processes and internal audit mechanisms, as well as the compliance thereof with the corporate ethical principles, and offers advice and suggestions, for and on behalf of the Board of Directors.

Early Risk Detection Committee

The Early Risk Detection Committee offers advice and suggestions on determining, identifying, prioritizing through impact and probability assessment, monitoring and reviewing the strategic, financial, operational and other risks and opportunities, which may affect the activities of SOCAR Turkey, as well as managing and reporting these possible risks and opportunities to be exploited in parallel with the risk profile of Company, and taking into consideration thereof in decision-making mechanisms, for and on behalf of the Board of Directors.

Corporate Governance and Sustainability Committee

The Corporate Governance and Sustainability Committee offers advice and suggestions on initiatives that will ensure SOCAR Turkey holds the highest corporate governance standards, and on the development of corporate governance, for and on behalf of the Board of Directors.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee offers advice and suggestions to the Board of Directors with respect to nomination for members of board of directors and senior executives, and development of corporate governance practices regarding remuneration of members of board of directors and senior executives, for and on behalf of the Board of Directors. In addition to the committees with direct reporting to the Board of Directors, the committees supporting corporate governance activities and reporting directly to the CEO are as follows:

Executive Committee

The Executive Committee offers advice and suggestions to the Board of Directors on issues such as planning the strategy of the company at the group level, development of an integrated approach in accordance with the corporate governance principles of the organization and its mission, vision and values, and improvement of communication and coordination between business units.

Ethics and Corporate Social Responsibility Committee

The Ethics and Corporate Social Responsibility Committee offers advice and suggestions to support Executive Committee on issues such as ensuring a transparent and systematic process for appropriate ethical standards based on corporate governance principles, mission, vision and values of SOCAR Turkey, and adopting Annual Corporate Social Responsibility (CSR) Plan of SOCAR Turkey, which has been developed upon review and approval of Corporate Social Responsibility (CSR) projects and proposals based on CSR Principles.

Risk Committee

The Risk Committee offers advice and suggestions to support Executive Committee for providing oversight for all risk categories across the company, and for assessment, management and minimization of risks in accordance with the risk management policies and procedures of SOCAR Turkey in its activities.

Crisis Management Committee

The Crisis Management Committee offers advice and suggestions to support Executive Committee in providing the necessary level of response and realizing preparation activities in an effective manner against possible crises in the group companies of SOCAR Turkey, and ensuring coordination and cooperation.

Skill Committee

The Skill Committee offers advice and suggestions to supervise strategic human resources issues such as Human Resources Policy of the company, fulfillment of responsibilities in accordance with the mission, vision and values of the company, performance and skill management, succession planning, strategic skill development and remuneration standards, and to support Executive Committee.

RISK MANAGEMENT

Corporate Risk Management Practices

SOCAR Turkey and its group companies face various strategic, financial, operational and similar risks from time to time while moving towards their strategic goals and striving to ensure their own sustainability.

The Corporate Risk Management process, established so as to involve SOCAR Turkey and all its group companies for systematic management of such risks, ensured an environment, where such risks are identified, assessed and responded in the most appropriate manner by making use of the most effective and efficient techniques.

Corporate Risk Management process enables taking into consideration both the opportunities and threats. Corporate Risk Management is carried out with the coordination of the "Group Risk Committee", which has been formed at the senior management level under the supervision of the "Early Risk Detection Committee" established at the level of Board of Directors of SOCAR Turkey, and the managers in charge of said process and activity. The Risk Management function of SOCAR Turkey is responsible for development of risk policies, procedures and control mechanisms.

The risks that SOCAR Turkey Group may face are identified and assessed, and the impact and possibilities thereof are determined within the scope of Corporate Risk Management. Risk management strategies are categorized as "to be avoided", "to be transferred", "to be reduced" and "to be accepted". Each risk is managed in line with these strategies in accordance with the risk appetite.

Risks and risk management strategies are monitored by the Senior Management over periodic reports through Risk Committees. In addition, taking the necessary measures about the identified risks, taking into consideration thereof in decision-making mechanisms and establishment of effective control systems in this respect are also monitored and guided.

The changes in SOCAR Turkey and the markets in which it operates resulted in a dynamic change in the risks of the group. Therefore, the risks and risk management system are regularly and continuously reviewed.

In addition, all the employees in the group are expected to hold timely, open and transparent negotiations about risks, include risk management in the processes and activities they manage, and support the maintenance of the risk awareness culture developed.

The major risks that SOCAR Turkey and its group companies are exposed to are classified under the following main categories:

Strategic Risks:

These are the risks that may prevent the Group from reaching the goals it has set, and risks arising from the business model and corporate governance are taken into consideration under strategic risks.

Effective management of strategic risks is ensured with the goal of SOCAR Turkey for integration of 'Refinery-Petrochemistry-Energy-Logistics-Distribution-Transmission'. This vision aims a radical growth process, including raw material integration, to become one of the largest production bases in Europe.

Financial Risks:

The risks for SOCAR Turkey and its group companies, which may arise from the financial markets, especially those arising from interest rates, foreign exchange rates and commodity prices, are assessed. The national and international economic developments are continuously monitored, while necessary measures are taken by taking into consideration the impact it may have on the assets and liabilities due to any development in the economy.

Foreign exchange transactions are closely monitored against the currency risk. The exchange rate risks are managed, and when needed, financial hedging transactions are also carried out.

The interest rates in the market are monitored in order to manage interest rate risks, and the most suitable financing conditions (term and interest rates) are ensured for the group.

In addition, operational competencies are developed as much as possible against commodity price risks, while measures are taken through financial derivatives.

Operational Risks:

Operational risks can be defined as the risks that may arise from the processes, human resources, technology and infrastructure of the companies. In addition, OHS-E risks are also assessed under this category.

The operational risk studies intended for safe management of operations also aim compliance with laws and regulations and protection of physical assets.

Taking into consideration the importance of employee satisfaction in achieving the goals and strategies of the company, the principle of being employee oriented is among the values of company. In addition to investments in systems, trainings in various fields are delivered to the employees to minimize the risk of human resources.

With continuous investments and evaluation studies in information technologies, risks that may arise in this respect are managed.

Occupational Health, Safety and Environment (OHS-E) issues are among the main issues that SOCAR Turkey and its group companies focus on and prioritize. The corporate OHS-E system practices enable these risks to be strictly observed, laws and regulations to be constantly followed, while regular trainings and periodic inspections throughout the year make the operations safe.

In addition, company processes and systems are controlled so as to identify and eliminate these risks through the studies carried out by Internal Audit function of SOCAR Turkey.

External Risks:

These are the risks based on external factors, on which SOCAR Turkey and its group companies have no direct impact or only a limited impact through relevant management processes, including natural disaster risks, national and international economic and political risks and sectoral risks.

Economic and political developments are monitored through national and international publications, while studies in this respect are updated periodically.

For natural disaster risks, maximum possible measures (emergency response plans, earthquake-resistant buildings, etc.) are taken, and assets are insured against the risk.



INTERNAL AUDIT

The Internal Audit Department of SOCAR Turkey provides independent and objective assurance and consultancy and adds value to the operations of the company and all its subsidiaries, affiliates and joint ventures. The department reports directly to the Audit Committee, which functions under the Board of Directors.

The Internal Audit Department is responsible for planning, performing and reporting internal audits in the group in accordance with the generally accepted International Internal Audit Standards published by the "International Institute of Internal Auditing" ("IIA") and relevant national legislation in line with the annual audit plan approved by the Board of Directors.

In addition, Internal Audit Department is also responsible for ensuring that the senior management takes the necessary measures to eliminate the problems arising, monitor the actions taken, and coordinate and harmonize the audit activities.

In 2020, internal audits were carried out by a team consisting of 13 people in Istanbul and Izmir.

Duties and Responsibility Areas of the Internal Audit Department

- Development of internal audit policies and procedures,
- Establishment of international standards and best practices,
- Development of a risk-oriented annual internal audit plan and conduction of internal audits,
- Compiling reports including clear statements and findings on the basis of the subject and submission thereof to the Audit Committee,
- Offering advice on compliance with legislation, policies and procedures,
- Establishment of collaboration with external auditors.

Activities in 2020:

- An internal control project was designed and implemented under the sponsorship of the Internal Audit Department of SOCAR Turkey, and the internal control unit was established and started to function upon internal transfers from the internal audit team.
- Within the scope of the audit plan developed for 2020, around 40 risk-oriented audits were planned, and audit activities were carried out in line with the relevant plan under the pandemic conditions. In addition to the audit activities, consultancy activities were also carried out in accordance with the demands of the senior management.
- Periodic audits were carried out for each quarter in line with the set scope and controls, and efficiency of the relevant controls were reported.
- Efforts were made to monitor and complete the actions developed upon internal audit studies, and function-based reports regarding the status of the actions were compiled for the senior management after each control in each quarter.

COMPLIANCE ACTIVITIES

The Compliance Department is responsible for implementation of and monitoring compliance with the Code of Ethics, Anti-Bribery and Anti-Corruption Policy, as well as Trade Control Policy and related procedures. The necessary resources (labor, funds, tools and equipment) are provided for the Compliance Department to fulfill abovementioned duties.

Code of Ethics of SOCAR Turkey

Continuity of the compliance program is an important element of success for SOCAR Turkey. The values, making up the Code of Ethics of the SOCAR Turkey, consist of a number of principles and the vision, which has brought SOCAR Turkey to where it stands today and defines where it wants to reach in the future. Therefore, SOCAR Turkey has put into effect the Code of Ethics of SOCAR Turkey, which it has established with professional standards, laws and regulations, so as to be applicable for all the employees of SOCAR Turkey and its group companies. The Code of Ethics of SOCAR Turkey is regularly reviewed and updated as required. In this context, the last update was on December 30, 2020.

Every year, all the employees deliver a compliance statement confirming that they act in accordance with Compliance Policies and Code of Ethics of SOCAR Turkey.

Activities in 2020:

- A working group was established and the Code of Ethics was updated.
- The Procedure for Representation and Entertainment was updated, and limits were changed.
- The Anti-Corruption and Trade Control Policy was divided into two, and Anti-Bribery and Anti-Corruption Policy and the Trade Control Policy were developed.
- The procedures associated with these policies were excluded from the policies and updated, and they were made available as independent documentation.
- The digital assistant was put into use for the control and risk rating of exclusion lists, which is a part of the integrity due diligence process on trading parties, and the process was automated.
- 2nd level controls were designed and commissioned.
- SAP PDP module was purchased and introduced to the natural gas business unit companies to ensure compliance with LPPD, and it is planned to be put into operation in January 2021.
- All the employees in Compliance Department received Professional Competence Certificate of Ethics and Compliance Management.
- Online (video and class) trainings were held.

- The motto "Compliance Starts with You!" was created, and various announcements and reminders were made with this motto throughout the year.
- Annual Compliance Plan for 2021 was compiled, submitted to the Ethics and CSR Committee, and entered into force upon approval of the Audit Committee.
- For compliance with the Corporate Governance Principles, a comparison study involving 50 companies was made and submitted to the Corporate Governance and Sustainability Committee.

Prioritization of Protection of Company Resources and Proper Work Attitude:

Everything provided to us to do our job is a resource of SOCAR Turkey Group, and no resource is unlimited. In SOCAR Turkey Group, we protect and appreciate what belongs to us, and do not wait for the resources provided to us to run out. We use the resources of SOCAR Turkey Group only for the business and interests of SOCAR Turkey Group.

Anti-Corruption and Trade Controls:

We, as SOCAR Turkey Group, have a zero-tolerance policy against any and all kinds of corruption, including bribery, money laundering and financing of terrorism. We believe that happy and peaceful individuals, who are rewarded for their work and efforts, can only be found in societies with strong fight against corruption. The same applies also for the enterprises and organizations where no corruption exists. Therefore, we, as SOCAR Turkey Group, attach importance not only to commercial earning, but also to doing our business in a truthful and proper manner with high business ethics. In order to ensure that our high standards of business ethics are met by the trading parties with whom we do business during our commercial activities, we conduct integrity due diligence on these trading parties, and check and ensure that they comply with our values set within the scope of the Code of Ethics.

Conflicts of Interest:

The interests of SOCAR Turkey always take precedence of individual interests. Wherever we act on behalf of SOCAR Turkey, we do what our business requires and represent both SOCAR Turkey and ourselves in the best manner possible. This means protecting the interests of SOCAR Turkey even when no one can see or know. We should keep in mind that character is the behavior when no one is watching.

Financial Control Systems:

The complete and correct functioning of financial control systems, which allow for self-identification, transparency, accuracy and accountability, plays a key role in the success of the company. SOCAR Turkey Group has designed its financial control systems so as to meet these four characteristics based on the highest financial standards available and applies them with the due diligence. At SOCAR Turkey Group, we always comply with the rules set to ensure complete and correct functioning of the financial control systems, and thus, contribute to the success of SOCAR Turkey Group.

Protection of Confidential Information and Personal Data:

All information, including personal data, which we obtain for SOCAR Turkey Group or with respect to commercial activities of SOCAR Turkey Group while doing our business, is confidential, and inappropriate or unnecessary disclosure thereof by employees even within SOCAR Turkey Group should be avoided. We protect SOCAR Turkey Group and the future of SOCAR Turkey Group by protecting confidentiality of the information we obtain. For the personal data we process while doing our business, we act in accordance with the Law on the Protection of Personal Data Nr. 6698.

Individual Responsibility and Reporting:

The one who is not a part of the solution is a part of the problem. At SOCAR Turkey Group, we make OURSELVES HEARD through appropriate communication channels and thus, become a part of the solution to be generated. For all questions about Compliance Policies of SOCAR Turkey, you can reach the members of Compliance Department of SOCAR Turkey directly by e-mail to compliance@socar.com.tr or by phone.

Ethical Reporting Channels:

- You can contact with the Compliance Department of SOCAR Turkey through the following ways.
- e-mail to etik@socar.com.tr
 - voicemail to answering line at +90 212 305 02 50
 - sending letter to Levent Mahallesi, Carsi Caddesi, Karakol Sokak, No: 14, Besiktas, Istanbul/Turkey
 - sending letter to other mailboxes available for use in offices, sites and plants.

Awareness-raising activities (training, meetings, orientation, bulletin publication, etc.) and internal communication campaigns are carried out regularly in order to create and raise awareness towards the Code of Ethics of SOCAR Turkey.

While choosing the parties with which they will do business, SOCAR Turkey and its group companies pay attention to choose the ones that can act in accordance with the values set forth by the Code of Ethics SOCAR Turkey. Therefore, SOCAR Turkey and its group companies ask all potential trading parties to read, understand and follow the Code of Ethics of SOCAR Turkey as required, and encourage them strongly to make efforts in this respect.

For this purpose, a digitally accessible and legible copy of the Code of Ethics of SOCAR Turkey is shared with all potential trading parties. This digital text is also available on <http://www.socar.com.tr/>, the official website of SOCAR Turkey, at the link [hakkimizda/etik_kurallari](http://www.socar.com.tr/hakkimizda/etik_kurallari), and is shared with those who request it via compliance@socar.com.tr.

Compliance Activities for Protection of Personal Data

SOCAR Turkey and its group companies have adopted as an essential principle to act fully in accordance with the provisions set forth in the Law on the Protection of Personal Data Nr. 6698, which entered into force in 2016 as per the Constitution of the Republic of Turkey, for protection and processing of any personal data they come into contact with during operation. In this context, various activities for analysis and identification are carried out to ensure compliance with the relevant law.

Ethics and CSR Committee

It is of great importance to do our business in a peaceful and productive working environment, while ensuring that our activities are carried out in accordance with the values of SOCAR Turkey. Ethics Committee of SOCAR Turkey was established for this purpose in November 2016. The Ethics Committee has been serving as the Ethics and CSR Committee since 2020. Ethics and CSR Committee gathered regularly in 2020 under the chairmanship of Mr. Zaur Gahramanov, the CEO of SOCAR Turkey.

Contact

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